HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

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COMPRISING THE PERIOD FROM THE TWENTY-FOURTH DAY OF FEBRUARY, 1988
TO THE TWELFTH DAY OF APRIL, 1988

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HOUSE OF COMMONS

Wednesday, February 24, 1988

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*English*]

HARBOURS AND PORTS

CORNER BROOK HARBOUR DEVELOPMENT PROJECT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I am not accustomed to standing in the House and saying nice words about the Member for St. John's West (Mr. Crosbie), the Minister of Transport. However, today I think it is only reasonable, as I stand here holding the Transport Canada estimates which include some $17 million for the Corner Brook Harbour Development Project for the development of a container terminal, to say to the Minister of Transport on behalf of the people of western Newfoundland that we thank him for including this $17 million in Transport Canada's estimates.

Before I get carried away, I hasten to point out that this project was originally announced in 1983-84 by the previous administration, at a cost of $14 million at that time. It was subsequently put on hold. I am not cynical about the fact that it is back in the Estimates in an election year. We appreciate this project. Corner Brook has seen the start of two new container services. We have had a booming fishing industry. We need this kind of harbour development soon.

In 1984 we spent $370,000 doing the design and engineering work. Therefore, if Treasury Board approves these expenditures, there is no reason why this project cannot get under way soon. Then I shall truly say after the next election, when I am sitting on the other side of the House and perhaps looking at the Minister for St. John's West sitting over here: "Thank you for your help with this Liberal project. It was time that it got under way".

• (1405)

ABORTION

SUPREME COURT DECISION—PROTECTION URGED FOR UNBORN BABIES

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, I have received hundreds of letters from constituents who are deeply troubled by the implications of the recent Supreme Court ruling on abortion. One woman writes:

> I can't imagine women being so ecstatic about being able to kill their young, as demonstrated at the court's decision with the most dangerous man in Canada—Morgentaler.

Another woman laments:

> I am truly disgusted with our so-called justice system. If I don't speak for those thousands of unborn little babies, who will? Our society has now reached its lowest level possible: eliminating our own kind.

Another woman asks:

> What sort of nation will this become if we allow the courts to pave the way for human destruction? If we are allowed to murder the helpless unborn, what will be next? The crippled? The sick, the—elderly?

I strongly encourage all Hon. Members of this House to review their position on this very vital issue. It is our responsibility to protect the lives of an overwhelming portion of a future generation.

* * *

CAPE BRETON DEVELOPMENT CORPORATION

CUT IN BUDGET

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the budget Estimates which were made public yesterday clearly show that the Government of Canada is not concerned, nor committed, to fighting regional disparities. There can be no justification for a $70 million cut in the budget of the Cape Breton Development Corporation when unemployment in Cape Breton is running well above the national level.

The Prime Minister (Mr. Mulroney) loves to get up and speak about the Atlantic Canada Opportunities Agency and the money he has put into Atlantic Canada. The reality, however, is that the Atlantic Canada Opportunities Agency is a facade. He is cutting back federal moneys for the Cape Breton Development Corporation, taking that savings and putting it into the Atlantic Canada Opportunities Agency. He then has the nerve, the audacity, to say that all this ACOA

money is new and old programs will not be affected. What a sham!

Cape Bretoners are not buying the wheeling and dealing of this Prime Minister. He is not fooling anyone, just himself, as he will find out in the next federal election.

* * *

[*Translation*]

OBITUARY TRIBUTE TO QUÉBEC FEDERATION OF LABOUR PERMANENT DELEGATES

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, it is with great sorrow that we have learned of the accidental death of four Quebec Federation of Labour Officials: Guy Perreault, Director general, *QFL Construction*; Claude Proteau, Assistant director, *Fédération provinciale des ouvriers en électricité*; Jean-Claude Sureau, of the *Association nationale des travailleurs en tuyauterie*; Gaétan Boucher, of the *Association des mécaniciens industriels*.

As these union officers died while performing their duties, we wish to offer our sympathy in this House to QFL President Louis Laberge, as well as to the families and friends of the victims. We also wish to offer our condolences to relatives and friends of the pilot and copilot, Jean Verrière and Gary Gadouas.

* * *

YOUTH

POPULARITY OF OPEN HOUSE CANADA PROGRAM

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, since our Government came into office, in 1984, we have given great thought to the welfare of our youth, and this concern is expressed in the importance we attach to the programs conceived for them.

Moreover, Open House Canada, a very popular program, offers our young Canadian men and women exchange, travel and exploration opportunities within Canada, all year long.

From September 1984 to December 1987, the Progressive Conservative Government granted more than $115,000 under Open House Canada Programme in my Québec-Est riding.

Indeed, through that program, the Government shows the importance it ascribes to the cultural and social development of our youth. We do invest vast amounts of money to guarantee our young people a most promising and enriching future.

Young Canadians can rest assured, Mr. Speaker, that the Progressive Conservative Government works hard for them. We must not forget that besides our support measures, there is the free trade agreement that will secure all we have already and create hundreds of thousands of jobs for young people.

* * *

• (1410)

[*English*]

PESTICIDES

ALTERNATIVES SOUGHT TO USE OF CHEMICAL PESTICIDES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, this week the Standing Committee on Environment and Forestry will be hearing the first witnesses in an examination of alternatives to chemical pesticides. The committee is responding to the concerns expressed by Canadians over the heavy dependence on chemical pesticides in forestry, agriculture, urban settings, and around the garden. Chemical pesticides pose a threat to the users, those downwind, those who rely on surface and groundwater, birds, animals, fish, and wildlife in general.

Central to this issue is the system that we have to regulate new and existing pesticides in all their applications, which dates back to 1972. Clearly, the system is in need of being overhauled and modernized.

Therefore, we urge the Minister of Agriculture (Mr. Wise) to launch a full and public review of the legislation and regulations affecting pesticides to determine the changes that should be made to protect health, the environment, and our water.

* * *

HISTORIC EVENTS

SEVENTIETH ANNIVERSARY OF INDEPENDENCE OF ESTONIA, LATVIA, AND LITHUANIA

Mr. Jim Edwards (Edmonton South): Mr. Speaker, this month marks the seventieth anniversary of the independence of the Baltic Republics of Estonia, Latvia, and Lithuania. For barely a precious two decades these three small nations took their proud place among Woodrow Wilson's democracies—until their very existence was brutally crushed in the cynicism of the Hitler-Stalin pact.

Since 1940 the three Baltic peoples have withstood two invasions, post-war deprivation, deportation and retribution. Now, despite some improvement in creature comforts, they are subjected to constant loss of political liberty and daily attempts at Russification and, on this anniversary, with Soviet troop movements.

The spirit of freedom lives in Estonia, Latvia, and Lithuania, finding expression ranging from peaceful demonstrations through pamphleteering to self-immolation.

REGIONAL INDUSTRIAL EXPANSION

POSITION OF NEW DEMOCRATIC PARTY

Mr. Jack Harris (St. John's East): Mr. Speaker, why do members of the Government continue to avoid the truth about the New Democratic Party's support for Atlantic regional development and western diversification? Why do they make scurrilous comments about votes on Estimates in the House when they know that members of this Party have no direct opportunity to reply?

They know that in those Estimates they hid the legal bills for the former Minister of Regional Industrial Expansion in the amount of $650,000, a person who has been cited for 14 separate counts of breach of conflict of interest guidelines of the Government. To pay his legal bills was abhorrent to the people of Canada. The Government did not have the courage to have a separate vote for this matter. It hid it in about $3 billion of Estimates for general programs, including the Atlantic Opportunities Agency and the Western Diversification Office.

Will they say we are also against old age pensions which were included in these same Estimates? The people of Canada are on to their hypocrisy. They know that the Government has failed in regional development and can only strike out against the Opposition.

* * *

ABORTION

SUPREME COURT DECISION—PROTECTION URGED FOR UNBORN BABIES

Mr. Gordon Taylor (Bow River):

THURSDAY, Jan. 28, 1988 will go down in the history of our country as 'Black Thursday', a day on which the Supreme Court 'sentenced countless unborn babies to death by abortion'.

These words, with which I concur, were issued by the assembled State Deputies of the Canadian Knights of Columbus.

I believe that the unborn child is a human being from the moment of conception. The decision of the Supreme Court, with two judges dissenting, does not change the law of God. We need strong legislation in accordance with biblical teachings to protect the lives of these innocent babies, 60,000 of whom were murdered in the womb in Canada last year.

I urge the Government to make it illegal to use abortion as a birth control measure. That will give thousands of unborn babies a chance to live, and it will bring glory and triumph to our nation.

S. O. 21

HUMAN RIGHTS

UNITED NATIONS COMMISSION RESOLUTIONS AFFECTING INDIGENOUS PEOPLES

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, the forty-fourth session of the United Nations Human Rights Commission is now in progress in Geneva. On the agenda there are several resolutions of immense significance to aboriginal peoples in Canada and throughout the world.

These resolutions call for draft international standards on the treatment of indigenous peoples; the establishment of a study into treaties between nation-states and indigenous peoples; and the designation of the year 1992 as the International Year of Indigenous Rights.

Unanimously passed and recommended for approval by the United Nations Sub-Commission on the Prevention of Discrimination and Protection of Minorities, these resolutions are supported by aboriginal peoples in Canada and throughout the world.

Despite the enormous achievement passage of these resolutions would represent for indigenous peoples and indigenous rights, the Government of Canada is actively campaigning against them. Instead of grasping the opportunity to play a world leadership role, Canada is being obstructionist. Canada should stop its nit-picking and get behind these resolutions. This message should be communicated without delay to the Canadian officials who are in Geneva today.

* * *

[*Translation*]

NEW DEMOCRATIC PARTY

UTILIZATION OF MEMBER FOR OSHAWA'S TELEPHONE CODE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, the chief organizer of the socialist party in the Province of Québec, Mr. Rémy Trudel, says that his criteria for being in politics are: honesty, honesty, honesty.

Two of his assistants, also political organizers in Abitibi, Mr. Michel Lemyre and Mr. Donald Houle, use and encourage others to use, for their phone calls, the code number given to another honest socialist, whose life is transparent and beyond reproach.

Mr. Speaker, in the provincial political organization of the NDP, in Abitibi, not only the telephone code number of the Hon. Member for Oshawa (Mr. Broadbent) is being used, but its use is also encouraged.

This is a dishonest use of taxpayer money by the socialist party. Is that the honesty of the socialist chief? How is he going to explain that to the House, today?

• (1415)

ORAL QUESTION PERIOD

[*English*]

TELEFILM CANADA

REQUEST FOR CHAIRMAN'S RESIGNATION

Right Hon. John N. Turner (Leader of the Opposition): In the absence of the Minister of Communications, I have a question for—

An Hon. Member: Anything else you want to talk about?

Mr. Turner (Vancouver Quadra): There will be a lot of things we want to talk about. I will wait for the Minister.

[*Translation*]

Mr. Speaker, my question is directed to the Minister of Communications.

This government's policy on film and on Telefilm Canada is marked by a lack of direction, incompetence, abuse of expense accounts, mass resignations and political interference. In short, it's a complete disaster.

Mr. Speaker, in the last two days in the House, the Minister made misleading statements, incorrectly quoted the wrong source about Telefilm Canada's debt and tabled only part of the Executive Director's letter of resignation.

Yesterday in the House, the Minister stated that the Canadian Film and Television Association fully supported Mr. Jean Sirois as Chairman of Telefilm Canada.

Will the Minister confirm today that, in fact, the Association's Chairman, Mr. John Ross, has asked for Mr. Jean Sirois' resignation?

[*English*]

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, as I indicated yesterday, I heard from the President of the Canadian Film and Television Association and he had indicated both their ongoing concern about the problems with Telefilm, and their desire to get those problems corrected.

They raised the question of reorganization within Telefilm and asked me to ensure that there would be consultation between Telefilm and the film industry. I have undertaken to do that. Those consultations will be under way tomorrow with a letter that will be sent out from Telefilm inviting their proposals with regard to appointments.

I would mention, Mr. Speaker, that the appointments to date are of a temporary nature, they are for a limited period of time, until the naming of a full-time executive director of Telefilm.

ALLEGATIONS CONTAINED IN FORMER EXECUTIVE DIRECTOR'S LETTER OF RESIGNATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, obviously the Minister was in great close touch with the Canadian Film and Television Association. Yesterday she said that the association approved Mr. Jean Sirois; today she admits that she received a letter and a notice from the President asking for the resignation of Mr. Jean Sirois. I am sure the House will be impressed by her very close contacts with the industry.

• (1420)

The Minister was advised by the Executive Director of Telefilm in his letter of resignation—and I am talking about the full letter of resignation which the Minister did not table—that Jean Sirois, her Conservative patronage appointee as Chairman of Telefilm, and I am using Mr. Pearson's words, "had engaged in expense account abuse, had helped arrange for financing for Hollywood movies instead of Canadian produced films, and had overstepped his mandate by providing financing for a film being made by a prominent Conservative in Quebec City".

The Minister was also provided with a legal opinion from the Department of Justice suggesting in strong terms that Mr. Sirois was overstepping his mandate as Chairman. What actions is she going to take about all these allegations?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I would advise the Leader of the Opposition that if he has specific charges to lay, he should stand on his feet and lay them, and he should not resort to smear and innuendo as is his wont and the wont of his colleagues. He does that time after time. If he has any charge to make regarding impropriety, or anything of that nature, he can be sure it will be followed up, as I followed up with the financial difficulties of Telefilm to see that those financial difficulties had management plans established and had interim management personnel put into place so that once again we could say that Telefilm is a success story.

If he doubts for one minute that I have been in touch with the industry, I will quote once again from the letter that I received. It says—

Mr. Turner (Vancouver Quadra): Which one?

Ms. Copps: Which one?

Miss MacDonald: From the President of the Canadian Film and Television Association. It says: "Telefilm Canada is a success story and will remain a crucial part of the success of the Canadian film and television industry, and the membership acknowledges your role and your staff's assistance in the gains we have made", and that is dated February 19.

Mr. Turner (Vancouver Quadra): Mr. Speaker, perhaps the Minister would be willing to table that letter. We are talking

about the complete letter, the full letter, not an edited version of it.

The allegations I was bringing to the attention of the House and the Minister were not my allegations. They were the allegations of the former Executive Director of Telefilm, Mr. Peter Pearson. I would be perfectly willing to table that incomplete letter rather than the abbreviated version that the Minister tabled yesterday.

INTRODUCTION OF FILM DISTRIBUTION LEGISLATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, not only has the Minister allowed Telefilm to become almost a total mess, and not only does the Canadian Film and Television Association want Mr. Jean Sirois, a Conservative patronage appointee, to quit as Chairman, but the Government's over-all film policy is now being dictated by Hollywood movie moguls.

Why is it that the Minister allowed tax changes to be made at the request of American film producers? Why is it that she has not yet presented her legislation on Canadian film distribution in the House?

Some Hon. Members: Right on.

An Hon. Member: What did you do when you had the chance, John?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker—

Ms. Copps: A free trade sell-out.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Minister.

Miss MacDonald: Mr. Speaker, for the last 40 years the film industry in this country has been pressing various Governments to introduce legislation that would ensure that the Canadian film market is a separate entity for film rights. For 40 years, Mr. Speaker, it has been attempting to get that inequity corrected.

For most of that 40 years a Liberal Government was in office, and not once did they ever address the problems of the Canadian film industry in this country. Not once. However, I can assure you, Mr. Speaker, that we will be bringing in legislation to deal with that inequity.

• (1425)

EXPENSE ACCOUNT ALLEGATIONS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, since the Minister has received Peter Pearson's letter of resignation and since she heard from Michael Spencer through Mr. Musgrove, why has she not investigated the documents which were offered to her about Chairman Jean Sirois and expenses in his expense account as well as his interference in the awarding of tens of thousands of Telefilm dollars to his Quebec City friends for the big show *Rendezvous 87*?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, once again I say to these Hon. Members that if they have specific charges to lay imputing wrongdoing, why do they not have the courage to get up on their feet and do so? They are not satisfied. They want to smear and they want to create innuendo.

I have taken it upon myself to ensure that auditors were sent in to look at the differences in the financial situation of Telefilm Canada which were reported to us. At one point there was a lapse predicted of $53 million. Subsequently there was an over commitment predicted of $48 million, a difference of $100 million. I wanted to ensure that that situation was dealt with and, as a result, auditors were brought in, a new management team was put into place, and new management systems were introduced for the first time so that now Telefilm can be put on a substantial basis.

I say to the Hon. Member that I am pleased Telefilm has been able to get itself out of the mess that it found itself in last year and I regret that the Hon. Member continues to try to undermine it.

REQUEST THAT CHAIRMAN BE SUSPENDED

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the important issue here is how to get help for feature films and for TV programs from the banking and financial institutions. That is what the Minister has failed to settle in this whole matter. The Minister is the one who is incompetent and the Minister is—

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

Mrs. Finestone: Will the Minister suspend Chairman Jean Sirois now, name a new executive director, and launch a full investigation into what has been happening at Telefilm Canada?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, the Hon. Member says that nothing has been done with regard to funding for Telefilm Canada. We added $33 million a year for five years, a total of $165 million to the Telefilm fund so that any number of new Canadian films could be made. I want to assure you, Sir, that I am very proud of what has happened.

Un Zoo La Nuit which has won international fame has been funded by Telefilm Canada. *I've Heard the Mermaids Singing* has been funded by Telefilm Canada. *Anne of Green Gables* has been funded by Telefilm Canada. All of these great films, all of these great series, has been funded by Telefilm Canada. I happen to be very proud of what Telefilm Canada has done and I regret that the Hon. Member wants to try to destroy it.

Oral Questions

PETRO-CANADA

SALE OF SHARES TO PUBLIC—PRESS REPORT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. A few years ago a Conservative Government announced its intentions to privatize Petro-Canada. That same Government lost a subsequent federal election.

According to news reports today, the present Conservative Government is about to move in that direction once again.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Having heard his quaint voices from the past behind him, and considering that in the 1984 election there was no mandate for privatizing Petro-Canada, not a single speech made by the Leader of the Conservative Party in the 1984 election mentioned this, and considering that Petro-Canada is desired to be kept in the public sector by Canadians today, will the Minister comment on this press report and assure us that this abominable course of direction will not be taken by the Government?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, first I may remind the Hon. Member that the Canadian Socialist Party, better known as the NDP, is probably the one that suggested creating a Crown corporation in the oil sector, and it has never won an election. Its suggestion never brought it to power, Mr. Speaker.

Second, this Government has a mandate to guarantee a market in the energy sector. Since 1984, this Government, in accordance with its mandate, has instructed Petro-Canada to operate on a commercial basis, and Petro-Canada has been doing just that, for the greater benefit of Canadians and Petro-Canada customers, since 1984.

Third, this Government also announced it would introduce a policy to privatize Crown corporations that are not considered to have a major policy role in Canada.

Fourth, since Petro-Canada is already operating on a commercial basis, we can conclude there is no major political role for Petro-Canada.

That is why, although the Cabinet has yet to make a decision at this time, the question of Petro-Canada is still being examined, both in my Department and in other government agencies.

• (1430)

[*English*]

POSITION OF UNITED STATES SENATOR

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I hope the Minister will keep that up and will say all the things outside the House in the subsequent election campaign that he just said inside the House.

I repeat that the Prime Minister, when leading the Opposition, made not a single reference to privatizing Petro-Canada during the 1984 election campaign.

Since certain U.S. Senators and Governors have recently objected to the Canadian tradition of having public-sector involvement in the economy, and specifically since Senator Baucus in a recent speech called such intervention a form of subsidy, will the Minister now admit that one of the real reasons the Government is about to re-run this old policy that is unacceptable to Canadians is recent pressure from the United States to do so? Will he admit that?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the Leader of the Socialist Party is welcome to visit the riding of Frontenac at any time—before, during or after the election campaign—to discuss whatever he wants, including Petro-Canada.

As for the stand taken by certain U.S. senators or private citizens, I am not in the habit of taking orders from other countries.

* * *

[*English*]

ENERGY

PRICE OF NATURAL GAS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I did mention that there was no commitment to privatize Petro-Canada in the last election campaign, but I do have, from the Conservative policy campaign book of 1984, a statement which I would ask the Minister to comment on to see if he will maintain this. With reference to a Conservative Government, the handbook said:

> We will adopt market sensitive pricing for exported natural gas, while ensuring that Canadians always pay less than their American neighbours—

That was from the Conservative Party campaign commitment of 1984.

In light of the free trade agreement the Minister has entered into with the United States and recent policy statements, will he explain why the Conservatives have completely abandoned their commitment to Canadians to have lower prices?

Mr. Nystrom: Lyin' Brian, lyin' Brian.

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I do not want to talk—

Mr. Speaker: Order, please.

Mr. Shields: We know where you got that one Eddie, from Bob White.

Mr. Riis: It's out of your handbook.

Mr. Speaker: I want to observe that often the Chair, in the exercise of common sense, chooses not to hear something. However, just a moment ago there was a remark which was clearly unparliamentary. I, of course, do not know who the Hon. Member was who made it and I am not interested in finding out at the moment. However, I am interested in making it clear that that remark was absolutely and utterly inappropriate and it did nothing to dignify these proceedings.

I would remind Hon. Members that when they do not have the floor and an open mike is available, however strongly they may feel they should not make their comments into the microphone of another Member when they are using language that is clearly inappropriate to this place.

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, first of all, I can inform the Hon. Member that as far as export prices are concerned, the Socialist Party is hardly in a position to criticize, because that same Party wanted to prohibit all energy exports. This Party was elected on a specific platform, but it was also elected to protect the interests of Canada, including the interests of the Western provinces. As far as our energy policy is concerned, I think the leader of the Socialist Party should go to Alberta and talk to the people out there. He would realize that this Government's energy policy promotes the interests of Alberta, and that Albertans are well aware of this, Mr. Speaker.

* * *

[*English*]

PETRO-CANADA

FINANCING OF PROJECTS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the Government said that it would privatize Petro-Canada. It did not do it. Then it said it would wait until the market was right and it never was right. Now it is saying it will privatize it when it needs money for energy projects. This really tells Canadians that they have to accept privatization or they do not get those projects.

Why is the Government coercing the Canadian public into accepting something they do not want, something that will be devastating for this country?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, first of all, I wish the Liberal Party would explain what is so bad about privatizing Petro-Canada. Second, I would like to point out that the present Government will make a decision about privatizing Petro-Canada when it believes it is in the interests of Canada and Canadians to do so.

[*English*]

GOVERNMENT POLICY

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, what is wrong with privatizing Petro-Canada is that if one share of Petro-Canada is sold to the private sector, it can no longer be used as an instrument of public policy. There is no way whatsoever it can be used for public policy.

Why is the Government destroying the National Energy Board? Why is the Government bent on privatizing Petro-Canada, completely abandoning the Government's role and the investment of the people of Canada in the energy sector?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I am surprised at the Hon. Member's position. I always thought that asking Canadians to own shares in Petro-Canada was hardly against their interests, and in fact, this is exactly what the Quebec Liberal Party is doing with its privatization program. It goes to show that Quebec has two Liberal Parties, the Socialist one in Ottawa and one that favours private enterprise in Quebec, Mr. Speaker.

[*English*]

EFFECT OF CANADA-UNITED STATES FREE TRADE AGREEMENT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I too have a question for the Minister of Energy. I would ask the Minister how he can rise in the House of Commons and claim there is no connection between this sellout of Petro-Canada and the trade deal with the United States when, in fact, one can see everything through the connections in pricing and through the connections in elimination of the control of our natural resources in the future. Why is the Minister prepared to sell out Petro-Canada and also tie it to the United States in a trade deal?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the Socialist Party has one obsession, both in the House and outside, and that is the United States. This Government does not have that kind of obsession. It feels that Canadian policies for Canadians can serve both the interests of the United States and those of Canadians, because when we are talking about trade and the exchange of products between countries, we are talking about the interests of consumers and producers.

• (1440)

[*English*]

CANADIAN INDEPENDENCE—MINISTER'S POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, this is a question of the future of Canadian independence in the energy field. Why is the Minister prepared to sacrifice this instrument of Canadian initiative, Canadian potential,

Canadian policy, in order to get a trade deal that will not benefit anyone in this country?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the Opposition is running out of issues to harp on. I can assure you that the policies and decisions of this Government with respect to Petro-Canada are formed and made here in Ottawa, by a Government elected by Canadians. Second, if the Government decides we should ask Canadians to buy shares in Petro-Canada and thus generate capital for mega-projects that will guarantee security of supply for Canadians, this will harm the interests of the NDP, not the interests of Canadians, Mr. Speaker!

* * *

AGRICULTURE

OPPORTUNITY TO ESTABLISH POTATO MARKETING BOARD—GOVERNMENT POSITION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is for the Minister of Agriculture. In the course of a study made Across the country, the National Farm Products Marketing Council realized that the table and seed segments of the potato growing industry face rapid and wide price fluctuations as well as uncertainty for the future. Could the Hon. Minister reassure our farm producers and tell them that, along with principal officials and the provinces, you are currently developing a strategy for the creation of a potato marketing agency that ensure stability and profitability of the markets, supervise quotas and bring long term growth to this whole area.

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's question. As he will realize, at the request of the industry I instructed the National Farm Products Marketing Council to carry out a study and a series of hearings and report to me. That process has been completed and the report advises that we proceed in two stages. Stage one is to establish the agency with all of the powers under the Act, Section 23, with the exception of those powers to supply and manage.

I want to assure the industry that we will be working very closely with it and the provinces to work out a plan that would indeed include supply management. I hope that would be possible in the not too distant future.

IMMIGRATION

DEPARTURE AND RETURN OF CONVICTED TERRORIST

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of Immigration and concerns the actions of the Government in the never-ending saga of this convicted terrorist which is embarrassing Canadians, pitting one Department against the other, and showing new low levels of incompetence, even for that Government.

Since the Government organized Mr. Mohammad's voluntary departure, can he finally be open with Canadians and explain how the plan was bungled, why Mr. Mohammad was prohibited from continuing his journey beyond London, England, and why the Minister failed to resolve any last minute difficulties by involving the Department of External Affairs rather than keeping it in the dark?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I think I was quite clear about yesterday's events. I will repeat what I said for my colleague's benefit. First, we were approached . . . The Government had always clearly stated that it would facilitate Mr. Mohammad's departure whether it is voluntary or through a deportation order, as we are doing now. Mr. Mohammad contacted CEIC officials and his lawyer suggested a voluntary departure based on deals and procedures that they themselves arranged. The Government is only facilitating Mr. Mohammad's departure from Canada with security measures and a certificate of identity. My hon. colleague will have to admit one thing unless he is against Mr. Mohammad's departure . . . But this would not be the first time his Party has conflicting positions. However now that Mr. Mohammad is back in Canada, for whatever reason he had, we are going on with the deportation procedure and the Government will not rest before he is out of the country.

[*English*]

Mr. Marchi: Mr. Speaker, the reality remains that this episode has been one giant comedy of government errors, incompetence and bungling. Canadians want to know when it is going to come to an end.

REPORTED LACK OF VISA TO ENTER ANOTHER COUNTRY

Mr. Sergio Marchi (York West): My supplementary is directed to the same Minister, Mr. Speaker. If the problem in London, England, was the lack of a proper visa or other document, can the Minister inform this House what precise actions he or the Government took to overcome that shortcoming? In fact, is the Minister telling Canadians that he was unable to arrange one single and simple visa? Is this a priority or not, and is the Government capable of completing a plan from start to finish without it ending up a charade from one coast to the other?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr Speaker, what the Government has tried to do is to make sure that Mr. Mohammad could leave the country as soon as possible. This is surprising coming from the Liberal Party when we have been trying for eight months to pass legislation to deal expeditiously with smugglers. Take a look at the Liberal Party, Mr. Speaker . . . They never have a definite position. For goodness' sake, let us know what your position is!

ROLE OF CANADIAN SECURITY INTELLIGENCE SERVICE

Mr. Dan Heap (Spadina): Mr. Speaker, my question is also directed to the Minister of Employment and Immigration. I appreciate his attemps to solve the conflict between Mr. Mohammad and the Immigration Appeal Board in a way acceptable to both parties, and I hope that in spite of the comments attributed to him in *The Globe and Mail* today, the Minister will not blame either Mr. Mohammad or his counsel for the failure of that project.

My question to the Minister is this: Would the Minister confirm, in relation with the comments attributed to Mr. Saleh by *The Globe and Mail*, that the Canadian Security Intelligence Service has, in communicating the news to the media, stopped that project?

[*English*]

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I can advise the Hon. Member that the travel arrangements were as set out by my colleague, the Minister of Employment and Immigration. They were made by Mr. Mohammad and his lawyers and friends. They were discussed with my colleague, the Minister. The RCMP provided protective surveillance. CSIS was not involved in any way whatsoever with the travel arrangements or this particular case.

REQUEST THAT MINISTER REPORT ON FAILURE OF PROJECT

Mr. Dan Heap (Spadina): Mr. Speaker, since it has been alleged by Mr. Saleh that CSIS failed to keep its part of an agreement, and in view of conflicting suggestions in the media, will the Minister of Immigration, the one who was attempting to produce a positive result in this difficult situation, undertake to report as soon as possible to this House on why this humane project failed?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I think I have essentially answered this question earlier when I mentioned that Mr. Mohammad had decided himself of the steps taken by him and his advisers to leave the country. The reasons why he did not succeed have nothing whatsoever to do with the Government action but result of steps taken by Mr. Mohammad himself.

And I believe that in all that has been said yesterday by his counsel and by concerned witnesses, no mention was ever made of any government responsibility.

As for the Hon. Member's question, Mr. Speaker, I can assure my colleague that I have never said . . . I have never blamed Mr. Mohammad, his counsels or his advisers.

* * *

• (1450)

[*English*]

AIR CANADA

FARES CHARGED FOR FLIGHTS TO LONDON FROM TORONTO AND HALIFAX

Mr. Howard Crosby (Halifax West): Mr. Speaker, are you sure the cameras come down to this corner? As I started to say 24 hours ago, before I was interrupted, I have a question for the Minister of Transport concerning Air Canada's policy on overseas air fares.

I think the Minister is aware that Air Canada announced air fares that provide a fare of $388 for those flying from Toronto to London while, at the same time, the fare from Halifax to London is $488. I do not have to tell the Minister what a concern that is to people from Atlantic Canada. We know that air Canada should be committed to equality in its policy across Canada. Will he investigate this discrepancy and report to the House as soon as possible? In the meantime, will he instruct Air Canada to exercise some fairness in airline policy?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I have a great deal of sympathy with the Hon. Member because the situation with respect to fares from Newfoundland to London, England, is definitely unfair as well.

Mr. Blackburn (Brant): Do something about it, then.

Mr. Crosbie: What are we going to do about it? The thing is, Mr. Speaker, that no one can understand airline fares. Why I should be expected to understand them, is beyond me.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear.

Mr. Speaker: Even if questions do not always elicit information, that one certainly received a frank response.

Some Hon. Members: Oh, oh!

Oral Questions

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF COMMUNITY DEVELOPMENT, ST. LUCIA

Mr. Speaker: I wish to bring to the attention of Members the presence in the gallery of the Honourable Stevenson King, Minister of Community Development, St. Lucia.

Some Hon. Members: Hear, hear!

* * *

AIRPORTS

PEARSON INTERNATIONAL AIRPORT—TERMINAL 3 PROJECT—REQUEST FOR PUBLICATION OF DOCUMENTS

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Minister of Transport. It concerns Terminal 3 at Pearson International Airport. Yesterday in a briefing by the Minister's officials in Toronto, one key element was left unsettled. Officials indicated that the bidders expected to be permitted some financial comfort from the Government. Two of the bidders deny this. Documentation was furnished to the bidders when they were preparing their proposals and officials did not make that documentation public.

If the Minister wants to support the argument that financial comfort was available, why will he not make these documents public so that Canadians can see exactly what the developers were told about the arrangements?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, yesterday in Toronto the committee in charge of this project gave a full explanation which I am told satisfied everyone who was there except the Hon. Member, who was quoted in the paper as saying: "We continue to be suspicious about the whole affair".

It is impossible to quiet the suspicions of the Liberal Party about anything. They have no policy, no program, no principles, and no decency. All they try to do is spread suspicion about everything. This is one project where even their best efforts will not get anybody suspicious about anything.

MINISTER'S POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, the officials would not make public the documents which they claim indicate that financial comfort was available. Two of the people who got the documents deny that they contain that assurance about financial comfort. Why will the Minister not settle it by making them public?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, perhaps the hon. gentleman wants to tell us who it was in these two development companies, to whom they spoke, and so on. The officials have stated the fact that all proposals called for persons interested to disclose their financial plan. They were all invited to do that.

As far as the documents are concerned, once the ground lease is signed with the winning developer whose bid was found by the committee and Treasury Board to be significantly superior to all others financially in both net present value and rate of return to Transport Canada, and after all conditions precedent are met, I see no reason why these documents should not be made available to the Standing Committee on Transport or other responsible authority.

* * *

[*Translation*]

TELEFILM CANADA

QUERY WHETHER MINISTER HAS CONFIDENCE IN MR. JEAN SIROIS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is for the Hon. Minister for Communications.

Yesterday she indicated that Mr. Jean Sirois, chairman of the board at Telefilm Canada, had the confidence of the industry. Today we find that Mr. John Ross, a major spokesman for the industry, has asked for Mr. Sirois's resignation.

My question is simple: Does the Hon. Minister still have confidence in Mr. Jean Sirois?

[*English*]

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, yesterday I referred to a letter that I had received from the President of the Canadian Film and Television Association. I quoted from it and will do so again. He wrote to me saying: "We share your distress over recent attempts to make political mileage out of, what for us, was old news". He went on: "We have been working with Jean Sirois in trying to get everything ready for a new Executive Director". I have quoted from this letter and will be very pleased to table it at three o'clock.

ALLEGATIONS MADE BY FORMER EXECUTIVE DIRECTOR

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I want to know whether the Minister still has confidence in Jean Sirois. Has the Minister read the letter that was referred to by the Leader of the Opposition? It is a letter from Mr. Pearson in which he says there is strident aggressive intervention on the part of Mr. Sirois, and he makes allegations that the expense accounts would not bear public scrutiny. He said that Mr. Sirois criticized some of the staff for being "rouge". These are not our allegations, but the allegations in the letter.

What will the Minister do about this mess? Does she still have confidence in Mr. Jean Sirois? Is she prepared to refer this to a committee of inquiry to get to the bottom of it?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, the other day I quoted from the letter from Mr. Pearson. I quote to the effect that he said, among other things: "I must also note for the record, the distinguished contribution of your party in the area of film and television production. From September, 1984, the Progressive Conservative Government has lived up to their commitment to strengthen Canadian production with dedication and with effort".

That is what was in the letter that I tabled the other day in the House and from which I quoted.

If the Hon. Member has charges to make against anyone in the organization whatsoever, bring them forward to me and I will see that they will be investigated. However, allegations, smear, and innuendo do not constitute the basis for investigation. Surely the Member would want to stand in his place and make the specific charges to which he seems to be alluding. I can assure him I will follow them up.

* * *

EXTERNAL AFFAIRS

CANADIAN IMPRISONED IN NEW JERSEY—TRANSFER OF OFFENDERS TREATY

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, in the absence of the Secretary of State for External Affairs my question is directed to the Solicitor General. I begin by thanking him and his officials, as well as the Secretary of State for External Affairs and his officials, for their interest and concern in the case of a Nova Scotia person by the name of Bruce Curtis who is incarcerated in a New Jersey jail.

The Minister will know that Canada and the United States signed a Transfer of Offenders Treaty which has subsequently been ratified by the state Government of New Jersey. Will the Minister explain to the House why there is such delay in New Jersey by Governor Kean with regard to releasing Bruce Curtis so he may come to Canada and be incarcerated in a Canadian penal institution?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I can advise the Hon. Member and Members of the House that his facts are quite correct. Indeed, the treaty was passed by our two countries and has been implemented by the State of New Jersey. Under the terms of that agreement, both the State of New Jersey and the federal Government would have to agree to the transfer. We have no objections whatsoever and we are prepared to facilitate it, but, first of all, New Jersey must make the decision to agree to it. We are awaiting its approval, which we hope will be forthcoming.

• (1500)

REQUEST THAT MINISTER MAKE REPRESENTATIONS TO UNITED STATES GOVERNMENT

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my supplementary question is directed to the same Minister. The Minister must be aware that the assurances being sought by the state Government, particularly Governor Kean, are beyond the provisions of the treaty. In essence, what they are attempting to do is amend a consummated legal binding treaty signed by Canada and the United States.

Will the Minister undertake to the House that he will make representations to the United States Government to have it live up to the provisions of the treaty it has signed and agreed to? Will the Minister come back to the House and give us an accounting as to why it has been so long that this young Nova Scotian has been incarcerated in a New Jersey jail?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I would like to advise the Hon. Member that, under the terms of the agreement, we are in no position to force the State of New Jersey to agree to this exchange. However, I can advise the Hon. Member that my colleague, the Secretary of State for External Affairs, on October 29, 1987, and February 8, 1988, wrote to the Governor of New Jersey requesting implementation by the State of the provisions of this agreement. I am hopeful that these letters written by the Secretary of State for External Affairs will bring forth a favourable response from the State of New Jersey.

* * *

POINT OF ORDER

TABLING OF LETTER BY MINISTER

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I mentioned during Question Period that I wished to table a letter from the President of the Canadian Film and Television Association.

ROUTINE PROCEEDINGS

[*English*]

PRIVATE MEMBERS' BUSINESS

PRESENTATION OF TWELFTH REPORT OF STANDING COMMITTEE

Mr. Bill Kempling (Burlington): Mr. Speaker, I have the honour to present the twelfth report of the Standing Committee on Private Members' Business in both official languages.

This report deals with the selection of votable items pertaining to the tenth draw which took place on February 9, 1988.

Introduction of Bills

WESTERN ECONOMIC DIVERSIFICATION ACT

MEASURE TO ENACT

Right Hon. Brian Mulroney (Prime Minister) moved for leave to introduce Bill C-113, an Act to promote the development and diversification of the economy of Western Canada, to establish the Department of Western Economic Diversification and to make consequential amendments to other Acts.

Mr. Speaker: Is it the pleasure of the House that the Right Hon. Prime Minister (Mr. Mulroney) shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

[*Translation*]

MEMBERS OF THE SENATE AND HOUSE OF COMMONS CONFLICT OF INTEREST ACT

MEASURE TO ENACT

Right Hon. Brian Mulroney (Prime Minister) moved for leave to introduce Bill C-114, an Act to provide for greater certainty in the reconciliation of the personal interests and duties of office of Members of the Senate and of the House of Commons, to establish a Conflict of Interest Commission and to make consequential amendments to other Acts.

Mr. Speaker: Shall the Right Hon. the Prime Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

Ms. Sheila Copps (Hamilton East) moved for leave to introduce Bill C-284, an Act to amend the Criminal Code (surrogacy arrangements).

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Ms. Copps: In brief, Mr. Speaker, the intention of this Bill is to make it illegal for anyone to make a profit out of either arranging or participating in surrogacy arrangements. It is a first step and I would hope that we would have a chance to debate this Bill at some point in the near future.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

PETITIONS

PROPOSED FREE TRADE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my privilege to present two petitions this afternoon pursuant to Standing Order 106.

The first petition is from a number of constituents who point out that the Conservative Government has no mandate from the Canadian people to conclude a free trade agreement with the United States. They believe that the proposed trade deal would deny Canada the policy freedom to determine its own economic future and thereby undermine our ability to build a society distinct from that of the United States.

Therefore, the petitioners ask Parliament to now dissolve and allow the people of Canada the opportunity to accept or reject the proposed trade deal during a national general election.

CANADIAN OWNERSHIP OF ELECTRICAL UTILITIES, DAMS AND WATER LICENCES

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my second petition is from a number of residents of central British Columbia. They point out that the West Kootenay Power and Light Company, with attendant water licences, was sold outright to Utilicorp United Inc. of Kansas City, Missouri, in the United States. They point out that Canadians are expressedly prohibited from similar outright purchases in the United States by U.S. law, and the 8,673 consumers in the West Kootenay Power and Light Company service area have signed a petition protesting the sale.

Therefore, they call upon Parliament to pass a law requiring majority ownership by Canadians of electrical utilities, dams and water licences so that Canadians citizens will be afforded protection of their sovereignty equal to that enjoyed by citizens of the United States.

REQUEST FOR IMMEDIATE GOVERNMENT ACTION TO ASSIST THE HOMELESS

Mr. Neil Young (Beaches): Mr. Speaker, I have a petition that has been sponsored by the National Anti-Poverty Organization which states that the Canadian Council on Social Development estimates that more than 100,000 people

were homeless at one time or another during 1986 in Canada, that an increasing number of young people, women and entire families have joined the ranks of the homeless despite a healthy Canadian economy, and that the number of affordable dwellings for low-income people is dwindling constantly and soup kitchens and emergency shelters are only temporary measures, not permanent solutions.

Therefore the petitions call upon the Government of Canada to act immediately to establish the necessary measures to ensure that homeless and poorly lodged Canadians, first, live in adequate and healthy housing, and, second, have access to a variety of rehabilitation programs in order to reintegrate into Canadian society.

• (1510)

PROPOSED FREE TRADE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the honour to present a petition signed by a number of residents of the City of Winnipeg. They state that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States and that the proposed trade agreement would deny Canada policy freedom to determine its own economic future and undermine our ability to build a society distinct from that of the U.S.

Therefore, the petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

Mr. Les Benjamin (Regina West): Mr. Speaker, I have the honour, duty and pleasure to present three petitions. One is signed by citizens of the Queen City of Regina. Another is signed by other residents of Regina, Swift Current, and Chaplin, Saskatchewan. The petitioners include citizens of the wonderful Town of Abbey, Saskatchewan, where, Mr. Speaker, you will be happy to know I was station agent years ago.

Whereas the Prime Minister (Mr. Mulroney) promised in the course of bilateral trade negotiations that Canadian sovereignty would not be compromised and that the proposed trade agreement not only denies Canadians secure access to the U.S. market, which was the key objective in these negotiations, but threatens the jobs of hundreds of thousands of Canadians, the petitioners therefore humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed trade agreement during a national general election.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the responsibility and privilege to table a petition signed by residents of Bowmanville, Oshawa, Janetville, Whitby and Chelmsford, Ontario.

The petitioners point out that the Conservative Government had no mandate whatsoever from the Canadian people to conclude a free trade agreement with the United States and, further, that the Prime Minister (Mr. Mulroney) promised in the course of the bilateral trade negotiations that Canadian sovereignty would not be compromised.

They state that the proposed trade agreement would deny Canada the policy freedom to determine its own economic future and undermine our ability to build a society distinct from that of the United States.

They therefore call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

[*Translation*]

REQUEST FOR INSTALLATION OF SUPPLEMENTARY SAFETY DEVICES IN AUTOMOBILES

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, I have the honour of tabling petitions signed by residents of Saint-Romuald, Saint-Jean-Chrysostome, Saint-Hyacinthe, Granby, Roberval, Saint-Henri, Taillon, Lévis, Charny, Lauzon, Montreal and the vicinity, Swift Current, and Gerald, Saskatchewan.

These 182 signatures are in addition to those on other petitions I presented earlier, a grand total of 32,368 signatures. The undersigned are aware that since 1974 the federal Motor Vehicle Safety Regulations allow the installation of self-inflating bags for private car drivers, and that this device would reduce the number of deaths and serious injuries.

Wherefore, your petitioners humbly pray Parliament to make it mandatory to install inflatable bags in the front seat of passenger cars and adjustable shoulder seat-belts for passengers on the back seat.

[*English*]

PORNOGRAPHY—SUPPORT FOR BILL C-54

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, I have the honour and duty to present a petition on behalf of a number of residents of Swift Current, Saskatchewan concerning Bill C-54.

The petitioners indicate that they are concerned that pressures exerted by various permissive minority groups may cause the Government to water down and weaken this legislation.

The petitioners therefore humbly pray and call upon Parliament to support Bill C-54 which will make it illegal to manufacture, import, sell or rent pornographic material as defined in the Bill. They call upon Parliament to pass the Bill without dilution in the belief that it gives recognition to the inherent dignity of individuals, particularly women and young people who are most vulnerable to exploitation in this area.

I have five additional petitions on the same topic from residents of Shaunavon, Swift Current, Herbert, and Vanguard, Saskatchewan.

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all questions on the Order Paper be allowed to stand.

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

Some Hon. Members: Agreed.

* * *

[*Translation*]

MOTIONS FOR PAPERS

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

Mr. Deputy Speaker: Shall all Notices of Motions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Tuesday, February 23, consideration of the motion of Mr. Wilson (Etobicoke Centre):

That this House approves in general the budgetary policy of the Government.

And on the amendment of Mr. Garneau:

That the motion be amended by deleting all of the words after the word "That" and substituting the following therefor:

"This House regrets that the Budget

1. Failed to redress the inequities of the tax system created by Government policies put forward during the last three and one-half years;

2. failed to put into place a regional development policy to compensate for the high interest rate policy of the Government;

3. failed to put forward a credible plan to deal with the national debt that does not unduly punish lower and middle income Canadians; and

4. failed to specify a Canadian approach for dealing with the instabilities of the international monetary system."

Mr. Neil Young (Beaches): Mr. Speaker, in the time I have remaining to me from yesterday I wish to spend a few minutes talking about the contents of the petition I presented to the House today. It dealt with homelessness in Canada and the inability or the unwillingness of the Government to bring forward any type of concrete policy to deal with this very serious social and economic problem. Certainly, in the course of numerous Budgets presented by the Government, including the last one, there has not been one provision that would alleviate the serious problem facing some estimated 100,000 Canadians who are homeless, and the thousands of others who are living in inadequate housing.

To illustrate that point *The Toronto Star* ran an article on homelessness in Metropolitan Toronto. It adequately describes the crisis that exists in that urban centre. Indeed, it could very well apply to major urban centres across the country.

It is pointed out in the article that in Metro Toronto alone some 20,000 people a year check into the various emergency hostels around Metro, filling each of the 2,500 beds every night of the year. Many more low income people stay in hostels, but they have been living in inadequate quarters. Some 10,000 or more people in Metro spend more than half their incomes on rent, with some spending as much as 70 per cent. According to data at the federal level, about 100,000 low income renters in Metro are desperate for decent housing which they can afford. Some 42,000 of these people are single.

I have addressed this question several times in the past in the House. I have urged the Government to do a number of things. The co-op housing sector is an alternative form of housing which many people could utilize. The co-op housing sector has provided housing for people in the disabled community, or for people on a fixed income. It has been filling a void in the housing market. Yet the Government has done absolutely nothing to encourage more construction of co-op housing. In fact, if anything, the Government has gone out of its way to restrict the limited effectiveness that the co-op housing movement has made. It could probably be argued that the co-op housing movement has probably done too good a job. The resistance to Government providing additional moneys for affordable housing is coming from the private development industry.

• (1520)

I would recommend to anyone in the House to read yesterday's *Hansard* at page 13071. In the last several months the Hon. Member for York East (Mr. Redway) has raised questions on homelessness, not only in York East but in Metro generally. The Hon. Member made a very strong and compassionate argument as to why the Government should be involved in developing affordable, decent housing.

In response to a question from the Hon. Member for York East, the Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Friesen) made what I could only consider to be an astounding and incredible statement. He is actually speaking on behalf of the Government, enunciating policy on behalf of the Government on housing matters. The Parliamentary Secretary said the following:

> Is the Hon. Member asking the Government to get into the financing of the housing industry? I suggest to him that there are some financial institutions that would express concern about a Government heating up the market too much with easy money by getting into the housing industry. That would not solve the problem in Toronto. If it becomes too easy to finance, the market could be heated up even further.

The Parliamentary Secretary went on to suggest, if not actually state, that if a person could not find decent housing in

Toronto perhaps he or she should consider moving to places like Winnipeg, Montreal, or Moncton.

The Parliamentary Secretary further stated:

> The Government has been involved, through CMHC, in what is called social housing programs where there is a subsidy for those individuals.

That is the financing through transfer payments to the provinces, Mr. Speaker.

The Parliamentary Secretary further stated:

> That also comes under somewhat of a misnomer because it is called affordable housing.

I do not know where the Parliamentary Secretary gets his ideas about how society has been provided affordable housing over the years. Governments at all levels have had a long history of being involved in constructing affordable housing, for very good reasons. It not only fills a social need, it is also a major creator of jobs in this country. For every one job that is created in the housing construction, there are an estimated three to four additional jobs created in industry in providing the materials and the other goods that go into housing. Housing not only involve some type of action on the part of Government to fill a social need, it is very much an important part of our economy. When the Parliamentary Secretary ignores that, and makes those kinds of stupid statements, it is far beyond me why he is in that job—it totally escapes me. He would be better transferred to something that he knows something about, because he certainly does not know anything about housing or its place in the economy of this country.

Yesterday I spoke about how the Government had managed, through successive Budgets, to look after those who have, and to take even more away from those who have not. Rather than improving a situation, the Government has actually made it worse.

Much of the debate on this Budget has centred on regional disparities. The Government has argued that indeed it has been concerned about disparities in the various regions of Canada, particularly in the West and in the Atlantic provinces. But what the Government has not spoken about is what it has been doing to the transfer payments to those provinces, which has put them in a bad situation.

I see that you are signalling that my time has expired, Mr. Speaker. Perhaps I will have an opportunity to pursue this matter at some other time.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, this has been a day full of activity in the House and, despite the distractions of other matters, I am glad to have the opportunity to speak during this Budget debate. I believe it is the role and the duty of the Opposition, our critic, the very capable Hon. Member for Laval-des-Rapides (Mr. Garneau), and the Leader of the Opposition to address what, after all, is the most important item on any parliamentary calendar, the review of the expenditures and the review of the taxation policies of a Government. The reason that Parliament is a Parliament is to debate the initiatives of the imposition of tax and the expenditures of a Government. No greater purpose do we have.

Without any reflections on any area of the House, I rather regret that in this televised age during a debate of this importance we have so few Members contributing to the deliberations before Your Honour.

The speech delivered in this House on the afternoon of February 10 by the Minister of Finance (Mr. Wilson), carried live by television across the country, was not a Budget. It was the longest single free time political broadcast in Canadian history. Just as we would expect from the Government, it did not meet minimum Canadian content rules. The Minister was too busy plagiarizing, particularly some of Ronald Reagan's old nautical rhetoric. He announced proudly to the House of Commons and the country that we are "staying the course". That is great if you are rich enough to own a yacht. It is great if you know where you are going and can get there on that yacht, but for the millions of men, women, and children who are living close to the poverty line in this country, staying the course means lining up once again at a food bank, lining up for shelter, hoping for food to get by, or hoping for some money for clothing. There are fewer and fewer opportunities in this great Tory world symbolized by the Minister of Finance.

For the people who cannot afford to stay the course, the Government is using another one of President Reagan's discarded theories; that is the trickle down philosophy. If you throw money at the wealthy by way of enough tax write-offs, by way of enough tax incentives, by lower tax rates, then over a period of time enough money will trickle through the fingers of the rich to fall into the grateful hands of the poor and those less able to pay their way in this country.

Over the break I was reading a little Darwin and a little Malthus. This was a Darwinian Budget. This was the survival of the fittest theory. The Tory theory is that if you leave the disadvantaged alone, you will force them, the handicapped, the aged, the unemployed, and the homeless, to pull themselves up by their own bootstraps, as if there was a moral issue in being unemployed, or something wrong in being handicapped. What the Minister did not tell us in his speech is that even here the Government put a tax on the bootstraps.

The Minister's speech was less a plan for the future than a very selected recapitulation, regurgitation of the Government's record since 1984. It was a free time political broadcast at the expense of Canadians, at the expense of parliamentary time. It was a dry run for the next election campaign. As speeches go, it was very dry indeed. The Minister gave us his own version of the economic Olympics, a series of charts, graphs, studies, and numbers by which he attempted to show that the country is doing better than any other of the industrialized world. As a diversionary tactic it is an impressive step. One must admire the public relations skill. It paints a pretty picture. If the whole story were in the Minister's documents, it would be very appealing, indeed, for Canadians. The fact that it is now being

distributed, thanks to the Canadian taxpayer, at public expense across the country, as part of the Government's propaganda machine, is not entirely irrelevant to the Minister's purpose. However, the speech and the documents do not tell the whole story. It is not the complete picture, at all, of what the Government has done since it came into office.

• (1530)

I had the honour of addressing McGill students a few months ago in Montreal, in the Stephen Leacock Building of McGill, named after one of the famous professors of that great institution and a great Canadian, one of our leading authors, probably the most naturally funny man we have ever had with intelligence in the country. He used to say that a half-truth, like half a brick, is always more forcible as an argument than a whole one; it carries further. I heard a corruption of that Leacock story one time, that a half-truth is like a half a brick; it is easier to throw and it hurts just as much when it lands. Anyway, the Minister is following that advice to the letter.

For example, in his speech he boasts that as a result of tax reform, 850,000 Canadians have been taken off the tax rolls, do not pay any more taxes. That is the first half of the brick. As the Hon. Member for Laval-des-Rapides has pointed out in his speech and in other interventions in the House and elsewhere, the Minister failed to mention the other half a brick. He failed to mention that in the last three and a half years under this Minister of Finance more than one million Canadians have been put on the tax rolls. Even with this phoney tax reform, we are still 150,000 people worse off in terms of taxpayers than we were when the Government took office.

As a result of the Minister's Budgets, the total tax bill over the life of this Government, including direct and indirect personal taxes, will go up, as my colleague has indicated, by an average of $1,200 per year per person, year after year. The Minister's argument is a couple of bricks short of a full load, but, as they would say down on the farm, it sure was a full load. It is certainly not the total story.

[*Translation*]

In his haste to claim the credit for the country's economic growth for himself and his Government, the Minister of Finance, probably inadvertently, included a very interesting fact in his speech, namely that Canada's economy started growing again in 1982 under a Liberal Government. It means that all this talk about inheriting a bad situation from a previous Liberal Government was just that, according to the Minister's speech, because he now realizes that our economic rebirth started in 1982 under the Trudeau administration.

Whatever the Minister may say about jobs created by the Conservatives, we have yet to get back to the employment levels we had before the recession. As the Hon. Member for Laval-des-Rapides (Mr. Garneau) pointed out, our unemployment rate is still above the level of 7.5 per cent, where it was before the 1981-82 recession. Our economic growth has been uneven. The unemployment rate in our disadvantaged regions is still at unacceptably high levels. In Newfoundland, it is still 17.4 per cent, and in British Columbia the unemployment rate is 10.1 per cent.

[*English*]

As my colleague from Laval-des-Rapides has pointed out, the average earning for Canadian workers, after allowing for inflation, is now lower than it was in 1984 when the Government took over. Take-home pay in constant dollars is now lower than it was when the Government took office.

Let us take another example. The Government has not only given us more taxes, and I will get into that in a minute, but more debt—the deficit and the national debt. The Minister said in his most stately and stentorian voice, as he looked earnestly up into the camera—his coaches were having him on for this document which no doubt is being sent across the country, videotaped at Canadian expense to every area of Canada—"We have restored fiscal responsibility by reducing the deficit and cutting the growth of the national debt". That is not even half a brick.

Here is a Government which has collected $22.5 billion more in taxes from Canadians in three and a half years by increasing taxes, yet in the same period it has managed to lower the deficit by only a token amount, an amount which my colleague from Laval-des-Rapides has pointed out was mostly arrived at by juggling the books, playing games with numbers, a little hidden accounting here and there, a few little caches to set aside for the election, rather than real decreases in the deficit or the debt.

Indeed, one of the largest accounting firms in the country, Peat Marwick, in its newsletter analysing the Budget, said that there is an element of sleight of hand to the tune of nearly $4 billion in the Minister's deficit projections.

In the meantime the national debt has grown astronomically under the Government. Here again the Minister goes out of his way to blame past administrations for his problem and for the level of the public debt. Why is it that the total response of the Government, still after virtually four years in government, is that it is always somebody else's fault? Why won't somebody on the other side of the House, beginning with the Prime Minister (Mr. Mulroney) and his Minister of Finance, say: "Hey, we goofed; yeah, we made a mistake"? It is because they have no backbone, no integrity, no honest approach with Canadians.

Let us look at the national debt. Has it gone down under this Government?

Some Hon. Members: No.

Mr. Turner (Vancouver Quadra): No. Has it been substantially reduced?

Some Hon. Members: No.

Mr. Turner (Vancouver Quadra): No. It has increased by 66 per cent since the Government took office. Let us go through the numbers.

Mr. Layton: It is a straight carry-over.

Mr. Turner (Vancouver Quadra): I am sorry that my friend from the West Island of Montreal did not hear my speech yesterday. He might have learned something. We were looking for his presence. He would have added a little comic relief to the afternoon.

In the 117 years of Confederation prior to 1984 when the Government took office, successive Governments incurred a total national debt of $178.6 billion. Then came the Minister of Finance, a knight in shining armour, some latter-day participant of the round table. He was going to smite that debt with his sword like it had never been smitten before, but like the round table of Prince Arthur, that commitment turned out to be a complete myth. After three and a half years the Minister's armour is not nearly so shiny. Instead of reducing the debt, thanks to this Minister and this Government, it has gone up to $293.4 billion, an increase of $116.6 billion or 66 per cent in the last three and a half years.

[*Translation*]

In other words, in three and half years the Minister has managed to accumulate more debt than all his predecessors were able to accumulate in over a century. Not bad! He is responsible for 40 per cent of the total debt incurred by Canada since Confederation. Forty per cent of the total public debt since Confederation in only three and half years! That is a record! He deserves a gold medal. He should come to Calgary with me this weekend, and I will give him a gold medal. Because of his record, he also deserves a silver and a bronze medal, as the champion of public debt since Confederation.

This Finance Minister has accumulated more debt than most of his predecessors put together. It will probably be an interesting detail to add to his biography, but it is a crushing burden on future generations of Canadians.

[*English*]

The Minister is also the leading candidate for a medal in the double back flip. I do not know whether you have been watching the free style skiing, Mr. Speaker, but there have been some great performances; Canadians are doing very well. The Minister showed a lot of style. We got a double back flip. We remember when he was at the top of the hill in 1984, standing with the Prime Minister and saying that he was going to get at that deficit and he was not going to raise taxes. He was not going to raise taxes. He was going to lower expenditures. That was a solemn commitment. It was one of those sacred trusts. Off they went and the Government has been back flipping ever since on that particular promise to Canadians. Although that event is closed, I think I can strike another medal just by way of supplementary for the Minister's personal library giving him credit for that bit of downhill acrobatics. I can get into the downhill, of course, Mr. Speaker. The Government has been going downhill for the past three and one half years as well.

• (1540)

Let us go through some of the numbers. The very first thing the Minister did in office was to slap a 3 per cent surtax on income. He had a special 5 to 10 per cent sale tax on the very wealthy. He removed that tax, preferring to hit low and middle income Canadians, and he came up with the $500,000 capital gains tax exemption. In the last three and a half years there has a been an orgy of Tory taxes. In three and a half years the Conservatives have raised the excise tax on gasoline by 5 cents a litre or 23 cents a gallon. A sales tax increase on gasoline add another 1 cent per litre in this Budget or 4 cents a gallon, for a total increase of 27 cents a gallon on gas since the Government took office.

I am sorry the Minister of Transport (Mr. Crosbie) is not here. I am surprised he has not objected. In that great Budget of his in 1979 when he lost the confidence of the House, and the people of Canada rejected the Conservative Government under leadership of the now Secretary of State for External Affairs (Mr. Clark), he was only up to 18 cents a gallon. He was a piker. He did not know in the House this afternoon what has happened to airline fares between Newfoundland, London and Toronto. That does not surprise anyone in the House, but that he should allow his successor, the Minister of Finance in the Conservative administration, to beat his great record of 18 cents and get up to 23 cents a gallon, well, that is our Minister of Finance and that is a real record.

There is virtually no aspect of Canadian activity on which the Minister has not either increased tax or added a new one. I am not at all convinced that this Government will stay in power too much longer. Its time is numbered but it would like to tax other things. I do not want to speculate, however.

[*Translation*]

In addition to very substantial increases in the tax on gas which, because of the regressive nature of these increases, hits low-income citizens hardest, especially those who must use a car to get to work, the Government has increased the federal sales tax three times in three and half years: from 9 per cent to 10 per cent; from 10 per cent to 11 per cent; and from 11 per cent to 12 per cent. And sales tax has been extended to goods on which no sales tax was paid before.

Again, low and middle income Canadians will be paying a disproportionate share of this regressive tax.

[*English*]

The Minister promised tax reform. Tax reform under this Minister has become a fraud. He promised to change the sales tax. He said in last year's Budget that the "federal sales tax is unfair and inefficient. It is a silent killer of jobs". Those were his words. The only change he has made has been to increase it. He is like a doctor who knows that a certain drug is harmful but, without knowing the reason, keeps giving you an increased dosage hoping for a cure. We must add to that the taxes on

alcohol and tobacco, which the Minister has raised four times, and the 12 per cent tax which the Minister has imposed on paint and wallpaper. Under the Government, even fixing up your house has come under his scrutiny and has become more expensive. There are new taxes on air travel. The Government does not confine itself to merely raising taxes on adults, like some schoolyard bully, the Minister has reached into the lunchboxes of schoolchildren right across the country and put a tax on soft drinks, candy and snacks. What a terribly perverted imagination the Minister has.

Just when the widowed grandmother, say in Winnipeg, thought she had saved up an extra bit of money to make a long distance telephone call to her grandchildren in Toronto, the Minister slapped a 10 per cent tax on all long distance telephone calls. My colleague, the Hon. Member for Laval-des-Rapides showed me the numbers in the lock-up. That tax will collect about $870 million this year and it will be a billion dollar tax within 12 months. To the people who have to stay in touch, those who are vulnerable, those who cannot get out and who are kept in their homes by sickness or age, the telephone is the only way they can keep in touch in a mobile country with children and grandchildren across the country. They are trapped and penalized very heavily by this increase in tax.

[*Translation*]

These taxes are hidden, they are sneaky. You don't really notice them until you get the Bill. They are practically invisible. But the sneakiest tax increase of all was the deindexation of personal income tax.

The Minister keeps quiet about this. He didn't even mention it in his Budget this year. It is a very simple decision that will cost Canadians billions of dollars more annually, but he kept quiet about it. And here again, low and middle income Canadians will carry the heaviest burden, while the wealthy will pocket hundreds of thousands of dollars worth of capital gains.

When I was Minister of Finance, we indexed our tax system to avoid penalizing low and middle income Canadians and to protect them against the impact of inflation on our progressive tax system.

By eliminating this protection against inflation, the Minister, in an underhanded and cowardly fashion, is putting an invisible tax burden of billions and billions of dollars more each year on the people of this country, and Canadians must realize this.

[*English*]

The gap between rich and poor widens in this country. Just take a look at the tax results under the four Budgets presented by the Minister. Canadians are looking for answers. They are asking themselves, why is this disparity so great? Why is the gap widening? Why is the situation getting worse? I want to tell Canadians that they need look no further than the Government sitting opposite. They need look no further than the Government which has misled the people, deceived low and middle income Canadians with phony election promises.

The Government decided long ago which side of the gap it was on. It was not on the side of the working poor, the single parent, the old age pensioner or the young couple. It was not on the side of the farmer, the fisherman or the unskilled labourer earning about $5 an hour. No, the Tory message of this Minister of Finance in four successive budgets is this. If you are rich, you are okay; if you are not, you will pay.

This Government has increased taxes faster and higher, $22.5 billion more in three and a half years, than any Government in Canadian history and that includes the Governments of Canada which had to preside over two world wars in which this country was involved. This Government did all that after solemnly pledging to Canadians that it would do no such thing, that the Government would not raise taxes through the personal commitment given by the Prime Minister to the Toronto Canadian and Empire Clubs in August 1984 just before the election and a commitment given by his now Minister of Finance in the same month. This country is littered with the broken promises of this Government, promises which have been torn up; they are not torn up by me—there is only one document I am interested in tearing up—but by the very Prime Minister and the Ministers who make them.

[*Translation*]

Who can forget the attacks the Government made against old age security and family allowances, after having heard the Prime Minister (Mr. Mulroney) solemnly declare social programs were sacred and untouchable? Who can forget the bankruptcies of Northland Bank and the Canadian Commercial Bank which cost billions of dollars to Canadian taxpayers, after having heard him promise us he would manage the affairs of the nation with competence? Who can forget the billion dollars sunk in the Gulf-Reichmann affair and the $200 million spent for the takeover of the Bank of British Columbia by the Hongkong Bank? No wonder the public debt is rising so rapidly under the present administration!

Who can forget the promise the Prime Minister made of giving us an honest government, after having seen Ministers resign one after the other because they were involved in all kinds of scandals? The only thing the Government did more often than promise us better conflict of interest guidelines is break its own present code of ethics.

• (1550)

[*English*]

Where was that famous commitment to put an end to patronage appointments? Instead, the Government has been turned into an employment agency for the Tory faithful.

I suppose it will be quite natural that, despite the importance of the subject before Your Honour this afternoon, the media this evening will focus on the new legislation introduced by the Prime Minister on conflict of interest. We will look at it

in a constructive way. It seems to duplicate legislation tabled in the Ontario Legislature. It will involve every Member of Parliament. There are tremendous gaps in it. It has nothing to do with the process of letting government contracts. It has nothing to do with the process of letting government advertising. It has nothing to do with the process of making senior appointments, this patronage game that the Conservative Government under the Prime Minister has turned into a new art form. It has nothing to do with registering lobbyists, the type of lobbyists who succeeded in obtaining the bid for Terminal 3 in Toronto.

We will look at the situation constructively, but nothing in that legislation will in any way impress the Canadian people, except they will feel that it is last minute death bed repentance. They will feel that this conversion to public ethics is too late. They will not be confused by feeling that any Government can codify public conduct, public ethics, a public feeling for what is right and public judgment when the Ministers of this Government cannot comply, no matter what are the conflict of interest guidelines.

To say that this Government has not lived up to the expectations it itself created is the understatement of the decade. By all indications, it intends to approach the next election the same way it did the last. I would only caution the Prime Minister and government Members to remember the old saying when next they go before Canadians, "Once bitten, twice shy". When I went to high school in this town, we had a teacher of English who used to say to us, "Fool me once, shame on you. Fool me twice, shame on me". The Canadian people will not be fooled twice. They will render the proper judgment to the Prime Minister and his colleagues.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Canadians do not like being misled. They do not like being told that someone intends to do one thing and then does the exact opposite. This is true not only of politicians and Governments. If one pays a plumber to fix the sink, one does not expect him to tear down the garage. If one buys an airplane ticket to Vancouver, one does not expect to end up in St. John's, Newfoundland. If one buys a car that advertises 40 miles to the gallon, one feels a little disappointed if it only gets six miles to the gallon.

When a leader of a political Party, before an election, as the Prime Minister did, says that free trade affects our sovereignty and we will have none of it, Canadians expect at the very least an explanation of why the Prime Minister changed his mind. Before the election, in the Prime Minister's mind, it was a totally untouchable subject, something which would so damage our sovereignty that it was not even to be discussed. Yet only a few months later, this same Prime Minister said that it was the only solution to all our economic difficulties. It became the Government's excuse for inaction.

Our young people, looking for adequate training programs, looking for jobs and for a better future, were told to wait for the trade deal. The Atlantic, the Gaspe, northern Ontario, the western provinces, the territories, Vancouver Island, those areas facing economic hardship, were told to wait for the trade deal. Our farmers and fishermen were told to wait for the trade deal. The whole country was put on hold waiting for the trade deal. Then when it was finally unveiled it was a shock.

The centre-piece of this Government's economic plan, in fact its only economic plan, is nothing less than the biggest sell-out of Canadian sovereignty since confederation. We waited for three years for the Government to come up with a national economic strategy and now we find that, as a result of the proposed agreement between the Prime Minister and the President of the United States, all the important and big decisions will be made in Washington.

My Party and I opposed this deal, 40 to zip, here in the House of Commons when that motion was presented in the House of Commons before Christmas. I opposed this deal because in integrating our economy and society more closely with that of the United States we are dramatically limiting our ability to make our own choices for our own future.

The Government calls it a free trade agreement. It is not a free trade agreement. Some industries are in, some industries are out. It is a selective trade agreement. One must examine it as one would any other agreement.

[*Translation*]

Just like any other contract! What did we get, what did we give up? We did not get secure access to the American market. Do not take my word for it, Mr. Speaker, read the text, read the agreement itself! Article 1904.2 specifically provides that American protectionist legislation still applies, whether we are talking about the past, the present, or the future. And the jurisdiction of the binational tribunal is not to raise objection against American protectionist laws but only to rule whether the law has been fairly applied with respect to Canadian exports.

So we did not gain secure access, secure access to the American market. If it were only a matter of lowering tariffs, good! We support that approach with the United States and with other countries. Over the past 40 years the Liberal administrations have managed to reduce tariffs from 40 down to 4 per cent—ten times more than the Conservative Government has been able to achieve through this agreement with the United States! But there is more to it than a trade deal and lower trade barriers, it is more like giving up control over our economy, over our investments, over our financial markets, over our energy policy, over the mechanisms we have to monitor our agricultural policy, maintain our culture, protect our automotive industry, everything has been abandoned and we have won precious little as a result of this agreement. That is precisely why, after scrutinizing the agreement, we are adamantly opposed to it, and not for philosophical reasons either.

[*English*]

This is not a trade deal, it is the sale of Canada Act. I urge Hon. Members on all sides of the House to read the agreement. When I listened to the Prime Minister's speech, I wondered whether he had ever seen the document. Clause after clause, article after article, talks in terms of free market forces. We are in favour of the free market. We believe in competition. We believe in enterprise. We believe in rewarding success. However, I want to remind Hon. Members that this country was not built solely on free market forces. This country deliberately, since confederation, resisted the continental forces drawing us north and south by building a country east and west.

We brought British Columbia into confederation by building a railway. We built an airline, we built a broadcasting system, we built a national highway and we built a pipeline because we wanted to resist pure market forces and remain Canadians. Free market forces never gave us public education. Free market forces never gave us public transport. Free market forces never gave us the best public hospital and medical care system in the world.

We have not been an ideological people, we have been a practical people and we believe in a mixed economy. When private capital and private enterprise has not been able or willing to achieve a legitimate public objective, then we have believed that the Crown and the state has a legitimate part to play in the infrastructure of Canada.

I want to say one final thing about market forces. If we were to rely on market forces completely, it would mean that the Atlantic provinces, parts of Quebec, parts of Ontario and western Canada would be turned into one great national park. If we were to rely completely on market forces, the people of Atlantic Canada, western Canada and northern Canada would be centred in three cities, Montreal, Toronto and Vancouver. That is the kind of country we would have.

It is only because we have resisted pure market forces that we have built a public infrastructure. This country, under Liberal administrations, has believed in equality of opportunity. It has believed that no matter where one lives, where one is brought up or where one dies, one has the same equal opportunity to a job, to a good education, to training and retraining and to a secure retirement. That is the kind of country we built. We built it not on pure market forces, as symbolized by this agreement, we built it on a spirit of Canadianism which gives us equal opportunity across the country.

• (1600)

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): We did not hear from the Minister of Finance in his statement—that is all it was, a dry run for an election—about what role Canada was playing in the world. We did not hear about what position we were going to take on Third World debt or the position we were going to take at the IMF or the World Bank about refinancing that debt. We did not hear about the fact that the U.S. has become the largest debtor nation in the world, no longer in control of its own currency. We did not hear that the largest creditor nation is now Japan. The largest banking nation is now Japan. The three largest banks in the world are now Japanese. The Minister did not tell us how Canada was going to contribute to dealing with that avalanche of Third World debt, trade deficits and public debt.

I have called for a new Bretton Woods Agreement where Canada would exercise some leadership and sit down with the other industrial nations of the world to see how we can achieve real monetary reform, better reconcile our fiscal policies, how we can better reach out to the Third World to share the opportunities for a decent life. We did not have a paragraph or two about that, just the blandest words about what our responsibilities as Canadians ought to be. Nothing about achieving a new world economic order that would give us some assurances in the future that trading barriers will continue to come down. Nothing about world currencies achieving some stability or that Canada had something constructive to offer, as we have always done on the international plane. All the Minister and the Prime Minister are settling for is being a junior partner with the U.S. We have a good international role to exercise and we should be exercising it.

A trade deal is no substitute for an economic strategy. In the four Budgets we have seen from the Government the only strategy has been to raise taxes on low and middle-income Canadians and reduce support for those most in need. All these self-styled architects for a better tomorrow on the government side have done is give Canada a blueprint for a Tory Canada. The Tory vision of the future sees a Canada with an even greater widening of the gap between the rich and the poor, a gap that abandons our disadvantaged regions to the whim of market forces, a Canada that abandons our farmers, fishermen, miners and lumber workers, a Canada that dismantles our youth training and educational programs and, again in yesterday's Estimates, our research and development. It is a Canada where we eliminate our retraining programs for older workers, a Canada that constantly cuts back on research and development funding instead of increasing it, a Canada that sells out its sovereign ability to make its own economic, political and cultural decisions, through a so-called trade deal with another country. It is a vision of this country devoid of hope and bankrupt of ideas. It is not a vision that we share. That is why we reject this latest Budget. That is why we reject the Government's trade deal. That is why Canadians are going to reject the Government as soon as they are given an opportunity.

Some Hon. Members: Hear, hear!

• (1610)

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to the Minister of Finance): Mr. Speaker . . .

M. Rossi: It is no longer interesting, I am leaving!

Mr. Vincent: Such comments show that the Opposition is afraid to hear the plain truth.

Mr. Speaker, I have been listening to the debate on the Budget since it has been tabled and when I hear what Hon. Members opposite have to say, and I have just heard the Leader of the Opposition (Mr. Turner) speak, it strikes me that the Opposition has not made one single positive comment on the Budget, on what the Government has achieved over the last three and a half years. Not a single one. And this same Leader of the Opposition who prides himself on being fair, honest, open to all Canadians, does not even have the decency to recognize what this Government has done over the last three years and a half. Mr. Speaker, that is what is called speaking from both sides of one's mouth. And in Trois-Rivières, Mr. Speaker, people do not like that!

The Leader of the Opposition said earlier, as he had said before, that we had increased personal income tax by 68 percent since we came to power.

Mr. Speaker, as you well know, numbers can be made to say anything. I will simply say that according to his method of calculation he increased taxes by 76 percent during his years as Minister of Finance.

Mr. Speaker, once again according to his own calculations, it is clear that he is juggling with numbers. And it is no secret, Mr. Speaker, that that is what the Liberals did for 20 years. There is a reason why we found ourselves burdened with a $200 billion national debt and a $38 billion deficit in 1984. A deficit we successfully reduced by $10 billion—that is right, $10 billion—in three years.

And how did we manage this? Again, the Leader of the Opposition says we increased taxes by I do not know how much, $22 billion or $24 billion. And his backbenchers who never have anything to say and remained silent when they were in office now act tough and dare say it is true.

Mr. Speaker, they should have made themselves heard when they were in office instead of sitting on their hands.

Mr. Rossi: Ask your organizer what he thinks of you!

Mr. Vincent: Look how mean one can be, Mr. Speaker.

Talking seriously and not about those Liberal backbenchers who never do anything, we have reduced the deficit by $10 billion in three years and part of that reduction comes from the tax increase we have all been subjected to.

But the bigger part of the deficit reduction, that is 80 per cent, Mr. Speaker, comes from two sources: from cuts made in the governmental system and also, something the Leader of the Opposition overlooks entirely, from something called the creation of more than a million jobs. There are a million people who are paying taxes instead of receiving unemployment insurance. That is how we get to have supplementary revenue and how we have succeeded in lowering the deficit. But that is ignored. The Opposition counts that as rubbish.

But that is not rubbish, it is the reality in 1988, when we look at the Budget and especially the tax aspect of what was tabled with the Budget, the rules concerning associate corporations.

Mr. Speaker, what a trick many corporations were using, something like the scientific research tax credit that we terminated.

Although the Liberal Opposition regularly blames us for taxing low income people and not taxing corporations, for three and a half years, under the leadership of the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson), we have been plugging the majority of loopholes in the Income tax Act. This was one, and we closed it.

We also dealt with corporate control, which made it possible to use lower corporate tax rates.

Concerning personal income tax, concerning child care expenses, the level was $2,000—we raised it to $4,000 without setting a maximum, because there was an $8,000 ceiling. That used to be the rules under the Liberal Government. We changed that! A couple earning less than $16,000 can now get $559 a year per child in refundable tax credit, plus $100 in 1988 and $200 in 1989, if no child care expenses were claimed.

The seizure powers of the Department of National Revenue have been changed in order again that Canadian taxpayers do not have to suffer when a seizure is made without notice.

The sales tax has been changed to make it more consistent with the realities in 1988, while keeping in mind there will be a second stage in which major changes will be made.

I was mentioning earlier, Mr. Speaker, that in 1984-86 the deficit, that is as you know the amount of money the Government spent in excess of its revenues during a given year, was $38 billion. This year, Mr. Speaker, it is down to $29 billion. This means that over three and a half years, we succeeded in reducing by $10 billion the Government's annual expenditures.

The leader of the Official Opposition stated earlier the national debt has increased. That is true, Mr. Speaker, it has increased. The level was $200 billion when we came to power. But who was responsible for raising it to $200 billion. Certainly not us, because that was the level we found when we were elected to power.

It is important to emphasize, Mr. Speaker, that the level of the national debt had increased 150 per cent from 1980 to 1984. That is really something! Speaking of percentage, that one is hard to beat! Under this Conservative Government, for the first time since 1945, we have been able to reduce the

deficit four years in a row! That is an achievement, Mr. Speaker, the Opposition never mention. That is too painful for them, it hurts too much.

My colleague for Beauharnois—Salaberry (Mr. Hudon), who was a mayor in his riding before being elected to the House of Commons, knows what it is to manage, and his positive comments on the Budget prove it.

Debt servicing, Mr. Speaker, was $22 billion in 1984-85. In 1988-89 we will have to pay $32 billion worth of interest on their debts, not ours. However, Mr. Speaker, their debts are, unfortunately for Canadians, the debts of all of us. It is because of this—I won't use any unparliamentary language, Mr. Speaker—unfortunate administration of the previous Government that we now have this huge debt, and interest charges amounting to $32 billion on the debts of our predecessors.

You will note that despite this $10 billion increase in interest payments over three and a half years, we have been able to reduce the deficit. It means, Mr. Speaker, a difference of $20 billion in three and a half years. And they dare tell us, on the other side, that we don't know how to manage! Mr. Speaker, our policies are just and effective. We applied to the government the same principles of sound management used by private companies and municipalities.

The federal government owned, as you will remember, Mr. Speaker, lands and buildings that it was saving for some unknown reason. We sold them. Sound management is using the goods we need and getting rid of those we don't need.

The Leader of the Opposition was talking earlier about a "vision of the future". What can be the vision of that party which has at least three opinions on every major issue, Mr. Speaker? Whether it is national defense, free trade, child care or the Meech Lake Accord, Mr. Speaker, 25 per cent of Liberal Members have voted against it. And, believe it or not, among those were a lot of Members from Quebec. So, when I hear about a "vision of the future", I think that the Conservative Party and the Prime Minister have a definite vision of the future. And that vision could be summed up in three words: quality of life. Quality of life, Mr. Speaker, for my constituents of Trois-Rivières, for the people of Quebec and for all Canadians. And of course, Mr. Speaker, for your constituents as well.

And what does quality of life mean, Mr. Speaker? We cannot have quality of life in Canada or in any other country if people are out of work. It's priority number one.

Mr. Speaker, in three and a half years, the Conservative Party, along with the private enterprise—and not against it as was the case under the previous government—has created 1 200 000 new jobs. That is where the quality of life starts, through job creation. Development programs at the social and cultural levels have been increased, as well as regional development programs, at the same time as the deficit was reduced.

As far as social development is concerned, transfer payments to the provinces have increased by 2.7 per cent. Comparison between the years 1984-85 and 1988-89 shows $701 million more for insured complementary health services; $117 million more for post-secondary education; $837 million more for social welfare services, for a grand total of $2.9 billion more in 1988-89 than in 1984-85. Mr. Speaker, Old Age Security shows an increase; the Guaranteed Income Security: close to $1 billion has been added; Spouse Allocation shows an increase of $275 million; $178 million more will be spent under the Canada Student Loans Act; $200 million more are set aside as special measures to increase employment opportunities for welfare beneficiaries; transfer payments to territorial governments will amount to $330 million; grants and contributions to regional and economic development, in order to support the industrial and regional development are $868 million higher than in the 1984-85 Estimates, Mr. Speaker. The National Research Council gets $78 million more. Payments to railway companies reach another $140 million. External Affairs will get $779 million. Yet, Mr. Speaker, someone comes and tells me that the Government has done nothing, that it has no vision for the future!

Mr. Speaker, the figures speak by themselves. In all areas, there have been reasonable increases responding to the needs of Canadians, and I have not mentioned the national strategy concerning child care. There is research and development for which the Prime Minister has made very interesting announcements in January. The *Université du Québec* at Trois-Rivières has positively and publicly supported the announcement of the Prime Minister. It considers that initiative to be an excellent one and it is prepared to cooperate with the federal Government in that respect. I am not the one who says it. The Opposition will never mention it.

The federal-provincial agreements in a host of sectors are not, like before, strictly pertaining to resolve conflicts between federal and provincial governments.

Earlier today, the Leader of the Opposition talked about economic growth. Mr. Speaker, Canada has the fastest economic growth of all countries since 1984. He was talking about 1982. In 1982, we had interest rates of 22 per cent and he is telling us that it was then that we had economic growth. In 1982, we were paying interest rates. But since 1984, Canada has had the fastest economic growth and is also in the lead, which is as important if not more important, Mr. Speaker, for employment growth.

Once again, independent agencies are making that kind of decisions. The Leader of the Opposition, Mr. Speaker, just said that the Prime Minister and the Minister of Finance had no international vision. Mr. Speaker, for 15 years, the Liberal Government tried to make Canada a member of a renowned group called the Group of Five which is now the Group of Seven of which the most industrialized countries of the world are part. The Liberal Government attempted to have Canada as part of that select group, Mr. Speaker. That is what we would call going "international". And you know as well as I do

that the Liberal Government failed during all those years. The Conservative Government came to office in 1984, Mr. Speaker. And guess what happened. Canada is now a member of this group of the seven most industrialized countries in the world. That is what I call a vision of the future, Mr. Speaker, and that is also what I call "going international". We don't merely have a few words on paper as we used to previously, but actions have been taken, positive and specific actions.

For the last three days, we have been hearing about the one cent a litre increase on gasoline, among other things. Did you know, Mr. Speaker, that even despite of some increases in price, gasoline is still cheaper than in 1984 when the Liberals were in power. And that is not all! What is even more astounding and shows how that party can be vicious in its comments and how forgetful they have become, Mr. Speaker ... and I won't even mention the 18 cents a gallon, in 1980, those 18 cents that they doubled when they came back to power. But I just want to tell you, Mr. Speaker, that for a little over 10 years the average percentage of federal taxes on a gallon or a litre of gas has ranged from 17 to 20 per cent, and this covers the period when the Liberals were in power. Yet, with our increase of one cent a litre, the tax makes up 20 per cent of the price of a litre of gas. That means, Mr. Speaker, that when the Liberals were in power, we had the same tax percentage than we have now; yet they have the gall to criticize us, with their arms thrown up in the air and monstrous outbursts, when the situation was worse when they were in office, Mr. Speaker.

You are indicating to me that my time is nearly up, Mr. Speaker. I would just like to conclude by saying that in 1984, government expenditures increased by 14 per cent each year, I repeat by as much as 14 per cent a year, Mr. Speaker. Such was the financial management of the Government before the Conservatives took over: Government expenditures were increasing by 14 per cent a year. Today, Mr. Speaker, the rate of growth has been reduced to 3.5 per cent. This is good management, this is how you should govern a country and manage public finances brilliantly and logically while taking into account, as I have already said, the needs of the Canadian people, for instance as concerns child care. What the Canadian public needs before anything else, Mr. Speaker, is a better quality of life, and for this, we need a reasonable economic growth and proper job creation.

• (1620)

[*English*]

Mr. Orlikow: Mr. Speaker, I would like to direct two questions to the Hon. Member. In his speech he made it quite clear how proud he is of the Budget of the Conservative Government. I would ask him to comment on the views expressed by the Canadian Council on Social Development which includes among its members, virtually all Governments, federal, provincial and municipal, and all voluntary agencies concerned with all aspects of welfare. In its analysis of the Budget the council states there is no provision for increasing aid to Canadian families living below the poverty line, although the number of such people is now 851,000, up from 745,000 in 1980.

I would also like the Hon. Member's comments on recent reports that 20 per cent of Canadian people are functionally illiterate and that the percentage in Quebec is higher than the national average. That means that these people, for the rest of their lives, unless steps are taken so that they can become literate, can only look forward to either being on welfare or having the most menial and poorly paid jobs. Does the Hon. Member not think that a country as wealthy as Canada should be able to find the funds to start addressing these two problems which are so glaring and so obvious to anyone who wants to look at the realities of life in Canada?

[*Translation*]

Mr. Vincent: Mr. Speaker, I shall be pleased to reply to the Hon. Member opposite. There is always room for improvement, but this Budget is part of an ongoing process. If I told you, Mr. Speaker, that this Budget is perfect and that the public financial picture is perfect, you would not believe me, but I would not say such a thing. This Budget continues what we began three and a half years ago.

The Hon. Member speaks about the poor, but as I mentioned earlier, we have increased our support for all social development programs. Additional amounts have been allocated to these programs. It is perhaps partly, even though not totally, the fault of the Socialist Member if the party now in the Opposition spent foolishly what should have been spent to help Canadians when it was in power.

Before I was elected, on September 2, 1984, the party opposite approved a few million dollars in projects which the local people did not want. The Liberals introduced the scientific research tax credit in their last Budget. That cost all Canadians, whether poor or rich, a few billion dollars. What are a few billion dollars? They knew what would happen. However, these few billion dollars simply disappeared; they were not used for any scientific research, and they are no longer available for scientific research or to increase our support to those who need it, as the Hon. Member was saying. This money is no longer available to pay the interests on the debt. We have to live with that.

If tomorrow morning the Hon. Member lends his credit card to one of his friends and for 20 years the same friend every year goes over the limit and does not make the payments, after 20 years, our good friend and colleague on the other side of this House is going to have a bill exactly similar to the debt of the Federal Government. He is going to say: I have no money left, I have to pay off that debt. When his better half, his wife is going to ask him for money, he will answer: I cannot give you any because the chum I gave my credit card to for 20 years, during all that time he charged on it amounts of money exceeding what I could earn, and I am completely fed up. This

is where the problem is, Mr. Speaker, and this is what the Liberal Party did with the country's credit card!

• (1630)

[*English*]

Mr. Orlikow: Mr. Speaker, I would like to ask the Hon. Member to explain his support for his Government and the Budget when the facts are that, through increases in sales taxes, excise taxes and income taxes, the average Canadian family will pay in 1988 $1,000 more in taxes than it paid in the year before his Government took office, while at the same time 258 high-income earners who earned more than $200,000 in the last year for which we have records paid no income tax at all. A number of the largest corporations, the most profitable in the country, either paid no income tax at all or, even worse, received a tax credit despite the fact that they made tens of millions or several hundred millions of dollars in profits. Where is the justice for that type of situation continuing to exist?

[*Translation*]

Mr. Vincent: Mr. Speaker, I am disappointed with the question of my colleague on the other side of the House. Such comments are an incentive for Canadians not to carry their fair share of the tax burden.

Mr. Speaker, it is not true to claim that hundreds of thousands of companies do not pay taxes. That is not true.

We did away with practically all tax loopholes. As it happens, Mr. Speaker, I am a tax lawyer. We did plug a few loopholes, because loopholes we had before, that is true.

Mr. Speaker, when the Hon. Member makes that kind of remarks he fails to tell the whole story.

Some companies do not pay taxes, true enough, but why not? Because they incur losses and under the law—like you, Mr. Speaker, like any other Canadian citizen—they are allowed to file a statement to that effect. The following year any Canadian is entitled to write off losses against income in that year. Mr. Speaker, that is the law, and the law is fair.

If I report a loss in any given tax year it is only normal that I be allowed to write off that loss against my income the next year.

From that standpoint, Mr. Speaker, it is true that some companies do not pay taxes, but that privilege is not extended through their entire corporate life, there has to be a specific reason why they do not pay taxes in any given year.

In my riding there are a few companies which did not pay taxes in 1986, and I am pleased about that because they account for 200 jobs. They posted a loss for the previous year, Mr. Speaker, but they did manage to keep those 200 jobs.

Mr. Speaker, if a company makes a profit the following year, I think it has the right to write off losses and continue to expand, continue to reinvest in the company, and continue to create jobs and maintain sound economic activities. We all hope that today will be better than yesterday.

Mr. Speaker, the same principle applies in the case of individuals who do not pay taxes. Now that a minimum tax system has been set up, no longer are there any people who do not pay taxes, except for those who have incurred losses, supported charitable organizations, or made alimony payments. These are the only three reasons why a high, middle or low income earner will pay no income tax.

Mr. Speaker, it is about time the Opposition stopped misleading Canadians with all sorts of statistical data. We do not even know where they are taken from and they are not always true. They scare the people, they mislead them and also encourage them not to carry their fair share of the tax burden, Mr. Speaker.

We live under a system where all citizens must pay their taxes, Mr. Speaker, and you know as well as I do that between 75 per cent and 85 per cent of the money paid to the Government in any given year is returned directly or indirectly to the Canadian people, through interests payments, transfer payments to the provinces, old age security pensions, unemployment insurance, etc.

Only 20 per cent of the revenues of the State are used to administer the country, the remaining 80 per cent are returned to Canadian men and women. Mr. Speaker, I think that we are paying for that and the cost is high at that level.

[*English*]

Mrs. Mary Collins (Capilano): Mr. Speaker, I am certainly pleased to have the opportunity to speak on the Budget. It is the third time in the last four years that I have had such an opportunity following the presentation of Budgets by the Minister of Finance (Mr. Wilson). When the Budget was presented a short while ago one of the reactions that I received in my community in British Columbia was that it was boring. I tend to agree. In fact, I was quite pleased that it was boring because that is part of our over-all plan.

We have got away from the idea that every Budget should be full of new tax measures and all sorts of changes. We all wait until February, which is not necessarily the best time of the year, to make such changes. What we have done as a Government is to have introduced programs when it was appropriate throughout the year. A budget document comes forward now on a regular annual basis rather like a state of the nation summary in terms of our economic progress and with some adjustments, as we have seen in this year's Budget.

I see the Budget in terms of "steady as she goes". It is consistent with the plan of action that we set out in November of 1984 when the Minister of Finance produced his paper on economic reform.

I will not speak today about the other pillars of our policies which we have enunciated over the last three and a half years. I refer to the pillars of national reconciliation, constructive

internationalism and social justice. I will not talk about the accomplishments that we have made in these three areas. I will not refer to the Meech Lake Accord, the Commonwealth Conference, the international summit which is coming up and, in the area of social justice, the many changes we have made to the Criminal Code. I will not refer to affirmative action or the whole gamut of items which have increased the quality of life for Canadians. Today I will talk about economic reform.

When we took office three and a half years ago we set that as an important priority. We all recall the situation that the economy was in at that time. When we look at the changes that have occurred in three and a half years and when we consider the sound fiscal management which the Auditor General has given recognition to we see that it is really quite a remarkable record.

When the Leader of the Official Opposition (Mr. Turner) was speaking about 30 minutes ago he made some allusions to the Olympics in Calgary about which we are so proud. We are proud of those Canadians who have won medals for us, Brian Orser, Karen Percy, Linda Moore of North Vancouver who won the gold medal in women's curling, and Sylvie Daigle who won a gold medal yesterday in the women's short-track speed skating. These are outstanding Canadians, as are all the other Canadians who have been participating in the Olympics. They have instilled a sense of pride in us all.

It is important to recognize that Canada deserves a gold medal too since Canada is first in terms of economic growth. Indeed, we have been first each year over the last few years. We have placed well above most other industrialized nations. Real output growth has been estimated at 3.8 per cent in 1987. A statistic such as this may sound dry. What does 3.8 per cent mean? We all know that it translates into jobs. It means that families are enjoying a better quality of life, more security and that our young people are getting jobs. It means that some of our older people are able to stay on in the work force. So it seems to me that in this couple of weeks in which we are giving out gold medals for outstanding achievement in athletics the Minister of Finance should also receive a gold medal in recognition of Canada being number one in economic growth. Since Canada is also number one in terms of job creation he should be made a double medal winner. These achievements seem to me to deserve a gold medal.

We have all heard the statistics. Over 1.1 million jobs have been created since our Government took office. Some 486,000 jobs were created in 1987 alone. The majority of these jobs are full-time jobs in occupations with above average wage levels. As the Minister responsible for the status of women stated in her speech the other day, it is interesting to note the number of women who have filled the new jobs created over the past 3.5 years, and that 55 per cent of those jobs for women have been in the administrative and the professional areas. That means that they are in and going into the higher income areas. A terrific amount of change and advancement of the economy is occurring throughout the country.

• (1640)

As a result of that, we have seen the unemployment rate drop down to 8.1 per cent. That is the lowest it has been since September, 1981. The economic and employment growth last year were also more evenly spread throughout the country. That is something that we all feel strongly that we want to achieve.

In terms of the other indicators, inflation declined to 4.2 per cent by the end of 1987. It averaged only 4.4 per cent for the year as a whole. We all know the story of interest rates which means that mortgages have gone down by 3 per cent. To the person holding a mortgage of $50,000 on a house it means $1,200 less per year in mortgage payments. When you take all of those factors together, it is really an outstanding accomplishment which touches every man, woman, and family throughout the country, that indeed they are better off as a result of the Government's initiatives.

In light of the comments of the Leader of the Official Opposition what has happened is interesting. The plan that we presented in 1984 was to create a positive environment in which the free enterprise system could flourish, in which small business could develop, and in which the entrepreneurial spirit would grow in this country. We as a Party believe in the individual. We believe in the free enterprise system.

My hon. friend, the Leader of the Opposition, in his comments stated that "We don't know about that". What he was saying sounded to me as though the Liberal Party does not seem to believe much more in the free market system and would want to intervene. Probably they want to bring back the NEP which this Government got rid of because of its horrendous impact on the economy of western Canada. That Party would probably want to bring back FIRA, which indeed created fear in the hearts of potential investors and turned them away. This Government got rid of that.

We are now seeing the positive influx of investment dollars, particularly in British Columbia, which is well above the national average and which means so much for the ordinary Canadian. It seems that the Leader of the Opposition not only wants to tear up the free trade agreement, he wants to bring back an era that, in my mind, would lead to despair in the hearts of Canadians across the country.

I wish to turn to the control of the deficit. In my constituency of Capilano I receive a lot of questions on that subject. I met with some groups over the past two weeks to talk about the Budget. I am constantly asked, "What has your Government done to deal with the deficit?" People are very concerned about it. They know that in their own households if they spend $4,000 or $5,000 more each year than they are bringing in, they will soon be in trouble with their friendly banker. When they see the government deficit rising or seeming to be as it was prior to 1984, and out of control, it is a cause of considerable concern.

We know that in 1984 the federal deficit, the national debt, was out of control. That year the deficit was up to $38 billion, up from $14.9 billion three years before. In those last three years of Liberal Government that debt had gone from under $15 billion to $38 billion. In fact, it had gone up at an average rate of 26 per cent per year.

There was not a smidgen of evidence from the Leader of the Opposition of what policies he or his Party would have initiated to control that deficit. If that had continued in the spendthrift way, the public debt today would be more than $100 billion higher than it is. That would have meant the equivalent of $16,000 more for each family of four. We had to turn the ship around. We had to deal with that when we came into office. Of course, we all know that that is not an easy thing to do. Our record of accomplishment has been significant, because it has been part of a plan that we have set out and stuck to.

We have seen the deficit of more than $38 billion when we took office fall to a projected $28.9 billion for the coming fiscal year. It will be the first time since 1945 that there has been a decline in the annual deficit during four consecutive years. The projections of the Minister of Finance as put out in the *Budget Papers*, are that the decline will continue over the next four to five years.

In dollar terms the deficit has been cut by one-fourth. But relative to the GDP, the Gross Domestic Product of this country, it has been cut in half in nearly a four-year period. By 1992-93, a few years from now, given our present plan of action, the deficit will have been cut to $19.5 billion. It will actually have been cut in half in dollar terms and by two-thirds relative to GDP. We have seen the prospect, as the Minister of Finance has told us, that during the later period of 1990s, if we can hold to this pattern, there is the possibility of not having an annual deficit. That would be something which I and my colleagues on this side of the House would certainly welcome.

We have been able to do this without harming economic growth. As I have already indicated, we have seen economic growth of over 3 per cent in 1987, projected to around 2.7 per cent in 1988-89, and in the year following that at 3 per cent. That is nice and steady, easy as she goes. That will mean increasing jobs, increasing economic activity during each of the next two years. The finance committee, on which I sat, heard some witnesses who were economists, and certainly some of those witnesses have borne out those projections.

Government spending has fallen from 25.7 per cent of GDP when we took office to 22.5 per cent in 1988-89 fiscal year. It will fall further in 1992-93 to 19.4 per cent. That means that as a percentage of our economy, government spending will be cut by more than one-quarter. We all know there is not always a lot of room. We know that we are committed in our transfer payments to provinces and individuals. There is not a lot of room to manoeuvre there. We have had to have very serious reviews of regular government spending programs, to make some changes, to make some reductions which Canadians have asked us to do. As the Minister of Finance announced in the Budget, there will be a further $300 million reduction in government spending in the discretionary programs in the upcoming year.

That is a solid record over the past 3.5 years which shows that we have been able to bring spending under control and bring the deficit under control. We are certainly in good shape to meet the challenges of the 1990s.

I would like an opportunity to talk a little about my home province and some of the implications of this Budget and our economic proposals for British Columbia. Over the past few weeks I have often heard comments from the other side of the House that it is all very well, but this economic growth and prosperity is limited to a circle around southern Ontario or Metropolitan Toronto. If one listened to that, one would think that somehow British Columbia was in terrible shape. I am very pleased to reassure my colleagues. The Investment Dealers' Association in its recent report indicated that the stories of our demise have been grossly exaggerated. In fact, in the report there are some very exciting statistics. The association sees the growth rate in British Columbia being over 3 per cent for the coming year, which would be above the national average. In fact, if one looks at what has happened over the past year, one sees some very exciting changes.

• (1650)

The number of people employed will rise by 2.5 per cent. We already know that unemployment in British Columbia has declined, on the average throughout the province, from 15.1 per cent to 10.1 per cent, a drop of 5 percentage points. In the Greater Vancouver Regional District it has dropped even further, to about 9.3 per cent.

We see that mining exploration in British Columbia has risen. The Investment Dealers' Association estimates that 1987 will show a record level of $125 million.

Capital investment, which I mentioned before, continues to exceed the national average at 21 per cent in the past year or up to $6.2 billion. That compares with a national increase of 8 per cent. People are really seeing the opportunities and advantages available in the British Columbia economy, and they are making investments which the Government encourages and supports.

The association also indicated that the outlook for the rather depressed coal industry in British Columbia would improve, in anticipating an increase in steel production world-wide.

Sometimes people do not think of manufacturing in British Columbia, but manufacturing shipments have increased significantly in the last two years. They have increased three times faster than in the rest of Canada. It is estimated that shipments increased to $22.9 billion in 1987, up from $20.6 billion in 1986.

Perhaps these are facts of which many of my colleagues are not aware. They show the dynamism of the British Columbia

economy in which 140,000 jobs have been created in the last three and a half years, five times as many as were created when there was a Liberal Government. We have seen total unemployment fall by 60,000 since 1984, as opposed to an increase in unemployment of 120,000 during the terms of the last Liberal Government.

I think it is always interesting to bring some of the other indicators to the attention of the House. Retail sales or consumer sales—people buying things—have risen by 13 per cent in the past year. It is much more than the general rate of growth. In fact it has risen by 36 per cent since the last election.

Turning to housing starts, when we have housing starts we have a very vibrant demand for lumber products. In 1987 housing starts were up by 40 per cent compared with 1986, up by 64 per cent compared with 1985, and up by 92 per cent compared with 1984. This means that many more people have homes and new accommodations. There has been a lot of activity in the construction industry as well as in the purchasing of furniture and appliances which go along with housing starts.

I could go on and on, but I will deal with a final indicator. When I read the local newspapers, *The Vancouver Sun* or the *Province*, I look through the help wanted pages and often the ones associated with the business pages. I remember a few years ago pretty slim pickings. We always wonder what we are going to do when we retire from politics and keep an eye on those ads to see whether there are any good jobs out there. I did not see many over those years, but since September, 1984, help wanted advertising has been up by 90 per cent, compared with a 53 per cent drop during the Liberals' last mandate. There is a real job demand for people out in British Columbia. I just wanted to bring some of those matters to the attention of my colleagues.

Many things have occurred during the last three and a half years. I will not have the opportunity to talk about them all. The Leader of the Opposition talked about the free trade agreement. In my constituents' minds—and we have had a lot of discussion about it—it will be the key to future economic growth with its opportunities to export. The Government is encouraging them to take advantage of Asia-Pacific markets. The new programs, the increase in our offices in that area, and the Asia-Pacific initiative which we have been funding along with the province, all offer some very imaginative approaches.

We see some tremendously exciting things happening such as tax reform, bringing in a fairer and more equitable system, reducing taxes for eight out of ten households, and eliminating taxes for 850,000 low-income Canadians. That too is important.

Surprisingly enough, the opposition Parties opposed the international banking centre for Vancouver. There is a great deal of excitement about it. The Budget, as part of a plan of economic renewal, along with all other activities of the Government, will provide new opportunities for Canadians and new security for Canadians. I am proud to award the gold medal for performance to my colleague, the Minister of Finance

Mr. Althouse: Mr. Speaker, I think the Hon. Member is quite right to be awarding the Minister of Finance (Mr. Wilson) the gold medal, particularly on his control of the deficit and his handling of the public debt. We see from the *Budget Papers* that the public debt, during his tenure, has increased by close to $100 billion. The public debt is now making up, according to his own papers, 51.8 per cent of the Gross National Product each year, as opposed to 44 per cent when he took over the job. He has in fact set new standards for public debt, standards which have not been exceeded since the years of the Second World War when we were trying to finance a war.

I wonder if that is what the Hon. Member had in mind when she was speaking in praise of the Minister's handling of the public debt, since he has carried public debt to the highest level the country has ever known, having contributed more than 30 per cent to the accumulated public debt in his brief three and a half years.

Mrs. Collins: Mr. Speaker, certainly I would be pleased to respond to that question and to explain once again that we are dealing with two issues—the annual deficit and the accumulated debt. First we had to get a handle on the annual deficit of $38 billion.

Perhaps my hon. colleague has some suggestions about how to reduce that to zero without having an adverse impact. Perhaps he was going to raise taxes. Perhaps he was going to totally eliminate social programs and transfer payments. Let us be realistic about it.

What the Government has done is to reverse that tide to bring down the annual deficit, to slow the rate of the growth of the debt.

Perhaps my hon. colleague would be interested to know that that net debt doubled from 1981-82 to 1984-85. Then, reflecting the smaller deficit, the growth in the public debt slowed appreciably. In fact, it will decline to 10 per cent in 1988-89, compared with an average of 24 per cent in the years coming up to 1984-85.

I am sure my hon. colleague has read the plans that have been put out. With the deficit as a percentage of GDP, reducing from 8.6 per cent in 1984-85 to 2.6 per cent in 1992-93, we will, over a period of time, also see the net public debt reducing as a percentage of GDP.

It will take some time because we cannot suddenly change the whole thing, but the direction is right and the policies are right and consistent with that.

• (1700)

Mr. Cassidy: Mr. Speaker, the Hon. Member is enthralled a bit by figures, but I would like to ask her what she is prepared

to tolerate. I heard her say that she expects the growth in the economy to be "slow and steady as she goes". I also note that in 1987 the unemployment rate through the year in British Columbia was 12 per cent and that that, in fact, as in seven of the other provinces across the country, was equal or higher than the levels of unemployment that prevailed at the time of the 1981-83 recession. There has been some improvement since the average for 1987. Even if—and this is unlikely—the unemployment rate were to stay at 10 per cent, I find that an unacceptable level of unemployment for British Columbia, which is my native province, or any other province for that matter.

Is the Member saying that it is okay to go slow and steady, to have economic growth and more or less just enough to keep unemployment from rising? It is expected to rise from the December levels during the course of 1988, according to the Finance Minister's statement. I am really surprised that the Hon. Member should become so insensitive to the impact of unemployment on her native province of British Columbia that she would be prepared to say that it is okay to tolerate a continuing level of unemployment at the level of 10 or 12 per cent in the Province of B.C.

Perhaps I have misunderstood. I certainly did not find in her speech any indication that there is a commitment to bring unemployment in British Columbia to full employment levels of perhaps 4.5 per cent, nor did I hear from the Finance Minister that there is any commitment to a real policy of full employment that will not just cover Mississauga and downtown Toronto but will also cover the Atlantic Provinces, Quebec, the Prairie Provinces and British Columbia. Is the Member committed to full employment? If so, why is she prepared to tolerate a Budget that will keep unemployment at around 10 per cent in British Columbia from now until the 1990s?

Mrs. Collins: Mr. Speaker, I am very pleased to respond to my colleague. Perhaps he was not listening when I told him about the report which came out recently from the Investment Dealers' Association which indicates that employment will rise by 2.5 per cent over the next year. It is anticipated to be 1.3 million out of a total labour force of 1.5 million. It has been this Government's policies over the past three and a half years which have seen the reduction in unemployment in B.C. from 15.1 per cent down to 10.1 per cent. That is 5 percentage points based on the kinds of programs we have implemented and the kinds of tax policy we have had.

In addition, and I am sure my colleague is aware, I am sure he has been listening to what has been going on around this House, the Western Diversification Program will have $1.2 billion over the next five years. That is a special program to address the special needs of western Canada, including British Columbia. I have been involved in all sorts of very exciting and interesting proposals from the private sector which sector will look forward to taking opportunities whether through loans or different kinds of assistance and to creating jobs with that kind of program which the Government put in place to redress some of the difficulties in the western provinces and B.C. I think the economy in B.C. has been performing well, but unemployment has not come down as much as it has in other parts of the country.

The Western Diversification Fund is in addition to the over $325 million in economic regional development programs which are for the provinces in forestry areas, small business, science and technology. In addition to the science, research and investment programs which the Minister of State for Science and Technology (Mr. Oberle) has introduced, there are all sorts of programs, including programs from the Minister of Employment and Immigration (Mr. Bouchard).

I look at my own riding and the implications of the job strategy program which is for women who have been unemployed and out of the workforce, and through a relatively small expenditure we are giving them the skills and the confidence to get back into the workforce. I met a young woman the other day who had taken advantage of our program, the team program. She is a university graduate who had been out of work and she is now linked up with an employer with tremendous success through some of the initiatives under the job strategy that we have.

Then there is the introduction of the entrepreneurial program, which has been a particular advantage for British Columbia. We have certainly benefited from the new investment and jobs which that program has created. If you took every Minister across the front benches of this Government and the kinds of initiatives which they have introduced you would find that they have all worked to the advantage of ensuring economic performance for British Columbia and to jobs for British Columbians. It is the kind of record about which I am proud and which we will continue in the rest of this mandate.

Mr. Jack Harris (St. John's East): Mr. Speaker, in preparing my remarks for this Budget debate, I asked myself what the people of St. John's East looked for in a Budget of the Government of Canada. My conclusion was that the people of my riding expect to see two things. First, they expect to see honesty. Second, they expect to see fairness.

When I heard the Minister of Finance (Mr. Wilson) in the House brag about the economic performance of the country since 1984, particularly in two areas, the area of interest rates and the area of jobs, I asked myself why he did not admit that both of these categories of economic performance are not to the credit of his Government but, in fact, are factors which resulted from the recession that we were as a country a part of as was all of North America. We came out of that recession coincidentally with the election of the Conservative Government in 1984. But the recovery had started before that. The cyclical nature of the economy is such as we all know, recessions occur, the economy bottoms out and things come back again. Small children in Newfoundland know that the seasons change, that the tide comes in and the tide goes out.

Mr. Crosbie: That is what you always said.

Mr. Harris: I will get to that in a minute. The Minister of Transport (Mr. Crosbie) is interested in what happened when the tide went out on the Liberal Government in Newfoundland. I hope he will listen carefully to the story I am about to tell.

Mr. Crosbie: I will.

Mr. Harris: We all know in Newfoundland that as the tide comes in and the tide goes out, one year is good for fish and the next year is bad. These things change. They are not changed by the Government, they are changed as a result of nature, and in the case of the economy they are the result of economic cycles.

The interest rates, for example, were very high in 1983-84, but they are lower now. We have heard many speakers, including the Minister of Finance, claim credit for that. They were also high in the United States and they are lower now. I suppose if the Minister of Finance and some Conservative back-benchers want to claim credit for that, they can claim credit for the low interest rates in the U.S. as well. Most Canadians know that these interest rates are part of a worldwide economic phenomenon and are not to the credit of this Government.

We hear about jobs, but again these jobs are claimed to have been created by the Government. I think most Canadians know that the Government did not create those jobs. We have seen the economy of central Canada in particular boom while most of the rest of Canada has not participated in the economic revival. When we look at the issue of fairness, Mr. Speaker, we also look at interest rates and jobs. We see the Governor of the Bank of Canada recognizing that interest rates in Canada are at a low rate but that there is now upward pressure. The Governor of the Bank of Canada says he will not decrease the rates because he is concerned about the economy in Ontario overheating. The people of Newfoundland and the people of the Atlantic region are suffering not from over-heating but from the cold wave which this Government has allowed to continue in Newfoundland's economy and in Newfoundland's unemployment rate.

When we look for fairness we also look at taxes and the phoney tax reform which the Government has introduced. When we look for fairness, we have to ask ourselves who benefits and who loses by these reforms. When we examine the details, we see that it is the poorer people, the people with families and the people earning minimum wages whose taxes are increasing and it is the wealthier Canadians who can afford to pay more taxes who are benefiting from this supposed tax reform.

• (1710)

When we look for fairness, we also look at how the Canadian economy spreads the wealth it has, the economic opportunities, employment and the share of the national income. Even the C. D. Howe Institute has recognized the unfairness of economic prosperity in Canada. It has said that unemployment rates in Ontario and Quebec in 1986 were near pre-recession levels in 1980, while elsewhere in the country they ranged from 40 per cent above 1980 levels in the Atlantic provinces to 150 per cent higher in Alberta.

When we look at economic progress, I think we have to leave out the recession. We should compare the current situation with the situation before the recession of 1980. Having gone through a recession and now back into a period of relative prosperity, the situation *vis-à-vis* central Canada and the Atlantic provinces and particularly Newfoundland is worse now than it was before the recession. That is what we mean when we talk about regional disparity. It is the difference between the situation in Newfoundland and the situation in central Canada. That difference is getting wider, it is not narrowing as we would have hoped and expected.

There is an increase in the disparity between the unemployment rate in Ontario and that of Newfoundland, not a decrease. That is a serious indictment of this Government's programs and policies.

We are not dealing just with statistics, these are real people who are suffering. In 1981, 26.9 per cent of unemployed Canadians were heads of family units. That number increased to 30 per cent in 1986, the last year for which we have figures. The unemployment rates and the disparity between the rest of Canada and Newfoundland are just statistics, but the reality is that the increasing numbers of unemployed are heads of family households.

We also know from Newfoundland statistics, from Statistics Canada and from the National Council of Welfare that the percentage of families living below the poverty line is in fact increasing. In Newfoundland in 1985, it was 20.7 and in 1986, it was 21.2.

The number of unattached individuals, those who are not members of families, whose incomes are below the poverty line, has increased from 45 per cent in 1985 to 49 per cent in 1986. We look at those indicators and ask ourselves if we are making progress or if we are going backward. The unalterable conclusion is that we are going backward. The disparity is increasing, the level of poverty is increasing and the percentage of people who are forced to live in unacceptable circumstances is increasing and not decreasing.

What kind of fairness is there when we look at what has happened in Newfoundland since Confederation in 1949? At the time of Confederation, in 1949, the earned income of Newfoundlanders as a percentage of the Canadian national average was 48.8 per cent. Earned income per capita is a valuable indicator of the comparable wealth and earning capacity of the people in an economy. That gap has narrowed slightly. In November of 1987, the per capita earned income of Newfoundlanders was 55 per cent of the national average. In the 38 years of Confederation, the disparity has been narrowed

by 6.7 per cent. However, let me tell Hon. Members when that happened. That did not happen over the whole of the 38 years.

The Minister of Transport might be surprised to learn that that gap was narrowed between 1949 and 1971 when the tide went out on Mr. Smallwood's Government and the tide came in on the Government of which the Minister of Transport was then a part, having also been a part of the tide that went out a couple of years earlier. The narrowing of the gap had all occurred by 1971.

What has happened since then? The figure has not changed. It is now exactly the same, give or take .2 per cent, as it was back in 1971. For 15 or 16 years, Newfoundland's position has not improved. These were years of a Conservative Government in Newfoundland and, for the most part, a Liberal Government in Ottawa. If we are to use that as a measure of our progress, if we have progressed by reducing the disparity by 6.7 per cent in 38 years, how long will it take Newfoundland to reach the national average of earned income per capita? It will take a further 288 years. That is the measure of the progress we have had in the last 38 years. In fact, from 1971 to 1988, we have had no progress, none at all.

It is not surprising, having heard those figures, that the Organization for Economic Co-operation and Development in its August report called regional disparity in Canada notable for its starkness in 1986. This is the same report that the Prime Minister (Mr. Mulroney) was bragging about in the House in late August and September. He did not emphasize that point. It came upon the Opposition to remind the Prime Minister that his Government had failed in that area.

Neither is it surprising, having heard these figures about the situation of Newfoundland, that the Economic Council of Canada would call regional disparity and the unevenness of growth in the regions of Canada the most serious economic problem the country faces. What has been the response of the Government?

Considering the magnitude of the total problem and the size of the Government's expenditures, the Government has in a miserly way provided $200 million for four provinces, and I have to put it that way because we cannot really divide it up. The Atlantic Canada Opportunities Agency will provide $200 million per year over five years. I worry about what will happen to Newfoundland in those five years.

I think it is possible that the Minister of Transport must have been asleep during the first six months of ACOA's operation. The Province of Newfoundland obtained from the programs that were being looked after by that agency in that six-month period a total of $6 million. Yet New Brunswick received in excess of $20 million, and Nova Scotia in excess of $45 million, and Prince Edward Island received $4.2 million. Not that we in Newfoundland begrudge the people of New Brunswick their industries or enterprises, that amount of money. We are very pleased to see that they will receive that kind of money. We realize they need that kind of development. However, the agency which is supposed to ensure fairness does not follow that principle among the four provinces where it carries out its programs.

• (1720)

The Atlantic Canada Opportunities Agency is welcomed, indeed supported by this Party, as the Minister of Transport well knows.

Mr. Crosbie: So you are going to vote against it.

Mr. Harris: It was supported by this Party at second reading, although we have some serious concerns about its make-up.

Mr. Crosbie: Why did your Member, Mr. Orlikow, say you are going to vote against it?

Mr. Harris: Mr. Orlikow speaks for himself.

Mr. Crosbie: Exactly. You all speak for yourselves.

Mr. Harris: We supported the legislation at second reading and we support the agency because it provides a new opportunity for regional development. Yet we have serious concerns about the Government's commitment as demonstrated by an amount of only $200 million for a problem of a very serious nature.

Mr. Crosbie: Only? That is a doubling. Where would you get the money? Your colleague was just complaining about the interest cost on the national debt. Where would you get the money?

Mr. Harris: We see the Government giving very scant attention to the most serious economic problem facing this country. The Government has a little nest-egg in its Estimates of $2.5 billion. There is some money that the Minister might ensure goes to regional development in Atlantic Canada.

Mr. Crosbie: Right on.

Mr. Harris: I hope he does. Everyone knows we need it. Where will we get the money? The Minister acknowledges that the money is there. We have to make sure that it goes where it is needed, and that is into regional development for Atlantic Canada and Newfoundland.

In summing up the situation with respect to this Budget, we see first an acknowledgement by social agencies, critics, writers and analysts across the country that this Budget does not provide fairness through tax reform. For example, as the Canadian Council on Social Development said, families with children have lost out as a result of the Government's policies. Starting with the 1985 Budget and continuing through the so-called tax reform proposals, families with children have lost ground compared to other Canadian households. This is the effect of partially deindexing family benefit programs, tax credits, and the tax reform measures.

Persons making the minimum wage will have their taxes increased by 25 per cent in the period 1984 to 1990. That is a 25 per cent increase in taxes for people who live on a minimum wage. That is the kind of policy the Government has pursued. That is not fair to the average Canadian. The only ones who really benefit from tax reform are the wealthiest Canadians, those who earn over $100,000 a year.

It is not fair to Canadian families, it is not fair to the regions of Canada, particularly Newfoundland, to have to endure a disparity which has not got better since 1971. It is during times of prosperity that we look to the Government to introduce these programs. Do not wait until we are back into a recession and say we cannot afford it. It is now, when there is a sense of prosperity across the nation, that we look to the Government to say that now is the time to spend the necessary money to ensure that regional disparity is reduced or eliminated.

Mr. Crosbie: Mr. Speaker, I have several questions. The hon. gentleman neglected to mention in his remarks this afternoon the efforts the Government is making to help overcome regional disparity. He neglected to mention that on Monday a new federal-provincial agreement was entered into with Newfoundland, signed by myself, the Minister of Fisheries (Mr. Siddon), the Premier of the province and the provincial Minister of Fisheries. That agreement deals with the inshore fishery and contributes $60 million to the well-being of the roughly 30,000 inshore fishermen of Newfoundland. There has never been a similar agreement signed to assist the inshore fishermen.

Ms. Mitchell: What is the question?

Mr. Crosbie: This is a prologue to my question. That money is all new spending, contrary to the bleatings and blitherings and, might I say, false statements of the NDP in Newfoundland.

The hon. gentleman might tell me why it is that the leader of his Party in Newfoundland, Mr. Peter Fenwick, consistently misinforms the public? He tells what can only be described as falsehoods and makes false statements such as the one quoted in the evening *Telegram* of February 24 where it said that about two-thirds of the funding in the five-year agreement was old money for the continuation of existing programs. That is a completely false statement. Every cent in the agreement is new money which will be spent in the year starting April 1, 1988. Why would the leader of his Party in that province make such a completely false statement and try to fool the people into thinking that this is a repetition of money already spent on existing programs?

I want the hon. gentleman to answer another point. How can he complain about a lack of attention to regional development in the Atlantic provinces when we have increased spending in the Estimates for ACOA? Why does his Party support the legislation with such faint praise? In fact, the Hon. Member for Winnipeg North (Mr. Orlikow) said his Party was going to vote against the legislation. As a matter of fact, the NDP did vote against spending on regional development earlier in this session. Why did the hon. gentleman not acknowledge the fact that ACOA will be spending $306 million, I believe? I do not have the figures right before me. Some $200 million of that is new money for new programs and $106 million is going to be spent on programs which were earlier administered by DREE. Even with respect to those DREE programs, spending in Atlantic Canada this year is going up from $196 million to $228 million when you take into account the ACOA programs which they have taken over and those still left with DREE.

Why did the hon. gentleman not mention and congratulate the Government on the increases in regional development spending in Newfoundland? When we came into power in 1984-85, spending under those programs had gone down or diminished to something in the order of $42 million a year or less. Our spending this year is between $66 million and $70 million, which is an appreciable increase, and totally ignores the money that has been spent under the Atlantic Canada Opportunities Agency.

• (1730)

Why did the Hon. Member fail to mention a number of new expenditures in Newfoundland, including the just completed flume tank? That is not a fume tank like the fume we hear from the Opposition, but a flume tank. As a matter of fact, on Monday the Premier of the province and I jointly started the operation of the flume tank at the marine institute, $8.5 million expenditure to make the marine institute one of the leading educational institutions—

Mr. Orlikow: On a point of order.

Mr. Crosbie: The hon. gentleman is rising to apologize for attacking the Atlantic Canada Opportunities Agency.

Mr. Deputy Speaker: Order, please.

Mr. Orlikow: Mr. Speaker, is it permissible under our rules for the 10-minute period for questions and comments to be taken up by one Member? Surely the Minister can enter the debate and make his own speech?

Mr. Deputy Speaker: There is no doubt that the Minister has a lot to say. I would ask him to conclude so that we can give a chance for the Member for St. John's East (Mr. Harris) to reply.

Mr. Crosbie: Mr. Speaker, I accept that as a fair point. I thought the hon. gentleman was going to get up and withdraw his opposition to the Atlantic Canada Opportunities Agency which, as I understand it, he said in debate his Party would vote against. Perhaps he is ready to make a confession that he was wrong.

Let me conclude by asking my colleague to acknowledge that there has been a great increase in the attention paid to Atlantic Canada and Newfoundland and Labrador in the last

three years. Give us some credit. I would appreciate his help in getting the Government to do even more.

Mr. Harris: Mr. Speaker, I think the Minister of Transport has demonstrated why many people in Canada wonder whether they always hear the whole truth from the Government.

The Minister talked about the $60 million deal signed in Newfoundland on Monday. He did not tell us that $42 million comes from Ottawa and $18 million from Newfoundland.

We heard about the $1.05 billion for ACOA, 1.05 billion times. We will probably hear it another 1.05 billion times. What we need is some progress.

We all acknowledge that the previous Government ignored Newfoundland, and that expenditures for regional development in Newfoundland decreased rather than increased over the years. We acknowledge that the Government may have replaced some of that. We know that the Minister likes to make announcements in Newfoundland, and sometimes makes each announcement several times.

I am concerned about making progress with the economic indicators for Newfoundland as compared to the rest of Canada. Again we must question the integrity of the Minister's statements when he says that we voted against moneys for regional development. He did not say that this was a $3 billion expenditure which included $650,000 in legal bills for the former Minister of Regional Industrial Expansion who was cited with 14 counts of conflict of interest. I suppose he would suggest that we voted against Estimates for old age pensions and therefore are opposed to old age pensions. It is comments like that by the Minister and other members of his Government which Canadians have come to expect, disregard and abhor.

The real problem with the Government is that it does not tell Canadians the real truth about what is happening in Canada. The Government announces a million dollars here or $10 million there but does not talk about the lack of progress in reducing regional disparity.

Mr. Crosbie: Mr. Speaker, I have a number of short and succinct questions. The leader of the Hon. Member's Party in Newfoundland, Peter Fenwick, continually misrepresents the free trade agreement and makes the most silly statements about it. The free trade agreement will be a tremendous benefit to Newfoundland.

Why does his leader in Newfoundland think that he can get away with stating that two thirds of the $60 million funding in the five-year fishery agreement is old money, and not new money that will be spent on new marine service centres, fishery facilities, improvement of fishermen's boats and their gear, aquaculture, and a series of other programs that will be carried out over the next five years?

Why does he allow his leader of the provincial Party in Newfoundland make statements that are not only silly but completely false? The correct figure is $60 million, $42 million federal and $18 million provincial. Will he correct the record with respect to his provincial leader's statement that: "About two-thirds of it seems to be scraping up moneys that have already been in existence and just sticking them in a big pile to try to impress us"? What kind of a rational criticism of this program is that statement?

Mr. Deputy Speaker: Order, please.

Mr. Harris: Mr. Speaker, I will try to be as brief as the Minister of Transport has been with his question.

I may be able to enlighten the Minister slightly with respect to the comment to which he refers. I believe the leader of the New Democratic Party in Newfoundland was trying to inform the people of Newfoundland that the money that was announced on Monday does not represent any increase from the level of spending that was taking place before. For example, in the last several years the level of expenditure which has been made in Newfoundland to upgrade fish marine centres and upgrade boats was not substantially increased. That is the point the leader of the New Democratic Party in Newfoundland was making. The announcement made by the Minister, the Premier of Newfoundland and others who gathered to sign the agreement on Monday was a little bit of smoke and mirrors in suggesting that this was $60 million that had never been spent before. It was implied that this was new money over and above what the province had expected to receive or had spent in the last several years.

Again, we are dealing with the Government making a $60 million announcement. The Minister finally admitted that only $42 million of it comes from his Government. We are making some progress with the Hon. Minister, but we must recognize that the leader of the New Democratic Party in Newfoundland is informing people about the real impact of this $60 million. It is that much of that spending had been taking place for years anyway.

Mr. Deputy Speaker: Resuming debate.

Mr. George Minaker (Winnipeg—St. James): Mr. Speaker, it is indeed a pleasure for me to take part in this debate, as short as it may be due to the vote to take place in five or ten minutes.

• (1740)

I think it is important to point out that we have a formula that is working. As a professional engineer, I know that when one has a formula or design which is beating the opposition and, in this case, leading the free industrial world in economic growth, one does not change the plan. You may fine tune it, but you do not change it radically as the Opposition would like to do.

I commend the Prime Minister (Mr. Mulroney) for his objective, which he stated on March 10, 1984, when he was Leader of the Official Opposition. He said at that time: "We

are going to create a new economic environment in Canada by making it clear to everybody that it is the private sector, not the state, that is the driving force of the economy". I say to the Hon. Member for St. John's East (Mr. Harris) that that is exactly our formula. It is to create an entrepreneurial spirit so that people will want to invest money in our country and, by so doing, create jobs.

How did we do that? We did it with the reform of the regulatory system and the tax system, by securing and enhancing access to world markets for Canadian goods and services in the United States and other parts of the world and by controlling the Government's deficit. These four major policies which we have implemented since September, 1984 have worked and have worked very well.

I want to say again to the Hon. Member for St. John's East that governments do not create jobs. Private enterprise creates jobs and it takes the credit. However, the Government does create an atmosphere and a stability so that people will want to invest in our country, and that is exactly what is happening. There have been 1,150,000 new jobs created since we took office in 1984. We lead all other countries in the world in our percentage of economic growth and reduction of unemployment. These are the facts. The formula is working. We are leading the rest of the world.

I would like to comment on what the alternatives might be if this formula were not used. What would the Opposition do? We know what the Liberal Party did when it was in power. It left our country literally bankrupt. There was record unemployment and record highs in interest rates. Why would anyone in his right mind think the Liberals, if they were ever to come back in power, would change? What would the socialist New Democratic Party do? It does not even look at private enterprise for economic growth. It likes to develop state-owned items.

The Opposition attacks us on regional development. I would like to to know what a Liberal-NDP coalition Government would do with the National Energy Program? Would they bring it back and ruin western Canada again? We know where they stand on free trade. They would rip the agreement up. Canadians recognize that three million jobs in Canada are directly or indirectly related to export of goods and services to the United States, yet the Opposition would ignore a free trade agreement which would secure and expand that access, creating new jobs.

What would the Opposition do about defence? We have the Air Command Centre in my riding of Winnipeg—St. James. It is an integral part of the economy of our area. What would happen if the New Democratic Party as a government pulled out of NORAD or NATO? The budget which is controlled by the Air Command Centre in my riding is $507 million. It has control of the operation of 22,000 military personnel, a total of some 30,000 when one counts the civilian personnel. Obviously, not all of these people are located in my riding, but one can readily see the impact that defence has in western Canada and in other regions of our country. The New Democratic Party has the idea that it is cheaper for us to be against NATO and on our own. In other words, we would control the northern warning system on our own. I believe the United States at the present time budgets something like $3 billion a year towards this system and the NDP would have us pick that bill up. What would the Opposition do if there was an attack on our country? Would they not allow the Americans to fly over our country in order to protect us? The NDP policy of withdrawing from NATO and NORAD is nonsense.

These are the types of things that the people of Canada will be looking at at the time of the next election. In my opinion as a member of the committee on finance for the last three and a half years, the policies of the Opposition would be disastrous for the citizens of Canada.

[*Translation*]

Mr. Deputy Speaker: Order please! It being 5:45 p.m., it is my duty, pursuant to Standing Order 84(7), to interrupt the proceedings and forthwith put the question on the amendment before the House.

Mr. Wilson (Etobicoke-Centre), seconded by Mr. Lewis, moved:

That this House approves in general the budgetary policy of the Government.

Mr. Garneau, seconded by Miss Nicholson (Trinity), moved the following amendment:

That the motion be amended by deleting all of the words after the word "That" and substituting the following therefor:

"this House regrets that the Budget

1. failed to redress the inequities of the tax system created by Government policies put forward during the last three and one half years;

2. failed to put into place a regional development policy to compensate for the high interest rate policy of the Government;

3. failed to put forward a credible plan to deal with the national debt that does not unduly punish lower and middle income Canadians; and

4. failed to specify a Canadian approach for dealing with the instabilities of the international monetary system."

Mr. Deputy Speaker: All those in favour of the amendment will please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

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

[*English*]

● (1750)

(Division No. 311)

YEAS

Members

Althouse
Baker
Benjamin
Blaikie
Boudria
Caccia
Cassidy
Copps
de Corneille
de Jong
Dingwall
Finestone
Foster
Frith
Fulton
Gagliano
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Harris
Heap
Hovdebo
Kaplan
Killens
Langdon
MacLellan
Marchi
McCurdy
McDonald
(Broadview—
Greenwood)
Mitchell
Murphy
Nystrom
Orlikow
Parry
Penner
Prud'homme
Riis
Robichaud
Rodriguez
Rompkey
Skelly
Turner
(Vancouver Quadra)
Waddell
Young—45

NAYS

Members

Beatty
Belsher
Bernier
Bertrand
Blackburn
(Jonquière)
Blais
Blenkarn
Blouin
Bosley
Bradley
Brightwell
Brisco
Browes
Cadieux
Caldwell
Cardiff
Clark
(Brandon—Souris)
Cochrane
Collins
Cook
Corbett
Cossitt
Crofton
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Darling
Daubney
Della Noce
Desjardins
Domm
Duguay
Edwards
Epp
(Provencher)
Fennell
Ferland
Fontaine
Fraleigh
Fretz
Gérin
Girard
Graham
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Grisé
Guilbault
(Drummond)
Gurbin
Halliday
Hamilton
Hardey
Hawkes
Hees
Hicks
Hockin
Horner
Hudon
Jardine
Jepson
Johnson
(Bonavista—Trinity—
Conception)
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry
Lanthier
Lawrence
Layton
Leblanc
Lewis
MacDonald
(Kingston and
the Islands)
MacDougall
(Timiskaming)
Malone
Mazankowski
McCain
McCuish
McDermid
McInnes
McKenzie
McKinnon
McKnight
Minaker
Mitges
Nicholson
(Niagara Falls)
Nickerson
Nowlan
Oberle
Oostrom
Peterson
Pietz
Plourde
Porter
Redway
Reid
Reimer
St. Germain
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Shields
Stevens
Taylor
Thacker
Towers
Tupper
Turner
(Ottawa—Carleton)
Valcourt
Van De Walle
Vankoughnet
Vincent
Wenman
White
Wilson
(Swift Current
—Maple Creek)
Wise—114

● (1810)

Mr. Deputy Speaker: I declare the amendment lost.

It being 6.13 p.m., this House stands adjourned until tomorrow at 11 a.m.

The House adjourned at 6.12 p.m.

HOUSE OF COMMONS

Thursday, February 25, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to petitions, Nos. 332-3702, 332-3745, and 332-3795 to 332-3798 inclusive.

* * *

[*Translation*]

STRIKING

PRESENTATION OF FIFTY-FIRST REPORT OF STANDING COMMITTEE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I have the honour to table in both official languages the 51st report of the Striking Committee. With the consent of the House, I intend to move the adoption of the 51st report later today.

[*Editor's note: See today's Votes and Proceedings.*]

* * *

• (1110)

[*English*]

PLANT BREEDERS' RIGHTS ACT

AMENDMENT TO COMMITTEE REFERENCE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, after consultation with the other Parties I think you will find that there is unanimous consent for the following two motions. The first deals with the reference to committee of Bill C-107, the plant breeders' rights legislation. It is as follows:

> That, the Order for second reading and reference to a Legislative Committee of Bill C-107, An Act respecting plant breeders' rights, standing on the Order Paper, be changed to read second reading and reference to the Standing Committee on Agriculture.

Mr. Speaker: Does the Parliamentary Secretary have unanimous consent to move the motion?

Mr. Murphy: It is agreed that the Parliamentary Secretary should move these motions. They meet with our concurrence.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, indeed we have been consulted about the motion just moved by the Parliamentary Secretary and we are prepared to give consent.

[*English*]

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

ENERGY, MINES AND RESOURCES

AUTHORIZATION TO TRAVEL

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, under the same terms I move:

> That, the Standing Committee on Energy, Mines and Resources be authorized to travel to Chalk River, Ontario on March 1, 1988 for the purpose of visiting the Chalk River nuclear laboratories as a part of the committee's ongoing study on nuclear power and that the necessary staff accompany the committee.

Mr. Speaker: Does the Parliamentary Secretary have the unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

[*Translation*]

STRIKING

CONCURRENCE IN FIFTY-FIRST REPORT OF STANDING COMMITTEE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, if the House agrees, and seconded by the Hon. Member for Brome—Missisquoi (Mrs. Bertrand) I should like to move the adoption of the 51st report of the Striking Committee which I tabled in the House earlier today.

Motion agreed to.

* * *

[*English*]

PETITION

PROPOSED FREE TRADE

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I have a petition which I have been keeping for some time because it is so important. It deals with the so-called free trade deal.

The petitioners feel that the proposed free trade deal is a threat to Canadian sovereignty and that it will mean that the Canadian Government cannot effectively control foreign ownership, develop Canadian energy resources in the best interest of Canadians or equalize opportunities between the regions.

They pray that there be a general election held before the free trade deal is implemented so that the Canadian people can either accept it or, in the view of the petitioners, reject it.

The petition is from Vancouver, British Columbia and other parts of the Lower Mainland of British Columbia.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, question No. 260 will be answered today.

[*Text*]

CEC LOCAL ADVISORY COUNCILS

Question No. 260—**Mr. Robinson:**

1. How many Canada Employment Centre (CEC) Local Advisory Councils (LACs) are currently active?

2. Has there been any process of evaluation within the Department of Employment and Immigration for LACs and, if so (*a*) what are the results of this process (*b*) have LACs been effective in attaining their goals and objectives?

3. Are there any specific examples of suggestions emanating from LACs that have resulted in changes or improvements with regard to national employment policies and CEC programmes or services and, if so, what are the details of such examples?

4. Are changes planned to the mandate, structure or role of the LACs and, if so (*a*) what specific changes are being considered (*b*) when will they be implemented?

5. Will the Minister convene a meeting of the chairpersons of LACs and, if so (*a*) on what date (*b*) in what place will this meeting be held?

Hon. Benoît Bouchard (Minister of Employment and Immigration): 1. One hundred and fifty-eight.

2. No.

3. Yes. Examples: Many Local Advisory Councils (LACs) have pointed out that certain Canadian Jobs Strategy (CJS) procedures were too complex. As part of the LAC process, all LAC suggestions are circulated to program managers withing the Commission. These comments on procedures were extremely useful to the task force reviewing administrative practices relating to CJS.

A number of LACs suggested the eligibility criteria of the Job Development program were too restrictive, especially in respect of Severely Employment Disadvantages (SED) persons. In June, 1987, the SED option was moved from Job Development to Job Entry, thus eliminating the requirement that participants must have been unemployed 24 of the last 30 weeks.

LACs expressed the desire to be informed of upcoming CJS yearly budgets earlier. For the 1987-88 fiscal year, steps were taken to ensure that most councils were able to review their tentative allocations well before the start of the fiscal year.

Concerns were expressed about the designation process of occupations under Skill Shortages, and how the program ought to help more women enter non-traditional occupations. In June, 1987, it was agreed that non-traditional occupations would be designated to help meet the demand for qualified women that will result from employment equity plans or special measures undertaken by employers.

A large number of LACs complained about the delay in having skills designated centrally throught National Headquarters. Authority to designate selected occupational skill shortages was subsequently delegated to regional heads.

A B.C. LAC asked that the CEC give higher priority locally to upgrading course and CEC complied.

Another LAC in B.C. suggested CEC send information on CJS to 100 selected employers and it was done.

After discussing the services provided by the CEC, a B.C. LAC recommended that counselling be introduced for a test period of four months. The CEC manager accepted and implemented the proposal.

An Alberta LAC recommended that the processing of applications be simplified. Changes which should result in a shorter time lapse between submission and approval have been made.

4. While the Local Advisory Council process is under review, no specific changes are at present being considered.

5. A meeting of Local Advisory Council Chairpersons is not planned at the present time.

[*Translation*]

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

The Acting Speaker (Mrs. Champagne): The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Wednesday, February 24, consideration of the motion of Mr. Wilson (Etobicoke Centre):

That this House approves in general the budgetary policy of the Government.

Mr. George Minaker (Winnipeg—St. James): Madam Speaker, it is indeed a pleasure for me to take part in the debate today. As your Honour may be aware, last evening I spent about four minutes talking about the amendment that was before the House. I would like to thank my colleague, the Whip of my Party, for allowing me to participate to the fullest in this debate on the Budget. I say that because of the fact that the Budget presented by my colleague, the Minister of Finance (Mr. Wilson), on February 10 shows that the finances of Canada are now under control. This is something which has been long overdue. For many years the finances of Canada were not under control.

I would like to remind Hon. Members what the Prime Minister (Mr. Mulroney) said on March 10, 1984, when he was the Leader of the Opposition. I want to quote his words because they set out the formula that has been used by our Government since 1984 to bring our finances back under control. He said, "We are going to create a new economic environment in Canada by making it clear for everybody that it is the private sector, not the state, that is the driving force of the economy".

That is the formula that has been used by our Government since we took office in 1984. It has been the unleashing of the entrepreneurial spirit that has seen our economy grow at

record rates. An unprecedented number of jobs have been created. Some two-thirds of the 1,150,000 jobs that were created since we took office are above average in terms of pay. They are technical jobs. We can see that the quality of job creation is quite positive.

Just how have these jobs been created? Unlike the previous Liberal administration, we have put policies in place to let the private sector flourish. When was the last time you heard the term "make work project", Madam Speaker? I suspect it was probably before the last election.

The Liberals borrowed money to hire some people who were not receiving UI benefits. They would put them into a temporary work situation until they qualified for unemployment insurance benefits, at which time they would collect benefits under that program. It was a cruel and vicious circle inflicted upon the dignity of thousands of Canadians. That was the policy of the former Liberal Government when it came to job creation.

We believe in working with the private sector, not against it. An excellent case in point is the Canadian Jobs Strategy. It is a highly successful program designed to give individuals the necessary tools and skills to play an important part in our economy and our way of life. It gives people hope and a future. It does not just throw money at problems as the Liberals used to do.

How have we aroused the entrepreneurial spirit in Canada again? How have we revived it? It was done through four different policy objectives as laid out by our Government. The first objective was reform of the regulatory system; the second one was reform of the tax system; and the third was securing and enhancing access to markets outside of Canada, both through the GATT and also through the free trade agreement that is presently before us. Finally, we have controlled Government finances to reduce the deficit and the debt.

• (1120)

I wish to highlight some of the reforms of the regulatory system. Basically, it is setting up a fair set of rules in order that businesses have confidence in our country and in our Government and will invest money to create jobs. As we all know, in 1984 business confidence was very low. People did not know when they invested the money in our country whether the laws would change tomorrow or the next day and they would be left with debts or taxes that they could not handle.

As mentioned by the Minister of Finance on February 10, we stabilized the regulatory system by deregulating the energy and transportation sectors. We opened up financial markets to global opportunities and stimulated competition and financial services. We modernized business framework legislation dealing with competition, policy, copyright and patents providing better protection for the public interest. We privatized Crown corporations to reduce Government involvement and interference in the market-place. Furthermore, we

created Investment Canada to encourage and welcome capital from abroad. We know how successful that has been today.

The importance of a flexible set of regulations in which the private sector can operate seems to be lost on the Opposition. In fact, the importance of the private sector is completely lost on our socialist NDP friends. They said that the private sector would not respond to the challenge of creating jobs. That is what they said in 1984, 1985, 1986, and 1987. They said that the private sector would not respond and create jobs if we made a climate that encouraged investment.

There are 1.150 million new jobs in Canada. Some 80 per cent of them are permanent jobs. The majority of those jobs are now held by the women of our country. Yet the Opposition said that that could not happen. That is how wrong they were. The 1.150 million jobs is a pretty good response.

Why I am amplifying that, Madam Speaker, is that our hon. friend, the Hon. Member for St. John's East (Mr. Harris) rose yesterday on debate and stated that Governments do not create jobs. He is correct; Governments do not create jobs, the private sector creates jobs. That is where those jobs have been created. I compliment the private sector for creating those jobs.

The other policy that is part of this whole program is tax reform, and making the system fairer to individuals in order that we can compete in international markets. If someone goes out to work and is asked to work overtime or to work a little harder, he will if they knows that he can keep a lot of that money in his pocket. If that person has to turn around and pay it out in taxes, he will surely say he would rather have the time off.

Now there are three tax brackets. Personal income tax has been reduced by some 8 points. Therefore, people now want to go out and work. That means there will be more productivity and more competitiveness with the rest of the world. Starting this year Canadians will pay less personal income tax; 8 out of 10 households will have personal income taxes reduced; 850,000 low-income individuals will have their taxes reduced to zero; 850,000 people in Canada will no longer pay taxes; 9 out of 10 Canadians who are over 65 will have their income tax reduced or eliminated. In the corporate sector, corporate income tax rates have been lowered.

The third policy that we had to create those jobs and increase the economy was securing and enhancing access to foreign markets. We know how important the export market is to our country. Trade with the United States directly or indirectly creates 3 million jobs in our country. Why would we sit back and not do anything when we saw elements in the United States attempting to restrict the export of Canadian goods? We could not sit on the fence and watch those jobs being taken away. We took the objective and went out and signed the free trade agreement, which will mean more jobs for Canada, more jobs for youth.

The free trade objective for expanded markets will mean lower prices and more products for our consumers. It is not only job creation, there are other benefits. It also sets a precedent for other countries. If two major countries in the world can establish a free trade agreement, why can't other countries? It opens up the GATT area. Another objective of the Government is to export our goods to other parts of the world.

The people of Canada have a choice when it comes to free trade, and the Opposition also has a choice. If we do not want to change, we can look inward and set up tariffs to keep all other goods out. We can try to trade within our own little circle, put the flag around ourselves, and try to live within our own country. That is the objective of the NDP and the Liberals. That is what they want to do. They want to rip up the free trade agreement, wrap themselves in the flag, and say, "We can live within ourselves". Where are they going to get the 3 million jobs related to exports? Who is going to look after that? How are they going to get the income tax from the people who are working to pay for the social programs that they so greatly called for, and with which we agree?

There is the other alternative. We can reach out and build bridges with the rest of the world, compete and grow with the rest of the world. We are already doing that. In fact, we are competing better than other countries. That is the approach that free trade gives us. It will give us more jobs.

The other area of policy that we, as a Government, felt was very important was deficit control. This point cannot be overstated. For the last three years Government spending has increased at an average rate of less than inflation. That compares with the average increase in spending by the Liberals when they had the mandate in the last four years of 14 per cent per year. That is what the deficit grew at. It has been reduced in a systematic manner in order that we do not take away social programs and have an impact on the economy of our country by deciding to cut helter-skelter, putting people out of work, or taking away social programs. The people of Canada do not want that approach.

Yesterday I listened to the Leader of the Opposition (Mr. Turner) talk about the Minister of Finance and his accumulated deficit. I would like to bring something to your attention, Madam Speaker, that I found very interesting about the Right Hon. Leader of the Opposition who made this statement:

> After three and a half years the Minister's armour is not nearly so shiny. Instead of reducing the debt, thanks to this Minister and this Government, it has gone up to $293.4 billion, an increase of $116.6 billion or 66 per cent in the last three and a half years.

The Leader of the Opposition failed to say that when we took office, in that first Budget we had to find $22 billion from the taxpayers of Canada to pay for the interest on the debt that the Liberals had accumulated, some $190 billion. Not counting the debts added on by the Government, but if one multiplies that $22 billion by four it amounts to $88 billion worth of debt. That is a deficit that is there because of interest on the debt created by the Opposition.

If we subtract that figure it comes to $28 billion in accumulated deficits incurred while we have been the Government. If one takes away that $22 billion of debt charges for which we accepted responsibility to pay on the outstanding debt, we are talking about $28 billion of accumulated debt that is there, if one wants to accuse this Government of it. That amounts to approximately $7 billion a year.

I wish to quote from an article entitled "The debt we bear" printed in the *Globe and Mail* today.

> If Ottawa had no accumulated debt, Ottawa would have no budgetary deficit. In fact, the Main Estimates published Tuesday confirm there would be $3.1-billion surplus in 1988-89 if only we faced no bill for past borrowing.

I think that proves my point that $88 billion of the deficit that has been accumulated while we have been office is for the debt created by the former Liberal Government.

• (1130)

I should like to look at what would be the alternatives if we did not take the approach of trying to get the private sector involved, trying to get free trade, trying to expand our markets, and so on. What has the Opposition offered as an alternative? I guess a Liberal Government would tear up the free trade agreement. That is what the Liberals have said, and that if they did not have the numbers they would form a coalition with the NDP. We know what the New Democrats would do with free trade. They would outlaw it as well.

Free trade means a lot to those of us in Winnipeg and elsewhere in western Canada. In fact, the Opposition forgets that the youth of the country will probably benefit most from free trade. As technology advances, they will be prepared to take these high priced jobs. Not only that, but in my riding of Winnipeg—St. James we have a company called Macdon Industries which manufactures swathers. Basically the farm machinery industry is a free trade market. The majority of its products are sold to the United States. Some 80 per cent of its products go to the United States, and it employs some 200 plus people. This is an example of what free trade means to us in western Canada. The youth are looking forward to it. They want the three million plus jobs which will exist because we will still be trading with the United States.

Speaking about youth, I should like to indicate the results of our policies to encourage the private sector to invest in Canada again. This is what it has meant to the youth in terms of employment. The youth unemployment rate has fallen from 18.3 per cent to 12.7 per cent since September, 1984. I think it is worth repeating. It has fallen by 5.6 per cent, from 18.3 per cent to 12.7 per cent. In comparison, the youth unemployment rate rose by 5.4 per cent, from 12.9 per cent to 18.9 per cent, during the term of the last Liberal Government.

Free trade means more jobs to us in western Canada, particularly those of us in Manitoba where we export hydro energy and pork products, for example, to the United States. Some seven out of every ten hogs raised in Manitoba are exported to the United States. It is big business to Manitoba. These are the things that have been protected and even expanded. Our oilseed producers will now have a market in the United States. They are encouraged. If one talks with the agricultural people, one finds out that they are very happy with the free trade agreement. The marketing boards have been protected.

The alternative of the Opposition would be to throw it out and go back to the old system of watching the United States knocking off one, one hundred, or whatever, of the three million jobs that are directly or indirectly related to free trade.

What would the Opposition do about defence? We know what the NDP would do about it. It would get out of NORAD. The Air Command Centre is in my riding of Winnipeg—St. James. It employs almost 700 people directly in Winnipeg. It is part of the NORAD system. What would the New Democrats do? Would they say, "We will ignore the United States?" The United States is part of the Early Warning System. Would they buy all the AWAC bombers to fly over Canada to protect it? What would they do with the Air Command Centre? Would they transfer it to Oshawa because of their regional development policies? Obviously the Leader of the New Democratic Party supports and recognizes regional development as being basically in the centre of Canada right now. I imagine that he is all for it, because he does not mind when they invest billions of dollars in Oshawa and GM Motors and so on? Would they continue development? What would they do with the frigates that we will build in the Maritimes?

Mr. Cassidy: Who is in power?

Mr. Minaker: We know the Hon. Member from Ottawa Centre would move them out of there. These are the alternatives, and I think the people of Canada recognize them. They want to have another chance to keep the economy growing.

Mr. Cassidy: That is why you are third right now.

Mr. Minaker: That is why they are supporting what we are doing financially.

Mr. Orlikow: Madam Speaker, I would like to ask several questions of the Hon. Member for Winnipeg—St. James (Mr. Minaker). First, he talked about a farm machinery company in Winnipeg which will benefit from free trade. Does he not realize that we have had free trade in farm machinery for years and that it has not helped Massey-Ferguson in Brantford?

He also talked about a company which is into computers. I should like him to comment on the representations which were made by Mr. Loewen, the Chairman of Comcheq, a very successful computer company in Winnipeg, which heads the Canadian Association of Independent Companies operating computer companies. He has made several representations. He appeared before the parliamentary committee and explained why the free trade agreement for the computer industry, which is so involved in the service sector of the economy, would be a disaster.

Why does the Hon. Member not give some real consideration to the problems of companies in Manitoba rather than the nonsense he has talked about?

Mr. Minaker: Madam Speaker, I should like to thank the Hon. Member for Winnipeg North (Mr. Orlikow) for his question. He talked about the computer industry in Manitoba being a major industry. Perhaps he should check into the facts of life of the economy of Manitoba and where the major exports are coming from.

To give an idea of the trade figures in Manitoba, 7.8 per cent of our trade with the United States is in electricity and 6.3 per cent is in aircraft parts. I might say that the majority of the aerospace industry in Manitoba is in my riding. It would be affected by the NDP policies which would take us out of NATO and NORAD.

I cannot understand why the Hon. Member for Churchill (Mr. Murphy) would not be concerned about the effects of the free trade agreement on the softwood lumber industry which is mainly in northern Manitoba. Some 6.1 per cent of our softwood lumber, the majority of which I think is produced in his riding, is exported to the United States, and then there is 4.8 per cent in motor vehicle parts.

I should like to deal now with the agricultural sector, from where the majority of the exports come—$52 million in live animals, $56 million in fresh and frozen meat, and $135 million in other food products. According to Manitoba's Bill Vaags of the Canadian Pork Council, our industry is the largest agricultural exporter to the United States, with a 1987 projection for total live swine and pork sales in the order of $700 million. I could go on.

We recognize that certain industries will have complications, but I am sure that they will be as competitive as anyone else once they realize that they can compete with the United States. We know that we can compete. We beat them at hockey. We may not be able to beat them at football, but that day will come. However, we are not talking about sports. We are talking about business people. We are productive and efficient. We can compete with the United States, and the free trade agreement will be good for us.

Mr. Jardine: Madam Speaker, I congratulate the Hon. Member for Winnipeg—St. James (Mr. Minaker) on his very excellent speech. The Hon. Member noted that he has a large military establishment in his riding with the headquarters of Air Command, the head of the Air Force. I can understand and appreciate his concerns in respect of the military and New Democratic Party policy.

The NDP certainly advocates a withdrawal from NATO. It would also oppose the establishment of any NATO facility on Canadian soil. This causes me concern and it causes concern among the people of my riding.

• (1140)

Then there is the policy of the NDP about the new frigate program. Saint John, New Brunswick, has one of the highest, if not the highest, rates of unemployment of any major city in the country and the NDP's policy would, of course, have been to split that frigate program, dividing it between one community and another.

The New Democrats say they would save $1 billion a year by bringing the troops back from NATO. That, of course, is a false statement. If the New Democrats fired every serving member they might save half that total figure.

The New Democrats also advocate using the Canadian Forces in new international roles. The military would become a rapid deployment force to strike across the world in response to military instability or national disasters. What are the New Democrats advocating, Madam Speaker? Are they advocating super police force for international affairs? Would the Hon. Member give me his views of what the NDP policy would cost and its lack of effectiveness for the security of Canada?

Mr. Minaker: Madam Speaker, I thank my colleague for bringing that matter to my attention. Both he and I have defence establishments in our ridings. The NDP's policy on defence would be very costly and very dangerous. I just reaffirm what I said earlier, that in my own riding the air command centre employs directly almost 700 people. Not only that, it has a budget of some $507 million and controls a total personnel of 31,000. The major part of its responsibility is NORAD and If the troops were to withdraw from NORAD, the U.S. portion alone of the north warning system today is $3.2 billion, would the New Democrats pick up all that cost? Are the New Democrats going to buy the six AWACs that scan our North American continent putting up that electronic shield of protection or fence, if you like? Will the NDP put up the $3 billion for that?

With regard to the NATO withdrawal, I think in the NDP paper the New Democrats said they would save something like $1 billion a year by bringing the troops back from NATO. That is totally false, Madam Speaker. Even if all the NATO troops were laid off, the saving would be about $400 million. If I understand the statement, the New Democrats say they have no intention of laying troops off. If there are no lay-offs, the $400 million which the NDP would save was primarily the cost of the troops, so where are the savings? Basically the New Democrats achieve no savings by withdrawing troops from NATO and they take on the full responsibility for most of the defence. I think Canadians recognize that. Canadians want us to stay in NORAD and in NATO.

As well, a lot of our youth want to join the forces. There are highly technical jobs in our defence forces. Our youth are looking there with anticipation. A young constituent of mine wants to become a pilot. It is a very technical job, as it always has been. Young people want these kinds of jobs. If the NDP is talking about withdrawing troops yet saying there will be no

lay-offs, there is no major saving. There will be complications. If anything there will be increased costs, probably taken from the social services or paid for by raising taxes or increasing the deficit.

The New Democrats do not believe in deficits. They do not think there are any costs. They would rather print money and see our dollar go down to 50 cents and battle those problems like Brazil and Mexico with their high inflations. If you keep increasing deficits, confidence in our country goes downhill. What happens? Interest rates go up because you try to maintain and bring in dollars that you need or you print more money. That is the answer. If you print more money then the rest of the world says the Canadian dollar is not worth 78 cents but only 50 cents. What happened to Mexico and Brazil when they started printing money when they did not have the ability to provide the cost of their services? Inflation skyrocketed. Canada does not want to be that kind of a country. Canadians will re-elect this Government because they know we are the only ones capable of financially running the country properly.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The question and comment period has now expired. The Hon. Member for Eglington—Lawrence (Mr. de Corneille).

[*English*]

Mr. Roland de Corneille (Eglinton—Lawrence): Madam Speaker, today we are being asked to debate the resolution that this House approves in general the budgetary policy of the Government. That is something I cannot do. I certainly cannot approve of this Government's Budget. We cannot approve of the Budget because we have grave problems in Canada, many are fundamental and systemic and the Government is doing nothing in the Budget to deal with them. Let me sum them up.

First, poverty in Canada is worse than it was before the recession in 1981. Heavy new taxes have been laid upon Canadians. We have regressive and hidden taxes in the form of ongoing sales taxes and hidden taxes which the Government has imposed on people since the Conservatives came to power in 1984. We have increased public debt through huge annual deficits. Though the Conservatives claim they are so concerned about the deficit, our public debt has skyrocketed. There is a drop in real earnings for average Canadians. After taking into account inflation, one finds that the real earnings of Canadians have gone down since the Government came to power and the Government brought in a budget that has not dealt with any of these issues. It has not mentioned them in the debate.

This is not a commentary of mine as a person or as an individual, or even as critic of the Official Opposition, the Liberal Party, which I represent in speaking today. It is rather an opinion expressed by those who are involved in the financial world. It was expressed over television and radio the night of the Budget, that it was a do nothing budget. Not only did the media make this comment, but leaders of the business world commenting on the Budget made the assessment that it is a do nothing Budget. It fits in well with the philosophy of the Tories.

The Tory approach to the economy, in fact to government, is a *laissez-faire* approach. It is an approach that says "do not rock the boat; we have set into motion a situation that is advantageous to certain special interest groups. Do not intervene. Do not do anything that will cause any effect on the economy. Let market forces bring about their own results. Let the market forces operate. Then as a result of the values that will come to certain segments of our population there will be a trickle down of benefits to those who are less well off and eventually those down the line will get the benefit of our approach". That is Tory philosophy, Madam Speaker, and this Budget is a perfect reflection of it. It is a non-managerial approach. It is an approach that serves special interest groups.

I would like to expand on the points I have made. There is a lack of action concerning the anticipated fall-outs that will come from the so-called Mulroney-Reagan agreement on free trade. First, we have poverty. I mentioned that nothing is being done about poverty. To be poor in Canada is to have unequal access to housing, education and training, day care, legal services, credit and health care. Most poor Canadians include all welfare recipients, almost all minimum wage workers, the majority of unattached elderly persons and single parent families led by women. These constitute a group of people who are living below the poverty line. They are in poverty. They live on incomes that are hundreds and sometimes even thousands of dollars below the established poverty line. This Government, in this Budget, has not addressed itself to that fundamental systemic problem. Poverty is worse now than it was seven years ago.

• (1150)

These figures were taken from materials given to us and studies made by the National Council of Welfare in Ottawa and by the Canadian Council of Social Development. These statistics are alarming. Yet we do not hear any outcry or concern on the part of Tory back-benchers or Ministers of the Crown. These figures are there for anyone to see, yet they are unwilling to bring them forward, study them and report on what should be done.

These figures state that in 1986, some 3.7 million Canadians lived below the poverty line. That is 14.9 per cent of the population, almost 15 per cent of all Canadians. More than 34 per cent of unattached individuals were poor last year. Over one million children under age 16 lived in poverty. Nearly 57 per cent of poor Canadians were female while 51 per cent of the general population is female. More than half of single-parent families headed by women are poor. The risk of poverty is one in seven for all persons, one in eight for families, one in three for unattached individuals and one in two for single-parent families headed by women.

Finally, the number of Canadians living below the poverty line went from 3,475,000 in 1980 up to 4,214,000 in 1984 but

has since declined. The 1986 figures, however, are higher than those of 1980. We have not made progress on this tremendously serious issue of systemic poverty. This Budget does not address that problem.

The second point I made was that there has been an increase in sales tax and income tax, putting a heavier burden on the people who can least afford it. The middle-income group is particularly hard hit. In 1987, for example, individuals paid $22 billion more in income tax than in 1984 when the Tories came to power. The major portion of this came from new taxes introduced since September of 1984. In addition, we have seen an increased automatic tax that has been built into the system, a kind of hidden tax that automatically comes into effect year after year. We find increased indirect taxes as well. The income of people has been secretly undermined.

There have been constant increases in taxes. The list of sales tax increases is incredibly tragic. Year after year sales taxes have been built in to constantly increase the amount of money that must be paid. First there was a 9 per cent sales tax, then the next year a 10 per cent sales tax, then the next year an 11 per cent sales tax and the next year a 12 per cent sales tax. There are new taxes on items that had never been taxed before. Of course, there are more taxes on gasoline. Every time we turn around another cent or two per litre in taxes is applied to gasoline. Again, in this measure, we have seen another increase in sales tax to bring in another $300 million to the Treasury and take $300 million away, not from rich people, not from those who can afford it, but from the poor who have to drive to work or the middle-class who have to carry the social burdens of the country.

I mentioned the increase in public debt. We hear a lot of smoke and mirrors about how the deficit is being brought down. One would think from that that the national debt was receding. That, unfortunately, is not at all the case. On closer examination we find that since this Government came into power the national debt has increased $116 billion. When we look at what the national debt was after having been built up for over a hundred years, it was $176 billion when the Minister of Finance (Mr. Wilson) and the Tories took over in 1984. In the short three or so years of this Government, $116 billion more has been added to the national debt. That means that there was a 66 per cent increase in our total debt in the short period of this Government's existence. This is under what is supposed to be a strategy which is called bringing down the deficit.

The deficit may be slightly lower this year than it was last year, but that certainly does not portend that the national debt has gone down, as most people think. On the contrary, it has risen higher and faster than at any time in the history of this country. That is the reality and this Budget has not addressed that problem either.

These are some of the matters that are of concern to us. The worst failure of all in this Budget is its total neglect for the fallout which will come from the so-called free trade deal. We know that there will be tremendous negative repercussions from this trade deal. We know that it will hit the more economically depressed regions of Canada the hardest. We know that the most vulnerable people in the workforce are the ones who will be hit, the women and older workers. They will not be the ones who will be the most helped by this trade agreement, they will be the first to be hit the hardest. We also see that this agreement will destroy major sectors of our economy.

I think that those of us who have open minds will remember seeing an illustration of this in a recent episode of the television program, *The Journal*. *The Journal* interviewed a worker from the oil fields of Alberta. He resided either in Calgary or nearby. He was able to say that he was looking forward to the impact of the trade deal. He said that he thought that in future the Americans would be buying our gas and oil, and of course they will because it will provide an inexpensive resource for them. We have opened up the gates of our resources to America. The Americans will buy them, all right, at prices not more favourable to Canadians but of equal favour to them, and they will have access to our oil and gas and our water and other resources, something which is of course what they want. It will serve their purposes. This oil worker was able to say that he can look forward to knowing that there will be lots of work for him over many years to come. The Americans will be buying up our oil and gas at good prices, so he is quite sure that all will be well.

At the same time, while his industry was favoured by this agreement, the program interviewed a woman whose face those of us who saw it will never forget. We will never forget the look of anxiety, concern and gentleness. This woman is working at the Ganong chocolate factory in St. Stephen, New Brunswick. As we watched her working, hand-dipping chocolates, we saw that she was a person of middle-age, perhaps later middle-age. She wanted to work. She had worked all her life and she was skilled in this particular kind of work. She looked forward with some anxiety to what would happen when this trade agreement came into effect, what would happen to this little chocolate company in New Brunswick. In fact, she wondered what would happen to her job. When her boss and the owner of the company that is a hundred years old was interviewed, he had to admit that he did not know what would happen, he is anxious and does not know the repercussions.

• (1200)

Indeed, when the Americans can flood Canadian markets with goods produced by the cheap labour they have in the south, often temporary immigrant labour, one can see how they can compete with Canada. When one understands the problems Canadians have with the transport of goods over greater distances, therefore adding to the cost, and when we look at the cost of energy required in our climate, we can understand the misgivings over whether Canada can compete without some kind of protection of its traditional markets.

Is anything going to be done by the Government to see to it that the fall-out from this kind of policy will be looked after? There is no indication from this Budget that any attention has been paid to the problem.

One remembers the poignancy of the image of this woman who is looking toward the future with uncertainty. You can repeat that image and that concern in the faces of people in factories all across this country. Think about the one or two-industry towns. Think about the little companies built over 50 or 100 years; for example, the textile companies in Quebec and Ontario. Think about the people working in the shoe industry or the chocolate industry. Think about all those people in many little plants across the country. They face disaster when our borders are thrown open and the competition arrives from huge American corporations. Those towns will then become ghost towns and the Canada we knew will no longer exist.

Remember the anguish of people like this woman who face prospects like this. Where will she, living in a town in New Brunswick, find a new job? Are we going to stack these people like cordwood, put them on trains and send them to the big cities? Are we going to try to force them to leave their towns and villages of which they have been a part all these years? The Tory idea is that you go to where the jobs are instead of keeping the jobs in various parts of the country. It is a *laissez-faire*, let it go approach.

The Government has done nothing whatsoever in this Budget to give any reassurance to those people across this country about the future of their work and their jobs, and not just the people in manufacturing. One of the areas that will be the most severely hit is agriculture. Today farmers are complaining about family farms being closed down and going into bankruptcy. Think about grain farmers who are in vulnerable positions today. Then think about their vulnerability when this so-called trade agreement comes into effect.

Let us think, for example, of companies which are producing and processing food. What will happen when these 18-wheel trucks come wheeling into Canada with goods from the southern U.S. where there is scab labour and cheap immigrant labour brought in from Mexico? They have climates such as in Georgia where they can raise chickens without any cost for heating. They have the industries to package and process the food. What will happen to our packing and processing industries in Canada? What will happen to the farmers who supply the food for those packaging and processing industries? We know they will go down. They will be crushed. They will disappear. Again, hundreds of thousands of people in this country, including farmers, will be reduced to penury, driven off the land, and those farms, industries and small towns across Canada now servicing the food industry will be destroyed.

In conclusion, I want to point out that the Macdonald Royal Commission, while recommending free trade, insisted that a program had to be in place to anticipate the fall-out, the suffering, the displacement and social costs which will arise. It had to be part of the package if there was going to be a free trade agreement. It called for a guaranteed annual income. It said you cannot move on these matters until you have first looked after the social needs of the people affected negatively by free trade.

The commission pointed to the fact that the poorest 20 per cent of Canadians receive less than 5 per cent of Canada's total income. We cannot go on in this fashion. There is no planning in this Budget for the tremendous repercussions arising from this trade deal. Tories are not managers. They are interested in special interest groups and allowing rip-off, cream-off, and selling off of our resources, selling off of our future, selling off the back-forty. The Tories do not manage this country, they just let it go.

Mr. Holtmann: Madam Speaker, I listened with interest to the Hon. Member and the fault he found with the Budget this morning. I am absolutely amazed that he did not use this opportunity to tell Canadians what his Party intends to do in the future to make a better Canada.

The Hon. Member criticized the one cent a litre tax on those poor people who have to drive to work. I would like to remind the Hon. Member that there are a lot fewer poor people and a lot more people working since this Government came to power. When his Party was in power we had almost 12 per cent unemployment. Unemployment is down to 8.2 per cent and still dropping. Clearly he cannot argue the fact that this Government has created jobs.

I want to go on to what I think is a very important point of his remarks. He said that since this Government came to power the deficit has increased by $116 billion. He thinks this is terrible.

Mr. McKenzie: It was started by his Leader.

Mr. Holtmann: Does he not remember that at the rate it was growing in 1984 it would not be $116 billion today, it would be $400 billion?

He criticized the Government for not doing more for the poor people and spending more to help them. He suggested that more ought to have been done in many areas. We should have spent more money as his Party did in the past. How does he intend to bring that $116 billion deficit down to zero and spend more to help all those people that he criticized this Government for not looking after? He referred to people without housing, people still unemployed and on welfare. What does he intend to do? Clearly the last Government could not create jobs, it could only create a big deficit. He is going to do the opposite, so I would like him to tell Canadians how he intends to help these people, where he is going to get the additional revenue not only to keep the deficit from going up but to reduce it, and create all these programs? I think he should tell that to the Canadian people right now.

Mr. de Corneille: Madam Speaker, I appreciate the questions the Hon. Member has raised because they afford me

an opportunity to add to my observations. He raised a host of questions in a very short period of time and I hope he will allow me to do my best to try and deal with some of them. I cannot really deal with all of them.

First, he raised the question about the fact there is so much more employment, not less. I pointed out that there is more poverty, not less than there was in 1981. There is no reason for us to rejoice in that.

• (1210)

With regard to the jobs about which the Member speaks, it is one thing for the Government to talk about the fact that it has increased the number of jobs so greatly since it came into power. The fact it does not want to mention is that it came into power at a time when we were coming out of a recession. The Government came into power at a time when there was economic growth throughout the world.

Despite this opportunity, the Government has still not brought us back to the level of unemployment which existed in 1981. In August, 1981, the Canadian level of unemployment was 6.8 per cent. We have not returned to that figure yet, even though we have had a period of growth in the economy throughout the world. The Government chooses to use figures from a period of world recession and compare its record with that. We have never heard the Government compare its figures with those before the recession.

The Hon. Member asked why we talk about the $116 billion increase in the national debt. We speak about that because it constitutes an incredible new burden on the average Canadian in that the total debt divided by the total population—what we call the per capita public debt—has increased from $7,000 for each Canadian when the Government came into power to $11,250 per person within a few years.

There has, therefore, been an incredible increase in the national debt under the Government. In three and one-half years it has gone up 66 per cent over what it was in the previous 100 years put together. The accumulation of our national debt over 100 years was $116 billion and it is now $176 billion.

It is true that at the rate at which the Liberal Government was spending money when it took over all kinds of problems could have been projected, including a larger debt. However, the reason the Liberal Government was spending money at that particular time was to provide social services to those who would otherwise be in hunger and poverty during that depression or recession. I think most Canadians were pleased that the Government acted responsibly and tried to help those who were weak and poor by underpinning their concerns. In the long run, Canada made a good investment in its future through that kind of support program.

I do not know whether I have dealt with all the points with which the Member wanted me to deal, but as a quick final point, the Member asked what Liberals or I would do. Well, there are some things which this Budget could have done, one being to deal with the present rate of interest. If a lower interest rate is afforded by the present opportunities which we have with regard to our relationship with the Americans and their interest rate, this may possibly fuel an increased number of jobs, a better economy, and a lower deficit.

Mr. Edwards: Madam Speaker, in the Hon. Member's speech we have heard the voice, allegedly, of the little Canadians. I think we all want to speak for the average Canadian because they comprise the vast majority of our population. However, instead we have heard a cleverly disguised endorsation from the socialist wing of the Liberal Party of the little Canada concept, the timorous Canada concept.

I listened with rapt attention to the Hon. Member's skilled sketching of the worried woman from New Brunswick. I wonder whether he has thought about the future of her children and her grandchildren if Canada lacks access to markets, if the Ganong chocolate company, for example, is forestalled from gaining access to the richest market in the world and Canada remains the only major industrialized power without unfettered trade access to a market of at least 100 million.

I wonder whether the Hon. Member truly understands the attitudes of Canadian farmers, particularly western farmers, who see the free trade agreement as an opportunity and not a threat. The farmers of western Canada in particular see this trade agreement as a liberation manifesto.

The images which the Hon. Member has put to us are rather distorted, rather dramatic—people stacked like cord wood, 18-wheel trucks invading us across the border. I submit that this is not so much a Budget speech as an anti-American diatribe.

Can the Hon. Member tell the House how many Canadians he believes will be affected by means of job adjustment through the free trade agreement and how many Canadians he believes normally change jobs in the course of a year? I believe that it is estimated that 25,000 Canadians per year will be affected by the free trade agreement and will require retraining, to which the Government is committed, compared to 5 million Canadians who annually change their jobs in the normal course of events. Could the Member comment on that please.

Mr. de Corneille: Madam Speaker, I appreciate that question. Obviously Tories simply cannot think in terms of the average Canadian. They cannot wrap their minds around that, as the comments of the Member show. He is still talking about whether there will be winners and losers and how many. He failed to hear what I said when I said that Canadians want their Budget to deal with those who will be the losers. He cannot hear that. He keeps saying that there will be winners and that the grandchildren of the woman from New Brunswick will prosper. That does not help her. That does not give her dignity.

The Member cannot get his mind around that subject. He and the Government do not care about the losers. This Budget is disgusting because it does not anticipate the problems which will be faced by those who will lose. No one denies that. Even the Macdonald Royal Commission said that there will be losers and for that reason we must build in protection through guaranteed income supplements, unemployment insurance, and other mechanisms, a new social system which will protect the losers. No one denies that there will be losers.

• (1220)

[*Translation*]

The Acting Speaker (Mrs. Champagne): The period provided for questions and comments has now expired. Resuming debate. The Hon. Member for Richelieu (Mr. Plamondon).

Mr. Louis Plamondon (Richelieu): Madam Speaker, I would also like to take part in this debate on the Budget, because I think it is the first time Canadians have been given a real Budget Speech. This is not a speech to amend the Income Tax Act. It is not a speech to announce taxes. It is not a speech that keeps changing the Government's tax system. It is a speech that clearly describes, as a Budget Speech should, the state of the nation, in other words, the state of Canada's economy as a result of the policies we introduced three years ago. It is a speech that clearly describes the progress this Government has made since 1984, and its conclusions are such that we can look forward to the future with great optimism.

I was very surprised when the previous speaker quoted the Macdonald Report, since the report in question was in favour of free trade. Of course, they can always quote that part of the Report that suits their own particular ends, but the general tenor of the Macdonald Report was that the Government had no choice but to opt for a free trade agreement with the United States.

However, I found it most refreshing to hear my Conservative colleague's question to the previous speaker, when he said: You keep criticizing, but what kind of economic policy do you have to offer? What is the Official Opposition's economic policy? What is the New Democrtic Party's economic policy? They have nothing on paper, saying what their budget would be like and how they would proceed if they were to form the Government. Not a word. We keep hearing negative criticism, never anything constructive. However, they tend to forget the approach taken by the previous Government. At the time, its budgets were more like amendments to the income tax than a proper budget speech. All we heard was more taxes. The deficit rose from $13 billion to $38 billion in three years. And they even neglected to bring down budgets for as long as sixteen months.

At one point, we had a forecast deficit of $10 billion, which turned out to be $20 billion. Today, however, the forecast is for a deficit of $30 billion, Canadians can count on the deficit being $30 billion. The Minister of Finance (Mr. Wilson), in co-operation with Treasury Board, has provided for an ongoing review of the issues and the Government's economic policies, a truly admirable initiative that does not deserve the negative and destructive criticism we have been hearing today.

This morning, previous speakers often mentioned free trade. I shall, if I may, quote from an editorial in today's *La Presse*, which is about free trade and the partisan analysis we are being given instead of the rational approach we need to an economic analysis as important as this one, especially when the future of all Canadians is at stake. Our friend Frédéric Wagnière said, and I quote:

> Nobody ever said the Free Trade Agreement with the United States was perfect. The version initialled last October was very vague, and the text signed by the Prime Minister still requires some clarification—
>
> However, that is no reason for throwing out the baby with the bath water, like some politicians on both sides of the border—

The politicians on this side of the border being, of course, the Opposition and the NDP.

> —are inclined to do. With all its flaws, the Agreement enjoys considerable support.

And a little further in his article which I found very perceptive, he added:

> The greatest threat to the Free Trade Agreement comes not from the United States but from partisan politics in Canada which may soon turn into electioneering. The federal Government intends to table enabling legislation this spring. Considering the obstruction we can expect from the Opposition Parties, consideration and passage of this legislation by the House of Commons and the Senate may take very long indeed;

Here we have an editorial writer who clearly says that the partisan attitude and blinker mentality of the Opposition Parties is extremely harmful to Canada's economic development and that free trade is the only viable short or long term solution for the Government and for creating jobs. In fact, this Government can be proud of its record, since as one of my colleagues said this morning, it has created the most jobs of any government in recent years.

As I said earlier, this Budget Speech differs from the kind we are accustomed to hear, because it tells us exactly what the situation is. It tells Canadians what they will have to do and what they can expect from the Government, and it tells us exactly what course the Government will take to provide for the economic well-being of Canadians. Furthermore, the Budget is a clear demonstration of this Government's successful economic record.

For instance, concerning international policies that are regularly discussed by the Right Hon. Secretary of State for External Affairs (Mr. Clark), through CIDA, and the involvement of Canadian business people in those matters, this has ensured that CIDA's upgading is now being perceived throughout French—and English—speaking nations in Africa especially. Economic indicators are a clear proof of that—whether it be interest rates, unemployment, housing starts, or investments which have doubled since this Conservative Government came to power, whether the volume of exports, of course, the renewed confidence of potential investors from

Canada or abroad, deficit control as established by this Governement, whether the tax reform that had been discussed for 20 years, and that may be further discussed but will lead to real reforms over the coming months and years, whether this Budget which is an assurance guide to free-trade success . . . In my area for instance, in the constituency of Richelieu, in Sorel, thirteen of the major employers with a total of at least 9,000 to 10,000 employees unanimously supported free trade by announcing that those agreements over the coming years will mean for those entrepreneurs the hiring of from 1,000 to 1,500 and perhaps even 2,000 new employees.

I was surprised earlier to hear the previous speaker suggest unemployment had gone down but poverty had increased. At any rate, if things keep going the way they are, the decrease in unemployment certainly will help stamp out poverty some day or other.

In the Bécancour area, whose industrial park has seen very significant investments, the unanimous reference also is to the free trade agreement as a boost to employment, because more than 1,000 new jobs could result from that historic agreement.

That in my view is clear, specific and concrete evidence of this Government's commitment to implement the free trade agreement in the shortest possible time frame, hopefully with the cooperation of Opposition parties rather than obstruction from the Senate Opposition, often with the complicity of Opposition parties, through all sorts of technical means in order to block that agreement, which would do tremendous harm to the interests of Canadians generally.

In the fine region which I have the privilege to serve, we find the nucleus of the constituency of Richelieu which covers the Sorel area, Tracy, Saint-Joseph, Sainte-Anne and Saint-Pierre as well as the Pierreville, Yamaska, Nicolet and Baie-du Fèbvre area. Then there is the very dynamic area of Bécancour extending 150 kilometres long and 30 kilometres wide along the Richelieu. It has greatly benefitted from the spinoffs of the policies developed by this government and announced in the Budget speech. My constituents applaud the moderation shown by the Government in the delivery of its annual message and in reminding us of its successful results which had very substantial and visible effects in the constituency of Richelieu.

For example, with respect to grants received, whether given to communities, social programs or to non-profit organizations, never has a Government so well favoured some organizations while being so generous to all of them through job-creation programs or direct grants from the Secretary of State. As for the Sorel area, some $5 million have been granted for the restoration of the Sorel harbour and a supplementary request is now before the Treasury Board to allow 76 workers to remain in Sorel rather than having to move in the Quebec or Montréal areas. The matter had been dragging on for seven years.

I could also mention the many investments made for senior citizens or underprivileged individuals, especially the *Coopérative Saint-Jean-Baptiste* which has been granted a special amount to solve its problems with tumble-down dwellings while a sum of $10 million is to be invested to provide acccommodation for senior citizens. I will also announce in the near future, 15 days at the latest, in the area of Sainte-Monique and in co-operation with the Quebec Government the investment of over a quarter million dollars which will be earmarked for the same purpose.

Let me also mention financing made available through the Laprade Fund, that two million dollars special fund drawn from the main programm that was announced just three months ago. The nine member committee of that riding, responsible for the administration of that fund, has already found ways to support, through grants, loans, investments or participation in the capital stock, at least 16 organizations or companies which had filed applications, and we will be meeting next week or the week after to consider yet another fifteen applications. That is one action among others taken by this Governement in the interests of the riding of Richelieu.

I could mention also those new industries that have been set up in Bécancour, as Norks Hydro, or in the area of Tracy, where the metal beams company or the iron and titanium plant underwent expansion of their operations which have created hundreds and hundreds of jobs. Of all Canadian ridings, the riding of Richelieu may be the one where there has been more permanent jobs created during the past three years. Yet that riding had been almost forgotten by the previous Government.

Atlas Steel, *les Aciers Atlas*, a very important company in my region, was granted a contract of $10 million by the Royal Canadian Mint this year. It is its first investment accounting already for close to 10 per cent increase of its turnover, an investment that provides some 500 or 600 hundred people with permanent work and, possibly some more jobs in the future.

After hearing the previous speaker talk about the textile industry and about the risks of free trade for Quebec, let me point to the case of Soreltex, a textile company which recently expanded into the United States, which hired about 100 people in the last year and a half and which is about to hire some 60 new employees for a total of over 400 jobs. That is another accomplishment partly due to a $500,000 grant from the Department of Regional Industrial Expansion.

There is also the first soy micronization plant which set up shop in the fine area of Saint-Robert, in Quebec. Again, the federal government gave a major grant according to the policies announced in last year's Budget. This Budget confirms the government's will to go ahead with those projects in order to create not temporary jobs, as was the case under the previous government, but permanent jobs.

Let's talk about the huge expansion of the fire engine company in Pierreville, which employs almost 300 people as opposed to less than 100 when this government came to power.

Let's talk about the expansion of small business in the Baie du Febvre area, in the Yamaska area, in Saint-Jean-Baptiste-de-Nicolet, in Saint-Grégoire, in Sainte-Gertrude, in Gentilly, in Sainte-Victoire and in Nicolet-Sud. All those regions in my constituency greatly benefit from this government's objectives as announced each year by the Minister of Finance since 1984.

Let's talk about the construction of an industrial motel in the Nicolet area. It will also be announced shortly that work will start on the first plant of an industrial park in Tracy. That is something that the people of that region have been asking for at least 10 years. Within a few months, the first major industry to locate in the industrial park will be announced, to be followed by three smaller industries, which will finally mean a small business industry in the region. For the first time, we have seen a manufacturing industry locate in the Sorel-Tracy region, and this is not a processing plant of the plate-shop type, but a plant which produces finished products, namely the Maxtemp plant. Today, after less than a year, it provides nearly 30 jobs and its turnover will exceed $10 million this year, and both of these figures could triple within a few years.

There have also been total investments of over $500 million in the Becancour Park since the Conservative Party came into office with very well-paid permanent jobs, and we should not forget the new employment assistance programs which the Hon. Minister of Employment and Immigration (Mr. Bouchard) has implemented and which emphasize training, in addition to the employment subsidy. In my riding, 68 per cent of jobs created under these programs have become permanent. These programs have given us permanent jobs instead of creating jobs which simply lead back to unemployment insurance.

Once more, the Government has been very dynamic and its economic policies have had practical results in my region.

I could go on about my own riding. More jobs will be created. Six industries are about to receive a positive answer from the federal Government to locate in the Sorel-Tracy region. There are also other investments, for instance in the Religion Museum in the Nicolet region, for which the federal Government has just allocated $1.2 million, which will create about 30 permanent jobs, and this does not include the indirect fall-out resulting from all the people who visit a nationally renowned museum such as the Nicolet Religion Museum will become.

Moreover, next week, we shall hear some very good news about tourism in the Nicolet region, and the Becancour area is about to submit very important projects under the Laprade Fund, which projects will naturally receive careful consideration both from myself and from the Government of which I am proud to be a member.

In addition, there will be a major expansion project and the development of a new technology for cheese production, which should represent millions of dollars in investments.

Let us not forget either the Saint-Pierre-de-Sorel and Sainte-Anne region, where there will also be very important projects. These are the results of the policies of a Government which recognizes that the only way to develop a constituency, a province or a country is to create permanent jobs and to provide assistance and co-operation to the private sector, without neglecting economic organizations either in the tourist industry or through key businesses and community development programs, which are certainly proving useful in my riding. My whole riding now qualifies for community development programs or key companies, which makes it easy for young entrepreneurs to start in business, without having to go through the whole bureaucratic ladder to get a small subsidy.

• (1230)

I realize, Madam Speaker, that I have only one minute left to praise this Budget speech and particularly its fallout for my riding and for the beautiful area in central Quebec I have the honour to represent. In conclusion, I would like to express the wish that my constituents do take advantage of this economic policy set up by the Government to assist the industry and I would like to assure them in particular that I will do everything in my power to assist them with all the cases they would like to refer to me. For the past three years, I have served them with concern, passion and dedication, and I will continue to do so, because I am very proud to represent my riding of Richelieu, which I consider as one of the most beautiful ridings in the province of Quebec.

The Acting Speaker (Mrs. Champagne): Questions and comments. The Hon. Member for Trois-Rivières (Mr. Vincent).

Mr. Vincent: If I may, Madam Speaker, I should like to commend the Hon. Member for Richelieu (Mr. Plamondon) for his excellent speech, and more particularly for the outstanding work he has been doing in his riding over the past three years. In my opinion, he has highlighted the work carried out in his riding, and the significance of the Conservative Government as well as of this and others Budgets. First I would ask him whether he can see a direct link between last week's Budget tabled by the Minister of Finance (Mr. Wilson) and earlier Budgets in terms of the evolution of businesses in his riding. He also mentioned the Laprade fund. How did people in his riding react to the announcement concerning the Laprade fund, especially in light of the fact that certain cases have already been settled? I happen to know that some companies in his riding got sizeable financial contributions from the Laprade fund. I should like to know how he feels about that and what his constituents have to say in this respect.

Mr. Plamondon: Madam Speaker, I would like to thank my hon. colleague from Trois-Rivières (Mr. Vincent) for his kind words, and I want to return the compliment. The dedication and energy displayed, not just in his riding but throughout Central Quebec, show that things have really changed since 1984, compared to what we had come to expect from the silent majority that preceded us here in the House of Commons.

To get back to his question, it was about the Laprade Fund. We announced that the Laprade Fund would be reactivitated

with a new set of criteria. Before, it was more or less a Member's discretionary fund which he could use to subsidize in his riding what had to be non-profit organizations. He could subsidize these directly, and often did so without first requesting a feasibility study. Now, however, the new criteria that were announced by the Minister, the Hon. Member for Berthier—Maskinongé—Lanaudière (Mr. de Cotret) in Louiseville, have been a great incentive for businessmen in the riding to submit projects. These are major projects, by the way. For the Laprade Fund, projects must be worth $500,000 or more. The projects must create permanent jobs, and since the announcement a year ago that the Laprade Fund would be reactivated with very specific acceptance criteria, I have had at least ten proposals that are either being analyzed or are about to be announced. At least three or four of these have already been announced, and they would not have materialized without the Laprade Fund. And consider that originally, the Laprade Fund could only be used for non-profit organizations—not for the private sector and not for municipalities!

If we want permanent jobs, doesn't it make sense to look to the private sector and our municipalities, to major projects like establishing museums or other initiatives? That is what the Laprade Fund did for the Hon. Member for Trois-Rivières, and there was a positive impact, not just on the Hon. Member's riding and my own, but on all ridings in the region, and it was greatly appreciated by the private sector. Earlier, the Hon. Member wondered whether previous budgets had had an impact, and whether this one was pointing us in the same direction. Yes indeed. When the first budgets were brought down . . . The Government's initial economic proposals were announced a few months after the 1984 election, and the impact was already being felt in the riding of Richelieu at the time. This was reflected in the creation of new jobs, a drop in the unemployment rate, new investment, exports and new construction.

The Acting Speaker (Mrs. Champagne): Resuming debate. The Hon. Member for Essex—Windsor (Mr. Langdon).

• (1240)

[*English*]

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, I want to make it clear from the start of this speech that the Government has had its successes. I am interested to see that the Minister of Employment and Immigration (Mr. Bouchard) is present. The Government has had its successes in cleaning up a situation in which jobs were provided through the Department of Employment on a short term *ad hoc* basis which did very little good for the people in terms of placing them in positions where they could have longer term jobs for the future.

There have been successes in some areas of foreign policy. For instance, the Government's policy on Central America, although it might not be quite as outspoken as I would wish it to be, has been very much on the right side in a difficult situation.

There are many who would say that the Meech Lake Accord is very much an area of success.

I also have to say, especially with respect to economic policy, that the Government has had its failures. As I see it, its failures have come especially in industrial policy. There have been three Ministers in the space of 3.5 years, one who has been judged to have been involved in 14 conflicts of interest by Judge Parker, another who has been dismissed from the Cabinet, and a third who is now in front of us. Those three Ministers are perhaps part of the reason that we have not had an industrial policy from the Government as part of its broad economic policy which has been effective.

Mr. Edwards: Madam Speaker, I rise on a point of order. I think that it would be appropriate if the Hon. Member is making an accusation that he be specific.

The Acting Speaker (Mrs. Champagne): The Chair was listening very carefully to the Hon. Member for Essex—Windsor (Mr. Langdon) and wondering at what point he could make some relation to the subject which is being studied today while making accusations or allegations. I am sure that the Hon. Member will want to be very careful when he is discussing the subject at hand. The Hon. Member for Essex—Windsor.

Mr. Langdon: I am not here to discuss the activities of the past Minister of industry, the Member for York—Peel (Mr. Stevens)—

The Acting Speaker (Mrs. Champagne): The Chair thinks that, if the Hon. Member is not here to discuss the activities of other Members, then he should not do so.

Mr. Langdon: I appreciate that, Madam Speaker, but one of the points I am making, which is very important with respect to what I see as a profound failure of this Government in its industrial policy in terms of consistency and direction, is that it has had three Ministers in the space of three and a half years. We all know in the House that that is the result of certain events which took place affecting one of those Ministers of Regional Industrial Expansion. As I say, that is not the subject of my speech. The subject of my speech is the failure of industrial policy of the Government.

Mr. Edwards: Madam Speaker, I think that the Hon. Member is seeking to do, as Anthony did, through omittendo what his Party has failed to do through innuendo.

Mr. Langdon: I must say, with due respect to the Member, that this is absolute nonsense. I am simply reporting what has taken place, and what everyone in the House knows has taken place, which has created the situation where we have had three Ministers of Regional Industrial Expansion. My point is that the takeovers which have taken place within the Ministry have

been major contributors to its failure to give us a consistent industrial policy.

• (1250)

That failure is demonstrated, for example, in the fact that the previous Minister, testifying before the international trade committee last year, told us that within two months to three months we would have before us a new automotive strategy. We have still to see such a strategy, approximately 10 months after that statement. We have seen absolutely no statements of broad strategy in respect of the critical need in the country to produce much more of the machinery that we use. We have seen no policy to get the most out of foreign investment. As a matter of fact, we have seen important and dangerous retreats in respect of that goal. We have seen no policy whatsoever with regard to the lay-offs that have hit many workers across the country. Many of them are older workers who have been hit by shut-downs, as a consequence, and have not been able to find alternate jobs.

Despite the statements of the previous Minister of Labour, no policies in respect of industrial adjustment have been put forward by the Government. The consequences are to be found in the Black & Decker plant in Barrie, which shut down in 1984, the Trenton Car Works in Nova Scotia, which was shut down for much of the Government's period in office, as well as apparell manufacturing plants in downtown Toronto which have been shut down, to the Gulf refinery in Montreal, which was shut down, and the pressures which exist on smaller steel companies in the West. We have seen no policy which has given any direction whatsoever. We have seen no sense of a broad strategy or of a game plan with regard to the manufacturing sector.

Referring to the Province of Ontario alone, in the past year there have been, in terms of either announced shut-downs or significant lay-offs, over 100 such occurrences affecting over 14,000 workers, according to data which come from the Ministry of Industry in Ontario.

In this set of failures there have been some real horror stories. There has been the case of Lapp Insulators where we in Hamilton appealed to the Minister to permit a workers' co-operative to buy out the company. He refused, and the consequence a few short months later was that an American took it over and shut it down. We have seen horror stories like that one which affected Goodyear workers in Toronto, 1,400 of whom hit the bricks because of a lack of strategy in the automotive sector, and 1,300 people who have now lost their jobs at Firestone in Hamilton for much the same reason.

We have seen the case of White Farm Machinery in Brantford, where a Canadian entrepreneur had taken the plant to a point where it was moving well but needed some assistance from the Government. The Government said "no", and the company was put under as a direct result of the Government's lack of direction and lack of action in the industrial area.

This has been especially evident in the area from which I come. The constituency of Essex—Windsor has seen an accelerating number of such shut-downs, demonstrating this lack of effectiveness and this lack of direction in industrial policy. We have seen the International Tool Limited case that has cost 185 workers their jobs, without a single word of explanation to the community about why that plant which had been profitable up to that stage should have simply shut down at the very start of a strike and at a point at which it had received all sorts of grants and assistance from the Government.

We could talk about the case of Cross Lasalle in the Windsor area, a small plant which was taken over by an American plant and shut down very shortly afterwards. We could talk about the case of Sheller Globe, again a profitable plant taken over by an American company which was shut down and cost 205 workers their jobs. We could talk about Dominion Forge, another plant which at this stage is in the process of shutting down. We could talk about lay-offs which are hitting, for instance, Kelsey Hayes, costing 200 workers their jobs at this point; the General Motors transmission plant in Windsor, costing over 300 workers their positions; and the lay-offs at Central Stamping that I visited this past week which is costing 30 workers their jobs.

Part of the reason for this is in the failure of the Government to define and set out an automotive strategy. I think part of it also comes from the preparation of various companies for the trade deal coming into effect. However, I think a big part of what is taking place is a consequence of the complete absence of policy on the part of the Government. It is almost as if the Government set out to devastate the heart of manufacturing in Canada.

[*Translation*]

The Acting Speaker (Mrs. Champagne): After recess, the Hon. Member will have five minutes left to finish his speech.

It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

THE ARMENIANS

MEMBER'S SUPPORT

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the present situation of ethnic minorities in the Soviet Union is worrisome. The Armenian, Lithuanian, Ukrainian, Jewish,

German, Moslem and other cultural communities continue to feel as though they are on the fringe of the Russian majority, which accounts for only 51 per cent of the Soviet people.

Yesterday's *New York Times* reported demonstrations and strikes in the independent region of Nagorno-Karabakh: most resident of that region—80 per cent—are of Armenian descent and are making official representations to Moscow with a view to being linked with Armenia.

Mr. Speaker, international press correspondents also report that Armenian representatives are to meet with Secretary General Gorbatchev to explain their situation and grievances, and hope they will be given a hearing.

At the same time, yesterday more than 100,000 people gathered in Erevan, the capital of the Soviet Republic of Armenia, seeking restitution to Armenia of that independent region which was annexed to Azerbaidjan during the 1920s under the Stalin administration.

Mr. Speaker, I should like to echo the claims of Armenian people in the Soviet Union. I praise them for their courage and tenacity, and I express the wish that a fair and equitable solution be found.

* * *

[*English*]

HISTORIC EVENTS

LITHUANIA—INDEPENDENCE CELEBRATION—INTERRUPTION BY SOVIET MILITIA

Mr. Jim Jepson (London East): Mr. Speaker, on February 16, 1988, Soviet occupied Lithuania celebrated the seventieth anniversary of the restoration of its independence.

This peaceful religious celebration was attended by over 15,000 Lithuanians during the evening of the sixteenth. Unfortunately, we here in the West were unable to see the results of the celebration because the press had been shuffled out of the territory during the afternoon.

This peaceful, nationalistic celebration was interrupted by a Soviet militia of over 10,000 men, many of them coming from other parts of the Soviet Union. These men brutally beat the celebrants and hospitalized over 160 Lithuanians. Leaders and clergy of the Lithuanians were put under house arrest for three days with no contact with the outside world. There was even one instance in which a Lithuanian celebrant was beaten, had his head shaved, and was held prisoner for three days without food. Certainly this type of dehumanization is not just. Mr. Gorbachev's glasnost was not implemented in this situation. Why was a peaceful demonstration broken up with such brutality in a country that claims glasnost as its new policy?

I urge the Secretary of State for External Affairs (Mr. Clark) and the Government of Canada to pressure the Soviet Government and Mr. Gorbachev to live up to their policy of glasnost and allow such peaceful demonstrations in the future. We all want peace, but not without freedom.

* * *

RAILWAYS

FUTURE OF NEWFOUNDLAND RAILWAY

Mr. Jack Harris (St. John's East): Mr. Speaker, once again Newfoundlanders are hearing that the federal and provincial Tory Governments are trying to close down the Newfoundland Railway.

One of the commitments when Newfoundland joined Confederation in 1949 was the maintenance of a rail link across the province. Until recently, Premier Peckford stood behind preserving that link. Today we have both the Premier and the Minister of Transport (Mr. Crosbie) trying to cut a deal which will do away with this constitutional arrangement.

It is absolutely essential that, before any decision is made, Newfoundlanders must see the studies upon which any decision is to be taken. What will happen to the 650 employees and the communities whose livelihood depends on the railway? Before any decision is taken, a definite special economic development program for any communities adversely affected must be put in place. If one transportation system is to traded for another, there must be a perpetual commitment to the maintenance of that system.

It is time for both the federal and provincial Tories to be open and honest with Newfoundlanders and tell them what plans they have for the railway.

* * *

ABORTION

CALL FOR LEGISLATION TO PROTECT UNBORN CHILDREN

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, the Canadian Advocates for Human Life, an association of lawyers across Canada, is pressing for legislation to provide protection for Canada's unborn children from abortion. They have added their weight to this crusade, as have the Knights of Columbus representing over 600,000 families, the Catholic Women's League of Canada with 128,000 members, Physicians for Life whose numbers are increasing daily, an increasing number of nurses, the Canadian Conference of Catholic Bishops plus all pro life groups, as well as hundreds of thousands of Canadian citizens.

Never in the history of Canada have we seen such a large number of Canadians working together to stop the killing of unborn human beings. Thursday, January 28, 1988, will go down in history as Black Thursday, a day on which the Supreme Court sentenced countless unborn babies to death by

abortion. This decision must be overturned. One does not solve social problems by creating innocent victims of a problem, our unborn children.

Therefore, I urge the Government to work in greater haste to enact legislation that will safeguard the life, liberty, and sanctity of every human person, including unborn children.

* * *

[*Translation*]

CANADA POST CORPORATION

DELIVERY STANDARDS

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, under its five-year corporate plan, Canada Post has lowered its delivery standards, unable as it was to meet the previous ones. A postal services independant study has shown that one out of five letters is still not delivered on schedule, despite the lower standards. Mr. Speaker, Canadians deserve a better service.

As of today, the Minister and Canada Post Corporation have still not announced the measures they intend to take in order to ensure that the minimum standards they have already lowered will be met.

• (1405)

[*English*]

The climate in the Canada Post workplace is explosive. Why does the Minister encourage the confrontational style Canada Post adopted *vis-à-vis* its employees? How can the mail be delivered on time if those who move it are not motivated but rather frustrated?

* * *

HUMAN RIGHTS

SOUTH KOREA—PLIGHT OF PRISONERS OF CONSCIENCE

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I hope I speak for all Members of Parliament in supporting Amnesty International's call on the new President of South Korea, inaugurated yesterday, to demonstrate his declared commitment to human rights by releasing all prisoners of conscience and by commuting all pending death sentences for so-called anti-state activities.

The continued detention of South Koreans for the peaceful exercise of their rights of freedom of expression and association belies the membership which South Korea would obviously like to claim as part of the democratic world. The fact is that South Korea's so-called economic miracle, often lauded by right-wing Canadians, has been bought at the price of much political oppression. A rising GNP accompanied by rising rates of detention and suppression of dissent is not progress.

I call on the new president, Roh Tae-woo, to usher in a new era and declare the amnesty called for by Amnesty International.

* * *

[*Translation*]

OBITUARY TRIBUTE TO QUÉBEC FEDERATION OF LABOUR PERMANENT DELEGATES

Mr. Louis Plamondon (Richelieu): Mr. Speaker, it is with great sorrow and sadness that we learned last Tuesday that four high-ranking members of *QFL Construction* were killed while on duty.

They are: Guy Perreault, Director General, *QFL Construction*; Jean-Claude Sureau, Director, *Association nationale des travailleurs en tuyauterie*; Claude Proteau, Assistant Director General, *Fédération interprovinciale des ouvriers en électricité*; and Gaétan Boucher, union representative, *Association nationale des mécaniciens industriels*.

On behalf of my colleague, the Minister of Labour (Mr. Cadieux), and all the members of the Quebec Caucus, I would like to offer my deepest sympathies to all QFL members, who have lost valuable colleagues, and to the family and friends, so sorely tried.

I had the opportunity to work with some of these men, but I am well aware of the dedication of all of them to the cause of Canadian workers.

I would like also, on behalf of the Government, to offer our condolences to the friends and relatives of the pilot, Jean Verrière, and the copilot, Gary Gadouas.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

SYDNEY TAR PONDS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, on November 7, 1986, the Minister of the Environment (Mr. McMillan), along with members of the Nova Scotia Government, announced a clean-up agreement for the Sydney tar ponds. The Minister said:

> The tar ponds are an environmental menace to the health of the Sydney residents.

Yet the Government continues to drag its collective feet on this very important project.

The Minister also said at that time that the workers of the coke ovens who would be losing their jobs would be offered

assistance by the federal Government in preparing for and obtaining new employment. Coke oven employees have already lost their jobs but nothing has been put in place.

Background information on that meeting of November 7 indicated that the federal Government said a CEIC industrial adjustment service agreement "may also be negotiated to assist those displaced workers presently employed at the Sysco coke ovens in preparing for and endeavouring to obtain alternate employment". Where is this assistance and where is this agreement? Why can the people of Sydney not rely on the promises of the Government?

* * *

HISTORIC EVENTS

ESTONIA—ANNIVERSARY OF INDEPENDENCE

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, 70 years ago on February 24, 1918, Estonia became a free and independent nation. The Soviet Union brought an end to that freedom in 1940 when Estonia and other Baltic states were forcibly annexed to the U.S.S.R. Estonia remains occupied by Soviet troops to this day.

• (1410)

Canada's position on the illegal occupation of the Baltic nations is clearly stated in the Prime Minister's (Mr. Mulroney) message to the Estonian community marking this seventieth anniversary of Estonian independence, and I quote:

> Canada has never recognized in law this act by the U.S.S.R., nor have we any intention of doing so now.

The Estonian community in Canada invite all freedom-loving Canadians to join with them in commemorating this spirit of independence and in demonstrating their desire for liberty and justice in their homeland.

I call upon the Secretary of State for External Affairs (Mr. Clark) to use all available measures to maintain pressure on the Soviet Union until its illegal occupation of Estonia is ended and that country once again takes her rightful place among the free and independent nations of the world.

* * *

TOURISM

EFFECT OF GASOLINE PRICE INCREASES

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, the Conservatives have again shown little concern for Canada's tourism industry. In its last Budget the Government again increased the price of gasoline by one-cent a litre. Add this to the two-cent a litre hike in the excise tax announced in September, 1985, the one-cent a litre increase in January, 1987, and the one-cent a litre hike announced in February, 1987.

These increases, coupled with a 3 per cent hike in the sales tax since 1984, have made gasoline prices in Canada very uncompetitive with our largest tourism customer, the United States. Today the price of gasoline in Canada is over 50 per cent higher than in the U.S. This difference will certainly have a negative effect on the number of American visitors to Canada.

The ever-widening gap in the price of gasoline has prompted the Canadian Automobile Association to state that transportation related industries in Canada will be unable to compete with their American counterparts as we enter a free trade era.

For many regions in the country, tourism is one of the few industries with real growth potential. Tourism has enormous potential for job creation. Why is the Conservative Government attempting to choke off this industry?

* * *

WINTER OLYMPIC GAMES

ACCOMPLISHMENTS OF ATHLETES FROM MISSION—PORT MOODY APPLAUDED

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, on February 13, Mission—Port Moody sent three athletes to the Olympic Games in Calgary. It is with pride that I rise in this House today to congratulate Tracy Wilson and Rob McCall on winning the Bronze Medal for Canada in the pairs ice dance competition. I wish to note that Tracy Wilson is originally from Port Moody, British Columbia, where she spent many years developing the skills and abilities which have served her so well.

In addition, we were able to watch Eden Donatelli capture Canada's second Silver Medal, in the 500-metre short track speed skating competition last night. Eden is from Mission, British Columbia. As well, Kathy Gordon, from Mission, British Columbia, is preparing to compete in the 5,000-metre speed skating event.

Can you imagine, two medal winners and such a great contribution to the Olympics from Mission—Port Moody, British Columbia? Let this House and all Canadians congratulate Mission—Port Moody and these great Canadians.

Some Hon. Members: Hear, hear!

Mr. Speaker: I just want to say to the Hon. Member for Mission—Port Moody (Mr. St. Germain) that, probably as well as anyone here, I can join with him in his congratulations.

Some Hon. Members: Hear, hear!

PUBLIC SERVICE

CONTRACT NEGOTIATIONS WITH PUBLIC SERVICE ALLIANCE OF CANADA

Mr. David Orlikow (Winnipeg North): Mr. Speaker, Public Service employees who are members of the Public Service Alliance of Canada are asking their Members of Parliament why there has been no progress in their contract negotiations. The PSAC has proposed that Treasury Board agree to reduce 31 sets of negotiations to seven to streamline the bargaining talks. Treasury Board has refused, despite savings to the taxpayers which the PSAC estimates at $1.5 million. It is difficult to see why the Government, which claims to be cost conscious, can turn its back on this kind of saving.

Furthermore, the Canada Labour Relations Board recently decided to amalgamate 28 bargaining units at Canada Post into four to gain greater bargaining efficiency. Yet the Government ignores that precedent in its own negotiations.

Why is the Government so deaf to good advice? Because it claims there will be more strikes if bargaining units are consolidated. Yet the Government should know that 95 per cent of negotiations with that union have resulted in negotiated settlements. Why is the Government afraid of efficient public service bargaining? Why does it not get on with the job and deal with the union fairly?

• (1415)

ORAL QUESTION PERIOD

[*English*]

THE ADMINISTRATION

ALLEGATIONS MADE AGAINST FORMER MINISTER—PRIME MINISTER'S STATEMENTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Deputy Prime Minister. The Prime Minister said yesterday that the media and the Opposition had, to use his words, "lynched, drawn and quartered" his former Minister "with no evidence".

Is it not true that on January 18, 1987, even before a single question had been asked by the Opposition the Prime Minister himself said that the former Minister was fired because of, and I use the Prime Minister's words, "certain facts related to property transactions linked to the Oerlikon plant"?

Is it not also true that the allegations against the former Minister were made, not by the Opposition but by the Prime Minister's own senior advisers? Is it not also true that the Prime Minister himself called in the Mounties and then called—

Mr. Speaker: Order. I certainly hesitate to—

Mr. Shields: That's a Sheila Copps question.

Mr. Speaker: I ask Members on the government side please to be quiet. This is not an easy issue and I am going to try to deal with it as I hope all Members would have me do. I very much hesitate to interrupt the right hon. gentleman but I do want to keep something in mind in this place.

The former Minister who is being discussed has just been acquitted of all of the charges by a jury of this country. That fact does not make it improper to ask some questions about the administration of the Government or some other thing.

I know that the right hon. gentleman will bear with me in this because I do not mean this as an admonishment. However, if there are to be questions on this issue I want them to be carefully phrased and I want them to be directed to the administration of the Government, and especially to matters upon which the Government has a responsibility to answer. However, I do not want any suggestion that anybody in this place who has been acquitted by a jury in this country is to be retried here. The Right Hon. Leader of the Opposition.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, both myself and the Member for Oshawa accepted the verdict of the jury completely. What we are complaining about today before Your Honour is the Prime Minister's attempt to rewrite history.

Some Hon. Members: Right on!

Mr. Turner (Vancouver Quadra): I will confine my questions strictly to the Prime Minister's statements.

Again to the Deputy Prime Minister, is it not true that the Prime Minister then called a press conference—

Mr. McDermid: Is that all you have got going for yourself, Turner?

Mr. Riis: It's not a laughing matter.

Mr. McDermid: He hasn't asked a question on the economy in months.

Mr. Broadbent: When you're back on this side you can ask the questions.

Mr. Speaker: Order. The Right Hon. Leader of the Opposition has clearly indicated that he has accepted the intervention of the Chair in this matter and he has made it clear that he is proceeding subject to the caution that I have expressed. I have given the Right Hon. Leader of the Opposition the floor. The Right Hon. Leader is entitled to ask the question and he is entitled to the courtesy of all Hon. Members to give him a chance to ask it. The Right Hon. Leader of the Opposition.

Mr. Turner (Vancouver Quadra): Mr. Speaker, we are not going to be dissuaded from pursuing this particular issue with the Deputy Prime Minister.

Is it not true that in that press conference the Prime Minister announced that the former Minister was under RCMP investigation and is it not true that the Prime Minister fired the Minister for reasons of, what he called at that press conference, public morality? Is it not true that the Prime Minister then told Parliament on the following day, January 19, and I quote from *Hansard*, that the issue is "an alleged serious matter that involves morals, perhaps public ethics, criminal law and so on"?

• (1420)

Why does the Prime Minister attempt to shoot the messenger? And why does the Prime Minister blame the media and the Opposition for statements he made over that weekend about his former Minister?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I think what is important in this issue is the importance of the spirit of the code being upheld, and by the actions of the Prime Minister the spirit of the code was indeed upheld.

[*Translation*]

ALLEGATIONS—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, if the Prime Minister thinks the former Minister of State (Transport) was the victim of a witch hunt, he should look at his own record. When the Prime Minister fired the former Minister and called in the RCMP a year ago, he did not do so on the basis of allegations by the Opposition or the media but on the basis of what he called the facts. He would now have us believe that last year's facts are today's figment of the imagination of the media and the Opposition. Could the Deputy Prime Minister inform the House about any allegations or criminal behaviour made either by the press or the Opposition, here in the House or outside? Name them. Or will the Deputy Prime Minister tell his Leader, the Prime Minister of Canada, to take his own medicine instead of preaching to others?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the Prime Minister pointed out at that time, and I do not have the precise words he used, but I think it was to the effect that information had been drawn to his attention that could provide the basis of a potential conflict of interest, and it was on that basis that the action was taken. I am surprised that the Right Hon. Leader of the Official Opposition is taking such offence at the actions that were taken by the Prime Minister. I think his actions are a clear indication that the code was not only applied, but specific action, swift action, was taken by the Prime Minister. He should be applauding that.

Mr. Turner (Vancouver Quadra): Mr. Speaker, we are not complaining about the action of the Prime Minister in referring this matter to the police, or any of the other citations I have made today. We are complaining that the Prime Minister attempted yesterday to rewrite history and lay the blame for the whole issue on the media and the Opposition in this House of Commons. That is the issue.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): I will say to Members opposite that the issue would not have arisen in this House had the Prime Minister not made those statements yesterday. That is the truth of it.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Let me—

Mr. McDermid: The rat pack has a new leader.

Mr. Gauthier: You are nervous over there.

Mr. Speaker: The Right Hon. Leader of the Opposition.

EXEMPTIONS FROM PROPOSED CONFLICT OF INTEREST ACT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, let me turn to the legislation which deals with this sort of matter, the new conflict of interest legislation tabled yesterday by the Prime Minister. Will the Deputy Prime Minister explain why any regulations under the new ethics commission must first be approved by Cabinet, the very people who caused this mess in the first place?

Some Hon. Members: Oh, oh!

Mr. McDermid: Look around you.

Mr. Turner (Vancouver Quadra): Will the Deputy Prime Minister explain why Dalton Camp, the Principal Secretary of the Prime Minister, the Chief of Staff of the Prime Minister, and political staff, are not going to be covered by these new rules as they are covered by the old rules? Why are the backroom boys in the Prime Minister's office going to be exempt from the law?

I ask the Deputy Prime Minister further to explain why this law includes nothing about government contracts, the letting of government contracts, nothing about government advertising, nothing about government lobbying, and nothing about the patronage practised by the Conservative Party since it came into power?

• (1425)

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, first I remind the Hon. Member that the lobbying Bill is before Parliament at the present time. Is the

Leader of the Opposition suggesting in the preamble to his question that the Opposition has not hurled unfounded allegations and accusations across the floor of the House? If he is suggesting that, then he has not been paying attention, he has not been listening, or he has a very, very short memory. That has been common practice in this session of Parliament, Mr. Speaker.

Mr. Gauthier: That is not true.

Mr. Turner (Vancouver Quadra): Back that up.

Mr. Mazankowski: Mr. Speaker, I also find it very strange that while the Leader of the Opposition condemns the legislation that was tabled yesterday he suggested that he would only refine and strengthen the conflict of interest guidelines. We have legislated them.

PROVISIONS GOVERNING TRUSTS

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is also for the Deputy Prime Minister. The Government has not legislated anything, it has introduced a Bill. It is a Bill like the lobbying Bill which can sit on a shelf forever.

I would like to ask the Deputy Prime Minister this question. Why does the conflict of interest Bill contain a step backward on the subject of trusts? Pursuant to Clause 10(2) of the Bill a trustee can still be a spouse or riding president, as has happened and which is the case under the present guidelines of the Government, whereas under the Ontario Bill a trust must be at arm's length and trustees must be individuals or corporations at arm's length from a Minister. Why is there a step backward here?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I take it from the Hon. Member's question that Members opposite would be prepared to proceed with this Bill in short order. If we can get an agreement from them, I am sure that that could be negotiated. Let them put their money where their mouth is.

With regard to the provision to which the Hon. Member refers, if he will read the Bill carefully he will find that those arrangements can only be made with the express consent and permission of the Commission.

DISCLOSURE OF ASSETS

Hon. Bob Kaplan (York Centre): Mr. Speaker, under the regulations approved by Cabinet why should there be a discretion to allow non-arm's length trustees? What possible justification can there be for that?

Why is disclosure of assets not required, as Mr. Justice Parker who investigated the former Minister of Regional Industrial Expansion recommended, and as Ontario has already set out in its legislation?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the terms and reference of any trust arrangement could only be made with the concurrence, the recommendation and approval of the independent Commission.

With regard to disclosure it is clear that everything must be disclosed to the Commission. The Commission makes that decision.

If the Hon. Member who has just asked the question—a great defender of civil liberties—would look at Clause 31 he would find that the Commission would take into account the necessity of ensuring that there is a balance, a balance between the public interest with respect to disclosure and the interest with respect to reasonable privacy for the Member involved. I am surprised that the Hon. Member would take exception to that.

* * *

[*Translation*]

PETRO-CANADA

SALE OF SHARES TO FOREIGNERS—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Deputy Prime Minister. Yesterday, the Minister of Energy, Mines and Resources failed to give a clear answer, both in and outside the House, to questions about the future of Petro-Canada. Canadians will not stand for privatizing Petro-Canada, nor will they stand for selling shares to foreign nationals. Could the Deputy Prime Minister give Canadians the assurance that the Canadian Government does not intend to sell shares in Petro-Canada to foreign nationals?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the Prime Minister has stated on a number of occasions that Petro-Canada would only be privatized if it was considered in the best possible interests of the national public. There has been no decision taken with respect to the privatization of Petro-Canada. If there is such a decision it will be announced in due course.

• (1430)

POSITION OF MINISTER

Hon. Edward Broadbent (Oshawa): Mr. Speaker, with respect I would like to say to the Deputy Prime Minister that the Government had better get its act together. According to a report that was in the press yesterday, which was not denied by the Minister of Energy, he stated in an interview that future expansion of Petro-Canada was going to be conducted in the form of selling shares. If that is not privatization I do not know what is.

I would like to ask the Deputy Prime Minister now, is he saying to the House that the Government has not taken a decision to sell shares of Petro-Canada to the public? If so, what was the Minister of Energy talking about?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): That is correct, Mr. Speaker. I indicated earlier that there has not been a decision made with respect to this.

EFFECT OF CANADA-UNITED STATES FREE TRADE AGREEMENT

Hon. Edward Broadbent (Oshawa): I accept what the Deputy Prime Minister is saying as a correction of what the Minister of Energy had publicly stated before.

The Deputy Prime Minister is shaking his head. That is the way that I understood it. If he wishes to clarify that I would appreciate it, and I am sure that Members of the House would.

As I understand it, the Minister did not deny it outside the House. Yesterday he was quoted in the press as stating they were going to sell shares. The Deputy Prime Minister states that that is not the case.

If the Government has not yet taken that decision, will the Deputy Prime Minister or the Minister for International Trade confirm that, according to a clause in the proposed trade agreement with the United States, if the Government of Canada does not announce at the outset that any such shares would be restricted to Canadians, it will be impossible to do so later on?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, in the absence of the Minister responsible for privatization I can assure the House that this issue was taken into account in the free trade agreement negotiations. Our right to privatize and hold shares in the name of Canadians, or restrict ownership to Canadians, is left intact.

Mr. Broadbent: That's not what your official said this morning.

* * *

[*Translation*]

OFFICIAL LANGUAGES

ACQUIRED RIGHTS OF SASKATCHEWAN FRANCOPHONES—REQUEST FOR ASSISTANCE IN TRANSLATING LAWS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, today the Supreme Court, in an historic decision, confirmed the vested rights of French-speaking Canadians living in Saskatchewan, rights they have had since 1905. I just want to read one sentence from today's decision:

> The statutes of Saskatchewan must, by virtue of the province's constituent statute, the *Saskatchewan Act*, be enacted, printed and published in English and French. Since the statutes of Saskatchewan were not enacted in the manner and form required by its constituent statute, it follows that they are invalid.

My question for the Deputy Prime Minister is this: Considering the precedents set both in Manitoba and New Brunswick, and considering that the federal Government has always supported the provinces in their continuing efforts to make their legislative and judicial services bilingual, is the federal Government prepared to offer the Province of Saskatchewan today—since there is a matter of urgency in this case—all the human and financial resources it needs to help translate all statutes adopted by Saskatchewan in English only since 1905?

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, this was not a case in which the Government of Canada intervened because it dealt with provincial matters or questions of provincial jurisdiction only.

Naturally, we are interested in and support the concept of bilingualism across Canada. If Saskatchewan wants us to assist, we certainly would co-operate in any way possible to see that it carries out the judgment. Of course Saskatchewan will have to decide on its own course of action.

TRANSLATION OF SASKATCHEWAN STATUTES—REQUEST FOR FEDERAL ASSISTANCE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): My supplementary question is directed to the Deputy Prime Minister or the Acting Minister of Justice. Given the fact that the Province of Saskatchewan has adopted the Meech Lake resolution, and was one of the first provinces in the country to do so; given that the House has also adopted that resolution; given the spirit of that resolution that states in no uncertain terms that the federal Government and the provinces will protect minority rights, is the Government ready at this time to give its guarantee that it will do all in its power to assist Saskatchewan to comply very generously with this requirement of the Supreme Court of Canada, that is, to translate all the laws of the Province of Saskatchewan?

Hon. John C. Crosbie (Minister of Transport): Surely, Mr. Speaker, the Government of Canada does not have to do anything with respect to the Government of a province complying with what the Supreme Court of Canada states is the law.

We can expect that the Government of the Province of Saskatchewan will comply with this decision of the Supreme Court of Canada, just as we would comply with any decision of the Supreme Court of Canada. If they need any assistance from us, the Prime Minister's attitude and policy are well known, and I am sure we will attempt to co-operate.

APARTHEID

SOUTH AFRICA—GOVERNMENT'S ACTIONS AGAINST BLACKS' ORGANIZATIONS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Deputy Prime Minister. The South African Government has again demonstrated its pathologically vicious resistance to any democratic participation by blacks in that country.

Would the Deputy Prime Minister indicate to the House what action the Government now plans to take, in addition to rhetoric, in response to this situation which has been precipitated in South Africa and which indicates the impossibility of a peaceful basis for negotiated peace there?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I believe you are aware that the Secretary of State for External Affairs is ill, but I spoke to him today on this issue.

He has already been in touch with some of the Foreign Secretaries of the Commonwealth to determine an effective response to this move by South Africa. Of course Canada strongly condemns the new restrictions that the South African Government has put in place.

I think that the House can respect and acknowledge the outstanding efforts that have been made by the Secretary of State for External Affairs in dealing with this issue of apartheid.

REQUEST THAT CANADA IMPOSE TOTAL ECONOMIC SANCTIONS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the entire policy of the Government has been premised on the possibility that there might exist, within the heart of the South African Government, the ability to deal with black people there. That is not going to happen now. The Prime Minister has indicated that he was going to impose complete diplomatic and economic sanctions on South Africa.

Will the Government not now call in the South African Ambassador and indicate to him our complete condemnation of the South African Government; recall the Canadian Ambassador to South Africa; and implement absolute economic sanctions against South Africa right now?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Secretary of State for External Affairs has already expressed the view that the action taken by South Africa is an invitation to violence. He has worked with the Foreign Secretaries in the Commonwealth to deal with this in an effective manner. I would suggest that his actions in regard to the distaste that Canada feels for apartheid speak for themselves.

In terms of diplomatic representation and recalling our Ambassador, I would point out to the Hon. Member that Canada continues to support the opponents of apartheid. The best way to do that is to maintain our diplomatic relations with South Africa.

SEVERANCE OF DIPLOMATIC LINKS—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, my question is also directed to the Minister who is replacing the Secretary of State for External Affairs today. It is quite clear that meaningful dialogue leading to a non-racial representative Government is absolutely not in the cards for South Africa.

The Minister recently stated that he has Cabinet authorization in his pocket to impose further sanctions when necessary. Is it not the feeling of the Government of Canada that this time has arrived, that the suggestion made earlier by the Leader of the Opposition to cut all commercial and diplomatic links with South Africa should be adopted now? Why is it not being done?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I think I have already responded to that question. I pointed out that terminating our diplomatic links with South Africa is not, in our view, a very meaningful or effective step to take. We can do better to support our position against apartheid by maintaining those diplomatic links rather than by breaking them. I have already told the House that the Secretary of State for External Affairs has, from his sick-bed, called his colleagues in other Commonwealth countries and is discussing the very kinds of actions the Hon. Member raises.

• (1440)

We have worked in the past in step with our Commonwealth colleagues, and the Secretary of State for External Affairs is following that pattern now.

I suggest that the House wait until he returns and is able to report on the results of his discussions.

REQUEST FOR GOVERNMENT ACTION

Hon. André Ouellet (Papineau): Mr. Speaker, I remind the Minister that it was a statement made recently by the Prime Minister which said that if no progress was made, or if there was no chance of any progress, he would cut diplomatic relations. We on this side of the House have the feeling that this situation has existed for a long time. Maybe the Conservatives are slow to realize that they are going nowhere in their negotiations toward a non-racial representative Government in South Africa.

Therefore, again I ask the Minister: will she convey to the Secretary of State for External Affairs that there is no more time for words, that actions are necessary? Unless the Government is ready to take a strong stand on this matter, it will be pure hypocrisy on its part.

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I think that I have performed a very useful function in conveying to the House the position of the Secretary of State for External Affairs as a result of conversation with him

this morning, the steps he is now taking, and the fact that he will be reporting on his deliberations with the Foreign Secretaries of the Commonwealth when he returns to the House. I think that is more useful than the kind of rhetoric we are hearing from the opposition benches.

* * *

CANADIAN SECURITY INTELLIGENCE SERVICE

CONVICTED TERRORIST'S ARRANGEMENTS TO LEAVE COUNTRY

Mr. Dan Heap (Spadina): Mr. Speaker, I have a question for the Solicitor General. Yesterday the Solicitor General assured this House—and I am quoting from *Hansard* at page 13081—"CSIS was not involved in any way whatsoever with the travel arrangements or this particular case", referring to Mr. Mohammad's failed flight from Canada. Yet the media report that two CSIS agents came to the RCMP office at Pearson Airport within five minutes of Mr. Mohammad's arrival and had to be chased away by the RCMP; also that immediately after Mohammad's departure, all or nearly all the Canadian media were tipped off about his flight, and that British intelligence were likewise tipped off.

In the face of these reports does the Minister still maintain that CSIS was not in any way involved in this case, or does the Minister prefer to inquire further and report back to this House as to just what CSIS was doing in connection with this case?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I welcome the question from the Hon. Member, because I did inquire further as a result of those news reports.

I met this morning with the Deputy Commissioner of the RCMP and also the Director of CSIS, and I can confirm to the House that I was advised by them that CSIS was not involved in the travel arrangements; second, that CSIS did nothing to contribute to the failure of those arrangements; and, third, that CSIS did not leak the news or anything to do with the travel arrangements to the media or anyone else.

POSSIBILITY OF AGREEMENT WITH ISRAELI SECRET SERVICE

Mr. Dan Heap (Spadina): Mr. Speaker, as a supplementary I would ask this question. It relates to The Ottawa *Citizen* report that about an hour after Mohammad's flight Radio Israel phoned to the office of Clayton Ruby, Mohammad's lawyer, to inquire about the departure.

Will the Minister tell this House whether CSIS, pursuant to the provisions of the CSIS Act, has any kind of agreement with Mossad, the Israeli Secret Service, for exchange of information of this kind?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I am sure the Hon. Member knows that we do not disclose publicly what our security arrangements are—

Some Hon. Members: You don't have to.

Mr. Kelleher: —or what our agreements are with any country for the exchange of information, but whatever we do I can confirm to the House that the arrangements are in conformity with the mandate given to CSIS under the Act.

* * *

EXTERNAL AFFAIRS

ESTONIA—RECOGNITION OF HONORARY CONSUL GENERAL

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister who is answering for the Secretary of State for External Affairs. Yesterday marked the seventieth anniversary of the creation of a free Estonia. Although Estonia is now occupied by the Soviet Union, both the United States and Australia officially recognize the Honorary Consuls not only of Estonia but also of Latvia and Lithuania. Canada, on the other hand, has been thinking about the whole question since 1972.

Would the Minister advise the House why Canada does not recognize these Honorary Consuls General? Why has it taken some 16 years to think about it? Is it that we are slow learners, or is it that we are just lacking in courage?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I think all Canadians can join with Estonian Canadians in celebrating the anniversary of independence in 1918, and I commend the Hon. Member for bringing forward this issue at this time.

In respect to the specific question he raises, I cannot add to the statement by the Secretary of State for External Affairs that the matter is under review, but I will bring it to his attention.

* * *

CANADIAN SECURITY INTELLIGENCE SERVICE

CONVICTED TERRORIST'S ATTEMPTED DEPARTURE—PRESENCE OF AGENTS AT TORONTO AIRPORT

Mr. Sergio Marchi (York West): Mr. Speaker, my question is also for the Solicitor General and concerns the growing speculation that CSIS intentionally sabotaged the voluntary departure of Mr. Mohammad.

I would like to ask the Minister, pursuant to the question of the Hon. Member for Spadina, given that two CSIS agents were dispatched to the Toronto Airport and met with Mr. Mohammad and the two RCMP officers accompanying him before his departure, will the Minister come clean on this whole affair and explain the precise role played by CSIS after it found out about the plan by the Minister of Immigration to remove Mr. Mohammad voluntarily?

What precise follow-up by CSIS was undertaken? Was there a report to the Director, to the Minister? Did CSIS—

Mr. Speaker: The Hon. Member has put his question very directly, and I do not think the Hon. Minister would have any difficulty in knowing what he is asking for.

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, it does not come as any surprise to me that there were CSIS officials at the airport. The fact is that they have an office there in very close proximity to the RCMP office where Mr. Mohammad apparently was sequestered.

An Hon. Member: Did they talk talk to each other?

Mr. Kelleher: The CSIS officers did in fact have a discussion with some RCMP officers there, not at all, I may say, as depicted in the report this morning in *The Globe and Mail*, which I am advised is false.

I can confirm that as a result of my meeting this morning with the Deputy Commissioner and the Director of CSIS, nothing that CSIS has done in this matter has in any way contributed to the failure of the travel arrangements.

Mr. Marchi: Mr. Speaker, the fact is that this Minister doesn't know what the hell is happening with his Department and would be better off running a—

Mr. Speaker: The Hon. Member feels very strongly about this matter and with good reason, of course. The Hon. Member will put his question.

ADMITTANCE TO OTHER COUNTRIES OF INDIVIDUAL IN QUESTION

Mr. Sergio Marchi (York West): Mr. Speaker, let me try the Minister of Immigration with a supplementary question.

Since the entire deportation procedure with Mr. Mohammad is proving to be a very costly, colossal, embarrassing exercise, and given that at the end of this process a country willing to accept Mr. Mohammad must be found, could the Minister inform the House if the Canadian Government has taken the precaution and initiative of contacting foreign Governments in order to ascertain which countries may be willing to accept Mr. Mohammad, in the eventuality that a deportation order is upheld? If so, what has the response been to date? If not, does he not believe that he should do it now and avoid a costly nightmare at the end of this very lengthy and embarrassing exercise to all Canadians?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, in my opinion, the deportation of someone like Mr. Mohammad is not a matter of money, but a matter of process, and I would remind the Hon. Member that we have been involved in this deportation process for one month now.

Mr. Mohammad asked our co-operation to be allowed to leave Canada by his own means, as he was entitled to do. However, he did not succeed. For the moment, all our energies must be focused on the deportation process. If and when there is a deportation order, we shall determine the best way to proceed.

Once again, in this case the Hon. Member is trying to put the cart before the horse.

* * *

• (1450)

[*English*]

PETRO-CANADA

POSSIBLE PRIVATIZATION—GOVERNMENT POSITION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Deputy Prime Minister. There seems to be a serious contradiction in what he said today and what the Minister of Energy said yesterday to the press. Yesterday the Minister of Energy said in terms of the question of the privatization of Petro-Canada:

> It's a question of timing. It's not a question of should we.

The Deputy Prime Minister indicated today that no decision has been made. The Minister of Energy said that it is not a question of whether the Government is going to privatize Petro-Canada but when the Government is going to privatize Petro-Canada.

Will the Deputy Prime Minister now do the honourable thing and explain clearly whether he is the one we can believe on this issue, or is it the Minister of Energy?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, you can believe both of us. If the Hon. Member took the time to review what was said in the House of Commons yesterday, as reported at page 13078 of *Hansard* he would find the Minister said:

> —the Cabinet has yet to make a decision at this time, the question of Petro-Canada is still being examined, both in my Department and in other government agencies.

Again, as reported at page 13079 the Minister said:

> —I would like to point out that the present Government will make a decision about privatizing Petro-Canada when it believes it is in the interests of Canada and Canadians to do so.

That is the same answer I gave earlier, Mr. Speaker.

GOVERNMENT POLICY

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my supplementary question is for the Deputy Prime Minister. He will know that the Minister of Energy the day previous to the quotes he was reading from *Hansard* indicated in Calgary that it was the Government's intention to privatize Petro-

Canada. He said outside the House yesterday that it was the Government's intention. It was just a matter of timing in terms of the announcement.

Will the Deputy Prime Minister come clean and be up front with the people of Canada and say, yes, the Government is going to privatize Petro-Canada, or it is not? Let the Government be up front about this matter.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, why doesn't the Hon. Member take the wax out of his ears? I said, and the Minister of Energy, Mines and Resources said, that no decision has been taken. When it is in the public interest, if it is so deemed to be in the public interest to privatize Petro-Canada, then a decision will be made. When a decision is made, it will be announced.

* * *

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

JOB CREATION IN MONTREAL EAST END—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, in the absence of the Minister of Regional Industrial Expansion, I shall address my question to the Deputy Prime Minister.

Yesterday, the Minister of Regional Industrial Expansion went to Montreal to announce the East Montreal Recovery Program after nearly three years of studies and two reports. He said nothing to Montrealers about the closing of plants, the Old Port or the development of the Port of Montreal, and he said nothing to the thousands of older workers who have lost their jobs because of plant closings.

My question to the Deputy Prime Minister is this: How does the Conservative Government believe that it can solve the unemployment problems in East Montreal with a measly $7 million this year when the Quebec Government was willing to provide $106 million and the City of Montreal $90 million?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, the Hon. Member could also add that the Quebec Government would have allocated these $106 million over a three year period and that this was not new money either.

How can we help East Montreal? First, I would like to remind the Liberal Party that, to my knowledge, the problem started in 1981 and that, during the three years between 1981 and 1984, the previous Government did not do very much about it.

If we look at the situation since 1984, we find that a great deal of progress has been made. As for us on this side of the House, Mr. Speaker, we want to try to develop East Montreal and we are providing the tools to do so, tools such as the tax reform, tools such as a healthier economic climate and a major tool such as the free trade agreement which the Liberal Party should support, as this would be beneficial to East Montreal.

IMPORTANCE OF HELPING METROPOLITAN PERIPHERAL AREAS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the Minister fails to appreciate the problem of Montreal East. Given the thousands of idle workers, it goes without saying that the free trade agreement, which may very well signal further plant closures, is not the answer to their problem.

Mr. Speaker, I have a question pertaining to regional economic development generally. Yesterday the Minister went alone to Montreal, and he did not make any announcement supportive of the efforts being made by provincial and municipal authorities.

Does the Conservative Government intend to follow the same approach with respect to the neighbouring regions and set up programs which are totally divorced from the initiatives taken by the Government of Quebec or by municipal authorities, as was twice suggested by Quebec Ministers Marc-Yvan Côté and Gil Rémillard?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, should I really tell Liberal Party Members that they are hardly in a position to lecture us in connection with federal-provincial relations, particularly with the Government of Quebec?

If one looks at the situation, the Government's position is clear: the economic development strategy as it applies to Quebec will be the subject of forthcoming discussions between the Minister of Regional Economic Expansion and his Quebec counterpart. If memory serves, Mr. Speaker, the Hon. Member for Laval-des-Rapides recently complained about the relations between Ottawa and Quebec over the past three years; these relations are excellent and we will continue to work in co-operation with the City of Montreal.

[*English*]

Mr. Speaker: Before the Hon. Member for Skeena asks questions, I would point out that his colleagues and others in the House are still waiting to ask questions. I would ask that from now until the end of Question Period the questions be brief and very much to the point. The Hon. Member.

UNITED NATIONS HUMAN RIGHTS COMMISSION

RESOLUTIONS AFFECTING ABORIGINAL PEOPLES

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Deputy Prime Minister. As he knows, the United Nations Human Rights Commission is today considering three matters of substantial importance to the aboriginal peoples of Canada: the designation of 1992 as the International Year of Indigenous Rights; the drafting of international standards on the treatment of indigenous peoples, and the appointment of a United Nations official to examine and report on treaties.

Will the Deputy Prime Minister rise today in the House and state unequivocally that Canada endorses those three principles?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, Canada is supportive of the important work of the Working Group on Indigenous Populations in developing global standards on indigenous rights. Canada considers that the proposed treaty study, as currently drafted, will divert both attention and resources from the universal scope of WGIPs work. The proposed treaty study would focus on only a small number of countries—

Some Hon. Members: Oh, oh!

Mr. Valcourt: Maybe the Liberals are not interested in the fate of our native people but they should at least be courteous enough to listen to the answer.

Canada's position is that we would prefer to have the proposal referred back to the WGIP for further consideration or for it to be broadened.

GOVERNMENT POLICY

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is for the Deputy Prime Minister. I am sure he is aware, having listened to the Minister who has just responded, that these three principles will be set off for at least four years and that, combined with what we find in this week's Estimates with cuts to comprehensive claims, lands reserves and trust, economic development and self-government for aboriginal people in Canada, it is now abundantly clear that the assimilationist policies of this Conservative Government are the same ones that are found in the Nielsen Task Force report, the Buffalo Jump of the 1980s.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, when the Hon. Member talks about the Estimates, perhaps he may want to explain to the natives and the people of Canada why he and his Party voted against some $29 million for additional expenditures relating to native people for economic and social development and Indian self-government.

Let him explain that to the Canadian people, Mr. Speaker.

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CANADIAN NATIONAL RAILWAYS

WESTERN REGION—SENIOR MANAGEMENT JOBS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have a question for the Minister of Transport. Last June 29 in the House I raised a question that was answered by the Deputy Prime Minister concerning the proposed plan of the CN to remove a number of senior administrative and management jobs from the western region. The reply of the Deputy Prime Minister at the time was to quote from a press release which said:

> "On the contrary, CN will maintain—and in some respects likely enhance—its regional presence, particularly in western Canada—

Today, the regional Vice President, Mr. Campbell, confirmed that 296 jobs in CN will be removed from Winnipeg and Edmonton. Once again we have a case of broken promises by the Government.

• (1500)

In light of the assurances given by his colleague, will the Minister of Transport be prepared to review the decision by CN and reject that decision which runs against both the assurances of the Government and the interests of maintaining a federal presence in western Canada?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, it is too bad. The hon. gentleman has not asked many questions on transportation and now he is just as wildly inaccurate in this area as he was in the other area. Usually he is fuming about free trade.

Some Hon. Members: Order.

Mr. Crosbie: If the rest of you can talk on and on and on, why can't I?

Mr. Speaker: Of course the answer is because I might intervene. The Hon. Minister will please answer the question.

Mr. Crosbie: Yes, Mr. Speaker. The position is that CN expects to reduce its administrative and management ranks by some 1,020 positions system-wide by mid-1988. It is using a special separation and early retirement package and is not filling vacant jobs. This is not a policy that just applies in western Canada, it applies right across the system.

CN is trying to scale back just about 10 per cent of its administrative and management staff. This corresponds with the fact that it has been downsizing generally so that it can get its productivity levels closer to the average of North American railways. It is an ongoing matter. It happened last year as well and it happened when the hon. gentlemen opposite were in power.

There is no plot against the western part of Canada. As a matter of fact most of CN's activity is centered in western Canada because that is where the business is today. That is where it will continue to make a great effort.

REQUEST FOR REVIEW OF RAILWAY'S PLAN

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like to elaborate on the Hon. Minister's last comment. If it is the case that 70 per cent of the volume of CN business is in western Canada, why will we be losing 300 jobs in the administrative and management branch? Why is the Minister not prepared to ask for a public review of the CN plan for cut-backs and reductions in order to live up to the kind of commitments made by his colleague back in June? I want an answer to why the Minister is picking on western Canada.

Mr. Speaker: Perhaps the Hon. Member has put his question, and given the hour, I really do not think that argument is called for.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, it is with great regret that the same economic conditions that apply to North American railways generally apply to CN as well. They apply to CP and they apply to every North American railway. All of them have been downsizing and have had to downsize their workforces. That is true of CN, and the administrative and management ranks are now too large in relation to the general body of employment and there has to be a reduction. It is not taking place just in the West. There is no discrimination. It is a painful matter but the railway has to slim down to survive, to do the job it has to do for the shippers and the people of Canada.

Mr. Blaikie: Supplementary.

Mr. Speaker: I very much regret to advise that, given the hour, Question Period has ended.

Mr. Jepson: Supplementary.

Mr. Speaker: The Hon. Member for Winnipeg—Birds Hill is seeking the floor and I will take that into account tomorrow. The Hon. Member for London East is also seeking the floor. I might suggest to the Party Whips that I will take both of these Hon. Members into account tomorrow, but this concludes Question Period today.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, this being Thursday, I would like to ask the customary question of the Deputy government House Leader about the business the Government intends to present to the House for the coming week.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, we expect to conclude the Budget debate today and tomorrow. On Monday, we will resume debate, and there is a good chance that we will finish, on Bill C-109, the borrowing authority. On Tuesday and Wednesday, we expect to proceed with other government legislation after consultation with the other House Leaders. It is our intention to designate both Thursday and Friday as opposition days.

The House will note that the Prime Minister (Mr. Mulroney) will be attending the NATO meetings in Brussels next week and therefore we will not be resuming debate on Bill C-72, the Official Languages Act, next week. However, I would confirm to the House that we will be calling Bill C-72 for resumption of debate at second reading on Monday, March 7, 1988.

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PRIVILEGE

ALLEGED MISINFORMATION

Mr. Jim Fulton (Skeena): Mr. Speaker, I rise on a question of privilege in regard to an answer given in the House a few moments ago by the Deputy Prime Minister (Mr. Mazankowski). I asked him a very important question regarding cuts to various programs for aboriginal people and steps being taken by the Government of Canada to block a very important matter that is before the United Nations Human Rights Commission today. The Deputy Prime Minister responded at the end of the question solely by saying that he would like Indian people to understand that the NDP voted against $29 million.

I believe that if you look at the "blues", Mr. Speaker, you will see that the Deputy Prime Minister knew that there was not a following question that I could take. He was putting a misleading—

Some Hon. Members: Oh, oh!

Mr. Speaker: First, I am sure it is accepted here that the Hon. Member was asking a serious question about a matter on which he and other Members of the House feel very strongly. I acknowledge that. However, I regret to advise the Hon. Member that his point is a continuation of debate and I am afraid that I cannot receive it.

POINT OF ORDER

ALLEGED USE OF UNPARLIAMENTARY LANGUAGE

Mr. Jack Shields (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, my point of order has to do with Question Period yesterday and the remarks made by the Hon. Member for Yorkton—Melville (Mr. Nystrom) as reported on page 13078 of *Hansard*. I am sure the Hon. Member for Yorkton—Melville will want to withdraw his remarks accusing another Member of the House of lying.

Mr. Speaker: I have not seen the *Hansard* report. However, I think the remark referred to is probably that which I heard yesterday and which quite properly occasioned the Chair to rise and—

Mr. Rossi: Who was the Member who was attacked? Was it the Prime Minister (Mr. Mulroney)?

Mr. Turner (Vancouver Quadra): Who did he accuse?

Mr. Speaker: I think Hon. Members will recall, including my hon. friend who has been seeking the floor or at least taking the floor without recognition, that yesterday the Chair rose as a consequence of a remark that was heard and said that while I did not know which Member made it, I did not want any more of it. I do not know if there is any particular need to pursue this. However, the Hon. Member for Athabasca (Mr. Shields) has referred specifically to an Hon. Member and I will hear him.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I think the Hon. Member is referring to the remark that appears in *Hansard*, "Lyin' Brian, lyin' Brian". I was not referring to anyone specifically, but—

Some Hon. Members: Oh, oh!

Mr. Nystrom: In Question Period, there was some heckling, and the very gentle, docile Hon. Member for Athabasca (Mr. Shields) was heckling my Leader. I was trying to shield him a little bit and—

Mr. Speaker: I accept absolutely the explanation of the Hon. Member for Yorkton—Melville (Mr. Nystrom), but I would ask him to withdraw the offensive word.

Mr. Nystrom: Mr. Speaker, I just got carried away and used an expression used in my riding so often, as I had just gotten back from there, but of course—

Mr. Speaker: I would invite the Hon. Member, who has a certain ingenious side to his nature, to rise and say simply, "I withdraw", because that is what is required under the circumstances.

Mr. Nystrom: I certainly do, Mr. Speaker. I meant no offense to anyone.

Some Hon. Members: Hear, hear!

Mr. Speaker: Of course, I thank the Hon. Member for Yorkton—Melville.

• (1510)

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre):

That this House approves in general the budgetary policy of the Government.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, in view of the number of interventions made at the start of my speech on points of order, I wondered if I could get an indication of how much time is left for me to complete my remarks.

Mr. Speaker: My officials at the Table indicate there is at least five minutes and I would be pleased to hear the Hon. Member.

Mr. Langdon: Mr. Speaker, my speech started at quarter to one. At least three or four minutes were taken up with the three interventions, if I recall, by one of the Conservative Members.

Mr. Speaker: Perhaps I could make life easier for the Hon. Member and say that the Chair gives him 10 minutes.

Mr. Langdon: Thank you very much, Mr. Speaker.

The points I stressed this morning dealt particularly with the failure of the Government to provide a sense of direction and purpose to the country in its industrial policy. I outlined a great many examples across the country, including my own constituency, of shut-downs and lay-offs which had left a great many Canadians in difficult circumstances. I provided some statistics that indicated last year in Ontario alone there were over 100 such shut-downs or significant reductions of staff amounting to well over 14,000 workers.

We are talking about a major pattern of decline throughout the manufacturing sector. It is deindustrialization, a serious weakening of the manufacturing base of our country. As I was saying just before the break, it is almost as if the Government set out to devastate the heart of manufacturing in this country. Unfortunately, there is absolutely nothing in this Budget which provides any sort of beacon of hope for the broad industrial sector in our country.

I say that a counter must be provided which indicates to the industrial manufacturing sector of this country that there is an

alternative. I want to quickly lay out a number of points which we feel would give that sector a sense of direction for the future.

First, there has to be a separate ministry of industry. The present experiment of a Ministry of Regional Industrial Expansion, itself detached from the trade functions which have been seconded to external affairs, has been an abysmal failure. There has to be a separate ministry to close this gap and provide us with a sense of direction for the future.

Second, legislation has to be passed to permit communities and workers to review closures in their community. It should not be possible for a plant to simply shut down, pack its bags and head back to the U.S. with no explanation. There should be a careful, considered review with the possibility of buy-out provisions being available to workers in the plant affected in order to maintain a viable operation.

Third, there has to be adjustment legislation, especially for that vast range of workers who are no longer young, or who are not in the special categories of textiles and footwear and clothing which do have provisions for older workers. Such an adjustment procedure was promised by the Minister of Labour as far back as two years, yet nothing has been done through actual legislation.

There has to be as well support for serious research and development efforts in the industrial sector. In addition, our energy sector has to be used to provide a base of support for a viable, dynamic industrial sector. The energy sector cannot simply be seen as a pipeline to the U.S. to help their manufacturing sector increase its dynamism. Instead, we need to use our own base of support in the energy sector to help our own manufacturing enterprises.

We also need an industrial support program, which would be the industrial segment of the IRDP. At this stage it is aimed mostly at regional development, which is important and significant, but we cannot ignore the fact that there is a tremendous need for modernization of our industrial complex in order to give it hope for the future of being competitive internationally.

We also need to take directions which give potential for Governments to work out planning agreements with some of the larger scale enterprises in this country through which those enterprises can make commitments to important new areas of economic activity, important new industries, which can become sources of exports, of dynamic expansion, and jobs in the future.

We also need sector trade plans, not this across-the-board trade deal which is going to so devastate the industrial sector, like the Auto Pact which has proved so successful and which should be replicated in areas like apparels and chemicals.

• (1520)

Finally, we need a made-in-Canada interest rate policy which keeps interest rates at a lower level than they presently are in order to encourage investment in the industrial sector. We need a reborn Canada Development Corporation which would be able to help in the development of some of these new areas of activity that are so crucial to a competitive and dynamic Canada in the future. If we do this we can give direction to the industrial future of the country. That is what the country needs for its future jobs, its future exports, and its future as an independent nation.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I would like to take this opportunity to make my contribution to the debate on the Budget Speech, if we can call it a speech, considering the self-congratulatory exercise indulged in by the Minister of Finance (Mr. Wilson), during which he failed to announce a single program or plan reflecting a vision of Canada's future. At this point I would like to quote the Hon. Member for Laval-des-Rapides (Mr. Garneau), our financial critic, who said, and I quote:

> The Minister of Finance is much more like an accountant trying to balance his budget than a manager of the Canadian economy with a vision of the future. Yet, the first responsibility of a government should be to govern the country and to prepare for the future; to ensure that our young people will have the education they need to face future difficulties; to guarantee that our workers have and will receive the training they need to adjust to their fast changing working environment; to ensure that our businesses have and will continue to have access to the financial services, the capital and the technology necessary to develop; and finally, to see to it that the poorest members of our society have and will continue to have enough money to live decently.

Mr. Speaker, my hon. colleague hit the right notes in his response to the Minister's speech, but unfortunately the Minister of Finance did not make a Budget Speech. His speech was about the Government's record.

"Bilan d'un échec" (A Statement of Failure) is the title of an article by Alain Dubuc that appeared in *La Presse* the day after the Budget, on February 11. Mr. Dubuc said, and I quote:

"Last night, Minister of Finance Michael Wilson brought down his fourth Budget. Let's hope it will be his last. On his fourth time around, he dashed any lingering hopes that his Government would be able to deliver the budgetary goods".

Mr. Speaker, those were not the words of the Leader of the Official Opposition (Mr. Turner) nor those of the Liberal Finance critic. This was not a political statement. This was said by a reporter with the newspaper *La Presse*, well known for his articles on economic affairs. He said he hoped this would be the Government's last Budget and that the Government had failed to deliver the budgetary goods.

Mr. Speaker, whichever way we look at the figures, it is obvious the Government has completely missed the boat.

First of all, as far as the deficit is concerned, Mr. Dubuc explains it all very clearly when he says:

> The drop from 38 to 29 billion is largely due to a change in accounting methods. If the same definitions had been used under Liberals, the deficit would have dropped from 36 to 31 billion over the same period . . .

Mr. Speaker, if we add to that the $22 billion in tax increases the Minister of Finance has imposed on Canadians, today's deficit should be $14 billion. And if we consider the drop in interest rates, which has reduced the cost of servicing the national debt, the deficit would be lower still. However, our deficit is still around $30 billion. Mr. Speaker, after a period of economic growth, we have still failed to deal with our Budget problems. Nevertheless, in his Speech the Minister of Finance would have us believe that all is well and that we are on the right track.

[*English*]

If having close to $300 billion of national debt after six years of economic recovery is being on the right track, our kids should think seriously about what they must do with the Government, because we are definitely in a real mess and have a real problem. If we cannot reduce our deficit when our economy is good, how are we going to reduce it when we run into economic problems? The Minister of Finance (Mr. Wilson) did not address that problem. In his speech he proposed nothing new, he did not propose what the Canadian vision will be in the coming years.

[*Translation*]

However, Mr. Speaker, I would like to refer to and list—because Canadians should be reminded of this—all the tax increases imposed by this Government. And when we speak of $22 billion this is a fact, not rhetoric. Let me take a few minutes to illustrate.

First, indirect taxes—sales tax increases. From 9 to 10 per cent on October 10, 1984, Mr. Speaker, their first move. This cost $1 billion. Another increase in indirect taxes, the sales tax—from 10 to 11 per cent on January 1st, 1986. Another $1 billion, Mr. Speaker. And again, a sales tax increase from 11 to 12 per cent on April 1st, 1986. Another $1 billion, Mr. Speaker. Then the sales tax was extended to candies, soda pops, snacks and chips, on June 1st, 1985, another $400 million, and on July 1st, 1987, another $60 million, Mr. Speaker. A sales tax increase from 8 to 12 per cent on paint, wallpaper and toys on January 1st, 1988, another $60 million, Mr. Speaker. Excise tax increased on gas, 2 cents a litre, on September 3, 1985—total $900 million. One cent per litre on January 1st, 1987,—another $450 million. One cent per litre on February 19, 1987,—another $450 million. And of course we had the famous Budget on February 10, again one cent per litre, which will bring another $450 million into Government coffers, Mr. Speaker.

Sales tax equalization on leaded and unleaded fuel, April 1st, 1987—$30 million. Progressive tax increases on air travel, May 1st, 1986—another $55 million. Duties on spirit and tobacco, first increase on May 4, 1985—$340 million; second increase on February 27, 1986—$150 million; third increase on February 19, 1986—$70 million; and fourth increase on January 1st, 1988—$175 million, Mr. Speaker.

There is also the 10 percent tax on long distance calls and cable TV. Imagine, Mr. Speaker, what that means for people in rural communities! They are losing there Post Offices, and in addition they now have to pay tax on long distance calls, when we know very well that in a city environment a long distance call often is essential. But now the Minister of Finance is taxing long distance calls, bringing into his coffers $945 million, Mr. Speaker. The sales tax transfer to wholesalers on July 1st, 1988, in that famous Budget we just had on February 10 will bring another $300 million.

Quietly, the Minister of Finance is proceeding to implement phase two of his tax reform, the value-added tax Canadians said they wanted no part of, and now, for the first time, the Minister of Finance, even though the consultation process is not complete, is transfering the sales tax to wholesalers, which will cost Canadians $300 million. Those tax increases do not include the new sales tax the Government intend to introduce after the next elections.

Mr. Speaker, we should not forget either the Government tried to introduce a tax on food. Thanks to the Opposition who during the summer organized demonstrations and petitions, this Governement backed down, and now it is saying it will be looking at that. It is not done yet, but when he introduced his fiscal reform, the first phase, the Minister of Finance promised in the House that there would not be tax on food.

Mr. Speaker, there are also direct taxes. The deindexing of family allowances, personal exemptions and tax brackets as of January 1st, 1986: $635 million. Cancellation of tax rebate, January 1st, 1986: $650 million. Cancellation of Registered Home-ownership Savings Plan, May 22nd, 1985: $105 million. Temporary surtaxes of 5 and 10 per cent for high income earners, July 1st, 1985 to December 31 st, 1986: $500 millions. General and permanent surtax of 3 per cent for all taxpayers, July 1st, 1986: $1.2 billion. Changes in the way dividends are treated, January 1st, 1986: $300 million. Changes in exemptions for married individuals: $20 millions. We could go on and on.

I just wanted to show how, in three and a half years, this Government has been able to extract $22 billion in taxes while it is bragging about reducing the deficit. After collecting $22 billion in taxes it is still carrying a $30 billion deficit, even though it also benefitted from lower interest rates and, consequently, lower servicing charges for the national debt.

• (1530)

[*English*]

The Budget of February 10 will mark the day in history that the Conservative Government gave up any pretense of trying to close the increasing gap between the rich and the poor in this country. The Mulroney administration cheers so loudly for the few who have prosperity in our society that it is unable to hear the shouts of the many who have not shared in the nation's economic recovery.

The Government has turned its back on our youth, our aged, our homeless, our poor and on regional economic disparities. How can the Government be proud of a Budget that refuses to place even a minimum tax on the 60,000 profitable corporations in Canada and at the same time imposes new and increasing taxes which will take over $2 billion out of the pockets of Canadian taxpayers?

Since the Conservatives were elected in 1984, individual Canadians have been forced to pay an additional $22 billion in new taxes. Corporations, by contrast, have only paid $2.6 billion in new taxes. The Budget of February 10 is an economic blueprint for a two-Canada concept of government. It is a blueprint of a Canada for the privileged few who prosper while the rest of the nation are ignored in the corridors of Conservative power.

The Liberal Party believes that Canada is a generous nation and that Canadians of every income group will reject the cynical blueprint for our country.

[*Translation*]

Madam Speaker, after the Budget and the deficit, I would like, now, to talk about small businesses.

What has this Government done in the last three and a half years to assist that dynamic sector which is the mainspring of our economy? Only one thing, Madam Speaker. The only thing this Conservative government has done for small businesses is to amend the Small Businesses Loans Act in order to make it less accessible to those who really need it, Canadians starting their own business.

Madam Speaker, we had a Small Businesses Loans Act which allowed Canadians wishing to start a business and unafraid of risks to get from our financial institutions a loan totally guaranteed by the Government and to create much needed jobs in our country and our economy.

So, to make sure that all those young people . . . anybody who didn't have the necessary capital to start a business could still get a government guaranteed loan and avoid problems with collateral and guarantees required by the banks.

Madam Speaker, this government's first gesture was to reduce that guarantee to 85 per cent and now people trying to start a business and needing capital must have 15 per cent collateral above what is given, the 20 per cent cash they need to buy equipment, capital assets and other tools required to operate their business.

Madam Speaker, for years we stressed the possibility of a one-stop service for small businesses, so as to group in a single place all informations and programs pertaining to the various levels, municipal, provincial, federal, national, local, and so on, a place where one could inquire and receive the appropriate informations.

A previous Liberal Government had already put forward a project to that effect. Canadians, however, as they were entitled, chose to elect a new Government in September 1984, and this Conservative Governement launched a consultation process at the beginning of 1985, to find out what the needs of small businesses were in that area. Consultations have now been completed, not without a cost, I am sure, but after three and a half years we are still waiting for specific measures to help the development of small businesses.

There is no program whatsoever regarding such a one-stop service. No financing system that would bring more funds to an area so vital and, yet, so fragile.

Everybody agrees that what small businesses lack the most is precisely good financing sources. Thus, it is important that the federal Government support programs that would help businesses find the necessary start-up funds.

It is useful to recall every now and then that small businesses have created 80 per cent of the jobs in Canada. However, if the small businesses sector were more active, more aggressive, we would have had even more jobs created and, consequently, unemployment would be lower and we would have a far more dynamic economy.

But once again, this government by advocating its philosophy of *laissez faire*, allows big corporations to grow while small businesses are getting smaller without any aid or relief program.

Madam Speaker, for example, this Governnment after three years and a half has not introduced any consultation program, any program for trading firms to enable small businesses to market their products and services. On the contrary, with respect to tax reform which has now become a law of the land since December last, the Minister of Finance completely ignored the needs of small businesses. We know quite well that 75 per cent of the manufacturing sector in Canada is made up of small businesses.

Madam Speaker, the only sector whose tax rates have been increased under tax reform is precisely that of the small business. Indeed, at present small manufacturing businesses pay 10 per cent of income tax. When the tax reform is implemented, small manufacturing companies will pay 12 per cent, that is 2 per cent more. It is ridiculous and incredible, Madam Speaker, to do that to a dynamic sector which creates 80 per cent of all jobs. And yet the Minister of Finance, who thinks that he has solved all problems in Canada, has never replied to the questions and has never justified why income tax rates in any other sector have not been increased under the tax reform. However, the tax rates of small manufacturing businesses are increased by 2 per cent and the Minister of Finance has been unwilling to justify that increase. There is not a single Canadian, Madam Speaker, who can justify such an increase.

● (1540)

This is not all. It is quite fine, Madam Speaker, for the Government to speak of free trade with the United States. The other day I met a businessman who told me: "Of course, it is

quite well for you to say that we will sell our products and services to the United States. At the same time, the Minister of Finance under his tax reform is reducing representation allowances by 20 per cent. How do you want me to be represented?" I told him: "Are you going to sell a car or an airplane over there and 20 per cent of those expenditures will not be deductible?" Are small businesses encouraged? Are they encouraged to sell in the United States? Or is it just mere rethoric? The down-to-earth people, Madam Speaker, must always foot the bill, always work harder and harder to pay for some follies of this Government.

We only have to look at the statistics on small businesses' exportations that indicate that 4 percent . . . Madam Speaker, you are telling me that my time is up. I am just about finished. As a matter of fact, I wanted to point out that important matter. Four percent of Canadian exports are made directly by small businesses. That is a very small percentage. Suppose the government would announce some export financing program or a scheme that could really enable our ambassies abroad to help out our small businesses. And suppose that such a program would encourage specialized trading firms abroad to pool products and services offered by small businesses, we could improve significantly that percentage of exports and thus create more employment and make Canada more prosperous.

Mr. Prud'homme: Madam Speaker, first I would like to thank my colleague for his excellent account of the economic performance of this country. As everybody knows, the Hon. Member for Saint-Léonard—Anjou has always been interested in these economic matters since his election. Everybody also knows that he is our main spokesperson for small and medium-sized businesses.

But there is another aspect I would like him to explain to us. He is also responsible for postal matters in Canada. He is our main critic for the whole issue of postal services in Canada. I would like to mention also the statement made in this House by the Hon. Member for Laval-des-Rapides (Mr. Garneau). I would like our hon. colleagues to read them carefully and the people to be fully acquainted with the statements made by the Hon. Member for Laval-des-Rapides and by the Leader of the Official Opposition (Mr. Turner) and by the Hon. Member who just spoke.

I have listened carefully, since we all specialize in one or the other of these matters and I will not pretend to be an expert in all of them which appear more or less complex to different Members. But the only way to understand fully is to listen carefully. Even after 20 or 25 years one can still learn a lot by listening well. As for me, I have learned many things from my colleagues, and I cannot recommend too strongly to those who are watching us to read the speeches made by the Hon. Member. But more specifically I would ask him if he would be so kind as to make a comment. I realize the situation is desastrous, it is bad in some respects for the economy. Those who spoke before him have shown how bad it is. In the riding I represent, for example, new areas are being developed. I thought this is what the Minister of Finance wanted to do, to promote development and construction. Yet in the riding I have the honour to represent there is a whole area called Bois-de-Boulogne, with fantastic houses, where people were encouraged to go and live. They were encouraged to build housing developments, fantastic ones. I do invite my colleagues, including my honourable friend who is listening to me, the Hon. Member for Hochelaga-Maisonneuve (Mr. Desrosiers), to come and pay us a friendly visit as I do in his riding.

One of the major frustrations in this new sector which has been built within an older residential area is the disparity in services between neighbours. Houses in one sector still receive proper service from Canada Post, and after being encouraged to build, residents of the new sector expected the same services as other Canadian citizens. However, a whole sector in my region, which is now completed or near completion, has been denied a basic service to which we are all used in Canada, namely door-to-door mail delivery, and instead, Canada Post has installed ugly green boxes which are totally out of character in these new residential areas and completely unaesthetic. These boxes are totally unsuitable to the architecture of the houses and the residents are furious and frustrated. It is often because of these small daily irritants that taxpayers complain about Government services.

I would like the Hon. Member to take a minute or two to outline briefly what is happening and what should be done.

Mr. Gagliano: Madam Speaker, I wish to thank my colleague for his kind comments and for his question which is directly related to the Budget. We should not forget that it was the Minister of Finance himself who caused the problems with the super-boxes which my colleague for Saint-Denis (Mr. Prud'homme) has mentioned. Indeed, the Minister of Finance decided to make cutbacks and said that the postal deficit would be reduced to zero by March 31, 1988 and that Canada Post would have to see to it. On the other hand, the Canada Post Corporation said: Fine, since we have to reduce our costs, we shall reduce our services. What has happened is quite clear. Of course, we have had these green boxes for years, but they were only used temporarily. Residents of uncompleted residential projects were given the possibility of picking up their mail at temporary green boxes instead of going to the Post Office, which allowed them to receive their mail near their home. However, after all the houses and all the streets had been built, door-to-door mail delivery was provided, as for all other Canadians living in rural areas. The postal service was universal.

Now, because of the decision of the Minister of Finance and the five-year plan of the Canada Post Corporation, we have two categories of Canadians, some who have home delivery and others who have to get their mail from a superbox which, as we have seen on television, is easy to open and does not close properly and which, because of our climate, is often blocked by snow during the winter.

Madam Speaker, this is another example of how this Government reduces services and increases taxes. Yet, the deficit still remains the same.

I will give an example. In the United States, it took fourteen years to the postal service before it could balance its books. Here, in Canada, with only one tenth of the population, we want to balance the books in seven years. It is nonsense! And the Minister of Finance (Mr. Wilson) himself went against the recommendations of the Marchment commission which wanted to give Canada Post another five years to do some planning in order to avoid unnecessary cuts while continuing to give a fair service to all Canadians. This way the Corporation could plan its expenditures and its income, and would be able to balance its books within five years. But he decided to proceed with cuts immediately, against the recommendation of a commission which was established by this very Government. And today we are in a situation of confrontation. Only a few days ago, we received the first report of an independent commission of inquiry according to which 20 per cent of mail deliveries are late ever since Canada Post implemented the cuts, because it could not make both ends meet.

• (1550)

Mr. Tardif: Madam Speaker, first I should like to congratulate my colleague for his remarkable speech, and since he did refer to the postal issue I have a question for him. Day in and day out over the last few months my mail box has been full of letters, particularly from farm producers who keep complaining about delays of five, six, seven and eight days in mail deliveries. On a few occasions I too had to put up with totally unqualifiable delays in the delivery of such important documents as passports. Be that as it may, Canada Post has made drastic-or even cruel and savage— cut-backs, but did such savings in fact lead to improved services? Fully cognizant as my colleague is with the postal service, can he tell us whether the savings made at the expense of Canadian users contributed to bettering the service, which can still be described as being totally lamentable?

Mr. Gagliano: Madam Speaker, new battle lines have been drawn as a result of the position taken by the Minister of Finance with respect to the savings made by Canada Post. We must keep in mind the fact that when Post Canada was established it was given three very specific and equally important mandates: cut the deficit, provide better service, and improve labour relations. So when Canada Post management unveiled their five-year plan in which they projected 8,000 fewer jobs, the employees and unions involved got down to work and stated that the plan was unacceptable. That is when confrontation became the order of the day, so much so that any postal worker who now fails to punch in or out at noontime gets himself a three-day suspension without pay. No private sector company cracks down that hard. So that is the kind of situation we have now, and unfortunately the service has completely bogged down and, as we have heard recently, with the result that 20 per cent of mail deliveries are late, Madam Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Champagne): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Vancouver East (Mrs. Mitchell)—Health—Use of Depo-Provera for contraceptive purposes/Request that report be made available to concerned women; the Hon. Member for Cochrane—Superior (Mr. Penner)—Native peoples—Geneva resolutions on treatment of indigenous peoples/Request that officials be instructed to support resolutions; the Hon. Member for Papineau (Mr. Ouellet)—Official languages—The promotion of bilingualism and linguistic minorities—Role of Government/Commitment of Conservative candidates concerning bilingualism—Prime Minister's position.

Resuming debate. The Hon. Minister of State for Forestry and Mines.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre):

That this House approves in general the budgetary policy of the Government.

Hon. Gerald. S. Merrithew (Minister of State (Forestry and Mines)): I am delighted today to take part in this debate on the Budget brought down by my colleague, the Minister of Finance (Mr. Wilson), on February 10.

If I may, I wish to take a few moments to mention some of the positive achievements that have been accomplished during the time that he has been the Minister of Finance in this Government.

Surely the two most important areas that the Government has succeeded in, where the previous Government failed and failed miserably, have been the lowering of both interest and unemployment rates. In fact, Canada is ranked number one among major industrialized countries in economic growth and job creation. Indeed, more than 1.1 million new jobs have been created in Canada. Of course, 85 per cent of those jobs are

full-time. At least half are managerial and professional occupations of a permanent nature.

Interest rates have come way down. In fact, mortgage rates are 3 per cent lower, saving home owners $1,200 a year on a $50,000 mortgage amortized over 25 years. That is money in the householder's pocket. Housing starts have reached a 10-year high. Consumer and investor spending has increased. All of a sudden Canadians have found a new confidence in the Government.

[*Translation*]

Our Government has restored their confidence.

[*English*]

This record of achievement did not happen by itself. Quite the contrary, this economic reformation was carefully planned and executed, as is clearly spelled out in the Government's agenda for economic renewal which we presented in the House immediately after being elected in November, 1984.

In speaking of the successes that we have nurtured over the past four years, I wish to point out the backbone of our approach which has been responsible for the regeneration of the economy. First, our policy orientations are right on. Fiscal responsibility, tax reform, enhanced trading relationships, regional development, increased equality for women, francophone and minority groups, and regulatory reform have all formed the bulwark of our plan for this nation. They are working not only because they are well planned and executed, but because we are consulting and have consulted with Canadians on the programs that they would like to see. We are listening and we are acting, and our programs and policies are clearly successful.

Within the context we are also committed to fiscal responsibility. Gone are the days when the Government could want only throw away taxpayers' dollars, heaping more dollars on projects which were not proper projects in the first place. The controls in place and the process for justifying government programs are very strict. Few Governments around the world have accorded the same integrity to public expenditures as we have.

Next, we are committed to doing things in priority. Obviously, certain areas take precedence over others. We have priorized the issues which are of greatest concern to Canadians and have and are devoting special attention to those areas. For example, regional development, research and development, and trade enhancement are only a few.

Finally, the Government has a vision for the future, one where all Canadians will reap the benefit of their labours and where the standard of living will be high and all citizens will be proud once again to call themselves Canadian.

I wish to expand on some of the areas I have touched upon and which form part of our over-all plan.

It is absolutely essential, if this country is to recover, that we revitalize the private sector and position Canada's economy to meet the challenge of international competition in the 1990s. The key behind this has been the modernization of the regulatory environment for business. We have deregulated energy, the transportation sectors, opened up the financial markets to global opportunities, and stimulated greater competition in financial services. We are updating the outdated legislation for competition policy, copyrights, and patents. We have not stopped there. One of the highest priorities has been to privatize some of our Crown corporations which no longer have any reason to be government controlled. I invite the Opposition to have a look at the success of those privatizations since we have taken that action.

Tax reform is another major initiative of the Government. It will come into effect in stages over the next year. As early as this summer it will mean less taxes being paid by the average Canadian, and a fairer distribution of the tax burden across the country.

• (1600)

Indeed the federal income tax system has been formed to help both businesses and individuals compete in the world. Hand in hand with this new approach to a fairer taxation system is the major effort to control government spending. Nothing is more basic to a strong framework for private sector growth and job creation than responsible management of government finances.

In 1984 the federal deficit and the national debt were almost out of control. In the mid-1970s a former Auditor General said that the Government lost control of the public purse-strings. Indeed spending was out of control. Not so with our Government.

Our first priority was to get government spending under control. Through team effort and under the leadership of the Minister of Finance we have been able to do so to a certain extent. The deficit has been systematically reduced. For the current fiscal year we will meet our previously announced target of $29.3 billion. We must remember that in 1984 the deficit was better than $37 billion and rising. In continuing our attack on the deficit, we have not lost sight of the day when the Budget can be balanced.

Another major area of government effort has been to enhance our trade opportunities abroad, with all countries around the world. However, since we have a natural, historic trading relationship with our largest partner, the United States, we have pursued a special arrangement to open up access to that great market-place to the south. We have succeeded in negotiating a comprehensive free trade agreement with our American neighbours, which I think will lead to a more efficient economy, better able to compete in the international market-place. More jobs will be created as Canadians realize the immense benefits and opportunities which are now available through our trading savvy south of the border. We estimate that there will be a net increase of at least 120,000 new jobs in 1993.

I want to speak for a moment, if I may, of those things in the Budget which relate to the forestry and mines portfolio that comes under my responsibility. The Government has a good relationship with both the forestry and mining industries and communities. After consultations with the mining industries it was decided to widen the definition of a mineral resource to include kaolin under the Income Tax Act. This will allow the mineral to receive the favourable tax treatment which the federal Government provides to the mineral industry.

Since interest in kaolin deposits has been shown in the West, this will be a further boost to regional development in that region, providing they take advantage of the new regulatory regime.

Another positive note for the forestry and mining industries is that with the necessary increase of one cent per litre in the excise tax on gasoline, primary resource producers as well as farmers and fishermen can continue to collect the fuel tax rebate, ensuring that they are not affected by the increase. Additionally there was no increase in tax on diesel fuel. The Minister of Finance has clearly recognized the importance of maintaining cost competitiveness of Canadian minerals and forest products in export markets by not increasing the excise tax on diesel fuel for transportation.

There are two other measures which I will mention. The Budget reaffirmed the need for special assistance for certain users of energy consumption equipment, including primary producers, through the mechanism of the capital cost allowance. This incentive for investment will continue to provide assistance to the forest and mining sectors.

The national labour sponsored venture capital corporations provision is another part of the Budget. First introduced on May 23, 1985, the Budget adds a new measure which allows individuals a federal tax credit of 20 per cent of the cost of shares acquired in 1988 and subsequently. The maximum individual federal tax credit remains at $700 per annum. This should provide a significant source of new equity capital for small and medium-sized businesses in the forest sector by giving workers an opportunity to invest in and benefit from the profitability of their own companies.

One issue in which I have been interested as a Maritimer is regional development. As a Minister and a Member of Parliament from New Brunswick, I want to deal with that particular issue for just a few moments.

[*Translation*]

I turn now to regional development. This is an important matter to me as a Minister and a Member from New Brunswick.

Our Government has shown and will continue to show it is committed to the Atlantic region.

[*English*]

The Government has demonstrated and will continue to demonstrate its special attention to programs for the region in which I live in Atlantic Canada. Of course we recognize that the programs and policies of the previous federal Government were not working and that unemployment rates were unbelievably and cruelly high in the Atlantic region. The Government has embarked upon a new course, a clear departure from the *laissez-faire* attitude of the previous Government.

We have created the Atlantic Canada Opportunities Agency which has unprecedented powers to nurture and assist development in the region. This did not come out of thin air. We on this side of the House listened to and consulted with Atlantic Canadians. They told us that they wanted a new approach, one that would work, would be based in the region, and would have a sensitivity toward Atlantic Canadian problems and aspirations. This did not escape us. We have created ACOA to provide this focus for development in the region and this window for the federal Government to contribute marginally to prosperity in Atlantic Canada.

It is important to note that it is the Prime Minister (Mr. Mulroney) who has taken the lead role in providing stronger commitment to and clear vision of the needs of Atlantic Canadians. Lest we forget what has happened to date on that particular issue, I was just given the figures today of expenditures under ACOA in three categories in the region covering the four provinces. To date, under the Atlantic Enterprise Program, IRDP, and ERDA, we have approved 558 applications and authorized ACOA contributions of some $76,497,000.

What has this brought about? It has brought about an estimated total project cost—that means new capital investments in our region—of $229 million in Atlantic Canada. We think that is fairly important and fairly significant.

Created in June of last year and carefully designed, with legislation currently moving through the House, ACOA is moving on all fronts to approve projects which will benefit the region. The actions of the Government have meant jobs in Atlantic Canada.

Earlier this week the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) tried to say, unbelievably, that employment rates in eight provinces are higher today than they were at the height of the recession. The truth of the matter is that eight provinces have lower unemployment rates than in December, 1982 when the Canadian unemployment rate was at its highest. When unemployment began to decline somewhat in 1983 in Ontario and Quebec, the rate in Atlantic Canada and the West continued to rise. For example, the unemployment rate in Newfoundland, Saskatchewan, and Alberta reached its highest point, not in December, 1982, the depths of the recession, but in September, 1984. The highest rate in my province, the Province of New Brunswick, was in January, 1985.

In Atlantic Canada the unemployment rate did not begin to recover until after the 1984 election. It took a Progressive Conservative Government to reverse the negative trend of unemployment in Atlantic Canada, which had been the trademark of the previous Government. All provinces across Canada, except P.E.I., now have lower unemployment rates than in September, 1984.

May I just take a moment to deal with the statements of Hon. Members of the New Democratic Party opposite, while calling upon the Government for more regional development, the Hon. Member for Oshawa (Mr. Broadbent) has made his priorities clear. He said:

> Top priorities would be to keep the economy running well in central Canada, where the continental mechanism has been very effective.

• (1610)

In fact, the NDP Member for Ottawa Centre (Mr. Cassidy) went a step further by asserting, incredibly, that part of the new Navy frigate contract which was recently awarded to the Saint John shipyard in my riding, fair and square to the lowest tenderer, should be split off to Quebec. This is the same Party that argued in the past for procurement contracts to go to the lowest bidder. Now the NDP argues just the opposite, thereby stirring up regional divisions and questions as to the NDPs credibility on these important matters. The people in Saint John and in Atlantic Canada have noted those comments.

In closing, I want to say that this Budget is just part and parcel of the Government's continuing commitment to a prosperous Canada, and a prosperous Atlantic Canada I am proud to say. The next year will be the sixth year of sustained economic expansion in Canada. That, in itself, is unique. It will see the implementation of a number of our priority programs for child care, regional development, science and technology and national defence. We will continue our commitment to the agriculture, energy, fishing, mining and forestry sectors. We will fulfil our commitment to a stronger and more compassionate Canada.

This Budget helps to make this commitment possible. It does it in a careful and responsible way. It proves once again what we have said from the beginning. We have a plan and we have stuck to that plan. That plan is working, it is creating jobs and new opportunities in the area of Canada from which I come. We are cutting the deficit and implementing important policies for all regions of Canada.

I am proud and pleased to speak in support of the Budget brought down by our Minister of Finance on February 10, 1988, because it is one more step in making Canada a better and more prosperous place in which to live, to work and to raise a family.

Mr. Orlikow: Madam Speaker, I would like to direct a question to the Hon. Member who is so proud and satisfied with the Budget presented by this Government. Is he aware that according to the estimate of the Canadian Council for Social Development—an organization which has as members virtually every federal and provincial Department working in the field of welfare and health and most of the major private voluntary organizations—between 1980 and this year, that is, during three and a half years of Conservative Government, more than 100,000 people have joined the one more 1.5 million who are living in poverty?

Is the Minister proud of a tax system which permits thousands of Canadians with incomes of more than $50,000 a year to pay no tax, that more than 250 Canadians with incomes of over $200,000 a year pay no tax while the people he represents, ordinary Canadians, are taxed as heavily as they are? We still have a large number of corporations, some of the biggest and most profitable, which have paid no taxes. Let me list just a few. Alcan Aluminum in 1986, Xerox Canada in 1986, Union Carbide of Canada in 1987 and Bramalea Consolidated. I do not have the figures here, but virtually all the banks in this country paid little or no tax in recent years. Is the Minister happy with that kind of a Budget?

Mr. Merrithew: Madam Speaker, I think what is important to note and perhaps what the Hon. Member has missed in this whole debate is the fact that there are 1,150,000 Canadians working who were not working previously and who are earning a living, creating wealth, making public purchases and supporting the Canadian economy. The average wages are significantly up in the part of Canada from which I come. That is very important. We have more Canadians actually working and contributing to a more prosperous Canada.

The Hon. Member mentioned companies and corporations which are not paying taxes. He knows, for example, that our Minister of Finance brought in a very ambitious tax reform package which has been and will be debated in this House undoubtedly over the ensuing weeks and months. The Member mentioned one company, a mining company. Is he against companies which have made no income at all through the recession? I am talking about pulp and paper and mining companies that create wealth and jobs. Does the Member now suggest that those companies should not have the benefit of the exemptions which they earned during those very poor years when they made investments and earned exemptions from paying taxes? That is very important and it is very important to the part of the country from which the Hon. Member for Winnipeg North (Mr. Orlikow) comes. It is extremely important to the hinterland regions of our country where mining, forestry and many other basic resource industries are located.

The Hon. Member should also be reminded that the Minister of Finance has dealt very effectively, I believe, with certain segments of the Canadian economy which previously, we felt, were not carrying their fair share of the tax burden for Canada, not paying their way and will now have to do so, such as our insurance and banking communities.

Mr. Edwards: Madam Speaker, I appreciate the Minister's intervention in this debate and the solid contribution that he is

making to public life in our country. I can assure him that his efforts are not unsung in my part of Canada.

I have a particular question relating to the Minister's remarks having to do with collaboration in mining matters with the provinces. As the Minister knows, there was the proposal that Alberta, which is alone among Canadian provinces not enjoying a minerals development agreement with the Government of Canada, should have taken the initiative to seek such an agreement. It is my understanding that the Government of Alberta has taken that initiative and that negotiations leading in the direction of such an agreement are now in their third round.

In light of the budget proposals and the Minister's responsibility as Minister of State for Forestry and Mines (Mr. Merrithew) could he tell us whether the minerals development agreement with Alberta is near completion or whether indeed the proposals of the Alberta Chamber of Resources in that direction have been helpful in the finalization of negotiations?

Mr. Merrithew: Madam Speaker, I very much appreciate the Hon. Member's interest. I think earlier in the House today he made an intervention in support of an MDA for the Province of Alberta.

When we decide to enter into economic and regional development subagreements with provinces, sometimes there is a built-in inequity or an appearance of an inequity. These regional development agreements tend to be based somewhat on the ability of provinces to finance those kinds of activities on their own.

In the case of Alberta, I fully realize and appreciate, as the Hon. Member who has been pushing very hard on this issue that Alberta is the sole province which does not have a mineral development agreement. I have met with representatives of the Alberta Chamber of Resources who have pushed very hard on the issue. We have had negotiations and discussions with the province. Alberta is very aggressive on many fronts. For example, in forestry it will have well over $1 billion in new investments this year. The lead which the Province of Alberta has shown in that field is remarkable, but the province will have to indicate to us in a whole plethora of requests for assistance where the mineral development agreement stands. Is it as important as assistance, for example, in the forest products industry? Is it as important as assistance in the energy industry or in agriculture? They have to priorize this.

• (1620)

I personally am fully supportive of entering into negotiations with them and I will do so after the ERDA agreements and discussions that will take place with the Minister responsible for intergovernmental affairs, the Minister of Regional Industrial Expansion (Mr. de Cotret) and the Premier, discussions that will take place shortly, I understand.

Ms. Lynn McDonald (Broadview—Greenwood): Madam Speaker, in rising to address this year's Budget, I want to begin by looking very briefly at the history of Conservative budget-making in these last number of years. We are now into the fourth year of Conservative Government.

The Government's first economic declaration was a real slasher. Conservatives basically said: "Move over, Margaret Thatcher, we want to show you that we have real Conservatives in Canada, we will have a really tough Conservative Budget". There was slashing of expenditures. There was the slashing of the indexing of family allowances and old age pensions. There were big budget cuts in the environment, whole programs just slaughtered, to show the folks out there that they were really serious as Conservatives about being tough on the Budget.

Arts expenditures were cut, again in spite of absolutely clear promises to the contrary, as promises were made on the sacred trust to the social programs. Arts expenditures were very seriously cut, one of the first casualties of the new slashing Conservative approach to budget-making back in the fall of 1984.

What has happened? Canadians did not like what Conservative Members did. Old age pensioners stood up and fought back. Canadian women who were going to lose the family allowance indexing fought back, unfortunately not as successfully as old age pensioners. Old age pensioners were successful in insisting that indexing not be cut for the old age pension.

Arts groups marched on Ottawa and said: "You had better keep to those promises, we are an important part of Canadian society and we do not want to see expenditures in our area cut". Environmentalists spoke up and insisted that programs for the protection of the environment were a high priority for Canadians. They were right.

This first attack on Budgets was back in the fall of 1984 and the Government had to learn that it would not work, that Canadians really did object. Canadians were not ardent followers of Margaret Thatcher nor were they ardent followers of Ronald Reagan. The Conservative Government preferred these two models of increased expenditures on law and order defence and the military, and cuts in social areas, arts and environmental programs. Conservatives learned that this was not acceptable to Canadians, and I am glad to see that they learned a bit of a lesson.

Instead of these massive slashes, subsequent Budgets have provided for more careful trimmings. Indeed, Conservatives have poured on the fertilizer in other areas. In some areas, there has even been growth.

Here we have the curiosity of a Government that talks about slashing and reducing the deficit, while in fact expenditures are going up. They are going up at a greater rate than economic growth, rising faster than inflation. In short, there have been real increases in expenditures in Canada.

For the first year in our history, there are expenditures in the federal Budget of over $100 billion. For statutory programs, the increases are in the order of 4.6 per cent, for non-

statutory programs, there are increases of 3.9 per cent, for total program spending, there are increases of 4.3 per cent, and of course, the expenditures to pay the service charges on the public debt amount to 9.7 per cent, a massive increase. The total budget increase for this year is 5.5 per cent. With inflation at around 4 per cent, we can see that that is a real increase.

The irony is that the Government is talking about reducing the deficit. What are government Members talking about? They are talking about comparing the deficit in the worst of the Trudeau years, the time of a recession, a time when we would expect the deficit to rise if there were to be any humanity at all, a time when the deficit would have to go up or there would have been even more massive suffering than there was, with the deficit now when employment has risen a bit. In comparison with the worst of the Trudeau years, they say that we are reducing the deficit.

In fact, every year the public debt is rising, and it is rising by very substantial figures, around $30 billion a year. We are into the fourth year of a deficit in the order of $30 billion. Of course, the debt charges are rising year after year and yet the Government uses rhetoric about reductions.

Looking at the fine print, we find that there is a reduction in the rate of the increase, not a real reduction in the growth of expenditures. We have to moderate the growth of expenditures, not reduce expenditures altogether. They are still rising. Let us be very clear. We have heard some rhetoric, but the reality is rather different.

The Government is promising tax reform, but what in fact has it actually been doing? It has been increasing taxes for middle and lower income Canadians. There have been massive tax increases in each of the years we have had a Conservative Government. Why is this? For one thing, there are still tax giveaways for better off Canadians. There are still massive loopholes. There are still some 60,000 profitable corporations that are not paying taxes. The Government is still resisting all the recommendations made by my Party and by many Canadians to apply at least a minimum corporate income tax in order to ensure that profitable corporations pay their fair share of taxes. That has not happened.

Corporate income taxes do not bring a very substantial part of the money into the federal Treasury. Projections for this year put personal income tax at $45,410 million and corporate income taxes at only around $12 billion. Unemployment insurance contributions are nearly as high at $10.6 billion. Sales and excise taxes are actually very substantial at $28,855 million. Sales and excise taxes paid by Canadians for this fiscal year are much higher than corporate income taxes. This is of course a very convenient way for the Government to be collecting taxes, but it is not a fair way.

Sales and excise taxes are largely hidden taxes and they are regressive taxes. They are not related to ability to pay, which income tax is. Income tax is progressive, but sales and excise taxes are not. Of course, with the trade deal, there will be a reduction in excise taxes, so again taxes elsewhere will have to go up. There will be some kind of sales tax, but the Government is holding off from telling us exactly what it wants to collect in sales taxes. All we know, or at least we hope we know, is that food will not be included. A whole lot of other items will be.

There are massive increases there because the Government will not come to terms with collecting taxes fairly from people who can afford to pay them. Again, we hear rhetoric about tax reform, but let us be very, very clear about what tax reform actually means. The Government wants to reduce the tax rate. The Government wants to follow in the footsteps of Margaret Thatcher and Ronald Reagan.

There were reductions in the income tax rate, particularly for the wealthy in Britain and in the United States. They were following the trickle-down theory which is that with these kinds of reductions, wealthy people would invest more and jobs would be created. In fact, they have not found that the trickle down theory has actually produced those kinds of jobs. It certainly has not produced justice, equity or harmony in those societies. But that is still the model we have from the Conservative Government.

• (1630)

We have this talk about tax reform but it is just a reduction in the rate. The Government says it still has to collect the same amount of money, but instead of doing it in a fair way through the income tax system which is related to ability to pay, it is going to be collected in an unfair way through hidden taxes, sales taxes, regressive taxes which hit middle and low-income people worse than they hit those with a better ability to pay. The Government talks about a revenue-neutral kind of tax reform. We have to collect the same amount of revenue but we are going to do it in a different way. Is it fair? No, it is not. Tax reform sounds good, it promises reform, but these are in fact regressive measures.

We have a certain amount of ideology in the Budget Papers which the Government has come up with. We have The Fiscal Plan and when you read the fine print there is a lot of reference to percentages. There is also a lot of reference to relating expenditures to the size of the economy, as if government expenditures ought to be a certain proportion of the Gross Domestic Product. This reflects the Conservative ideology that there is a kind of right amount of government, but not too much. we had to have enough to pay for certain social programs, yes, but more than that we do not want. There is some kind of mumbo-jumbo or magic figure which is the right amount but not too much. This is the ideology. It is not very practical because it obviously depends upon what the money is being spent for. Is it productive? Is it going to improve the capacity of Canadians to create jobs, to use our wealth wisely? Is it going to promote health, education, research and technological development? Yet those are not the kinds of questions being asked. The question asked is simply whether it is being spent by the public sector or the private sector.

If the private sector puts thalidomide on the market, that is not economic growth. That is disaster. Yet the Government takes this very narrow approach that what the private sector does must be positive for the economy. Yet if the public sector does something to get rid of pollution or promote public health, somehow that is bad because it is being done by the public sector. This kind of ideological blindness on the part of the Government is extremely unfortunate.

I also want to refer to what is not in the Budget. We have a discussion of expenditures projected for the fiscal year and the income the Government expects to get during that fiscal year. To some extent it is related to unemployment or projected employment and economic growth, interest rates, and a few other economic indicators. Yet most of it is just the money coming in and going out of the Government's hands over the year. It is not related to, you might say, the productive capacity of Canadians, the physical plant, the environment, the forests, the soil, the waters, the fisheries or our farmland. We do not have any kind of accounting of that sort. Yet that is the kind of information we should be seeing more often so we can assess where we are going, how productive we are, and whether we are building up our productive capacity or allowing it to deteriorate.

[*Translation*]

Madam Speaker, some departments are winners and others are losers in this Budget. The Department of the Environment, of which I am the critic for the New Democratic caucus, is a losing department. Even though total Government expenditures will increase, those concerning Environment Canada will be reduced in this fiscal year, in real terms.

The expenditures of that department are reduced against the public's will and despite statements the Minister of the Environment (Mr. McMillan) made before the Standing Committee on Environment and Forestry.

[*English*]

We discussed this matter with the Minister and he told us in committee that for environmental protection enforcement purposes: "Suffice it to say that Environment Canada will get 6 to 8 per cent of the $3 million of new money added to the pot for enforcement purposes. For the Department of the Environment the person-years will be in the vicinity of 70 for a total of 125 additional person-years for the same purposes."

When we look at the Estimates, that is not what has happened. In fact, the resources for conservation and protection are down. Total funds have been reduced in real terms. They have not gone up with the cost of living and there is a real difference in absolute terms in the number of person-years.

The Department says there will be 12 new person-years in the Supplementary Estimates, but this means a net reduction of 30 person-years over last year. It has been down by 254 since the Government came into power. A real reduction. This in an absolutely vitally important area, one where the public wants to see more action on preservation of the environment.

With respect to the wildlife toxicology fund, the Government first let its funding lapse. There was only $1 million in the past three years. We do not know if there is going to be any replacement of those funds in any other fashion. The fund had been handling the money when direct departmental expenditures were cut, but we do not know what their funding is going to be.

We have slashes in the environmental budget for non-governmental organizations, which have played a really vitally important role in defending the environment, giving the public input and using expertise from ordinary citizens who know what is happening to the environment in their particular area. The Government cut $75,000 from their funding since last year. It seems that the annual grant to the Canadian Coalition on Acid Rain has been discontinued. Acid rain is our major environmental problem, and here the coalition dealing very actively and vigorously with this matter is not getting any funding.

I want to address for a couple of minutes the question of the size of the Public Service. Government has made a big to-do about its reduction in the Public Service as a matter of efficiency and productivity. Of course, the plan was announced some time ago for a reduction of 15,000 persons in the Public Service to take place gradually. Here we have in this year's Budget a little bit of bragging by the Government. Implementation will continue and staff reductions to date have resulted in cumulative savings of $375 million by 1990-91. The cumulative savings from the person-years will exceed $1.5 billion, with recurring savings of about $500 million each year. I suggest that this is absolute bunk. Presumably they have the numbers right and I am not going to quarrel with that. However, if there were real reductions in expenditures as a result of these cuts in the Public Service we would be seeing a decrease in over-all expenditure. That is not what is happening. Budget expenditures are still going up by 5.5 per cent. You have the civil service going down and expenditures going up. What does that mean? It simply means that we have a Government that likes the rhetoric of cutting down the Public Service and slashing permanent jobs.

These are good jobs held by dedicated public servants. The Government has taken some pleasure in saying, à la Margaret Thatcher and Ronald Reagan, that we are being tough in cutting the Public Service. Yet it is replacing these people by contracting out. It does not save any money. We can see that costs are still going up. What it does mean is that a company gets a contract. Maybe it is a company that is going to hive off a little money in gratitude to the Party in power.

• (1640)

This Budget has the biggest expenditures in our history, over $100 billion in expenditures. We have a so-called ethics

package. The Government now claims to be interested in honesty in government, yet there are no reforms in that area.

We have the biggest spending we will ever have, yet we have a tendering process which is full of holes. The Canadian public likes to think that there is a process by which the company with the lowest contract bid that is capable of performing the terms of the contract will get it. In fact, that only counts for some contracts. There is still enormous ministerial discretion in the awarding of contracts in every Department of the Government.

The new ethics package does not address that at all, nor does it address the issue of corporate donations to political Parties which are, of course, the very basis for our kickback system. If you get rid of corporate donations to Parties you cannot have a kickback system. There is nothing to kick back.

An Hon. Member: How about trade unions?

Ms. McDonald: I am asked, "How about trade unions?" Well, should there be a trade union that is in the business of selling widgets to the Government in competition with other businesses, it should come under the same rules. However, trade unions are not in the business of selling widgets or any other gadgets to the Government. They are not profitable corporations. They represent workers in contract negotiations for wages and working conditions. They are not in sales, they are not out to make a profit. Should they be doing that, they ought to be treated the same, but why would you treat two organizations with completely different purposes as if they had the same purpose?

In conclusion, the Government does have a program but, unfortunately, it is not the right program. It is going ahead with its cut-backs in the Public Service. Its so-called tax reform is a fraud. It is not dealing with honesty in government. We see lost opportunities. Opportunities to be fair with this Budget and to bring in a minimum corporate income tax are absolutely lost.

The unfairness is continuing. The increase in burden on middle and lower income Canadians is continuing. The day of reckoning will come. These costs will have to be dealt with. You cannot just talk about reducing the deficit and limiting expenditures. Somehow you have to bring them into alignment. That is not happening because the Government will not deal with making those people pay taxes who can afford to do so and thus bring real fairness into the tax system. As long as we do not have that, unfairness will continue and Canadians will be extremely dissatisfied.

I regret that this Budget does not deal with the real problems with which we must deal in our society and with the fairness which Canadians would like to see. I regret that the Government is hiding from these and putting it off to future Governments to come to terms with those real problems.

Mr. McKenzie: Madam Speaker, I enjoyed the Member's lecture on how to run the Government and debt. She is very critical and her answer to everything seems to be that we have to spend more money. I wonder whether she and her colleagues would consider doing the people of Manitoba a favour by sitting down with the NDP Government there and having a talk with it about debt and increased taxes. Would they let them know that they are against reducing the civil service? They are reducing the civil service in Manitoba. If it is all right for an NDP Government in Manitoba to do that, it is quite proper here.

Manitoba has had the biggest tax grab in the history of the province. Manitobans are paying an additional $369 million in taxes, a 20 per cent increase. I hope the Member will sit down with Premier Pawley and tell him how disturbed she is. A new tax of 2 per cent on net income has hit taxpayers there. Hydro rates are up by 9.7 per cent. Telephone rates are up by 11.5 per cent. Autopac premiums are up by 9 per cent to 30 per cent. All other government fees are up by an average of 20 per cent, including drivers' licences and birth certificates. An additional 1 per cent sales tax has hit all Manitobans. A land transfer tax has hit Manitoba home buyers. There is a new 7 per cent tax on take-out food and energy conservation materials. Payroll tax has increased by 50 per cent to 2.25 per cent. There is a new water tax.

Each person in Manitoba has a debt load of $9,000. Five years ago it was only $4,500. The history of Manitoba debt is that it took 117 years of government spending to arrive at the present debt. The NDP Government in Manitoba has been responsible for almost half of it in only five years.

I hope the Member will go to Manitoba and have a talk with the Government. The people of Manitoba would be most gratified if the Member would go there and tell them how to run the Government as she has told us how to run the country. Manitobans are the victims of the biggest tax grab in the history of the province. Even though they have to pay more, they will get less.

In addition, Manitobans must face cut-backs in hospital beds, cut-backs in hospital services and closures of wards, and long waiting periods for CAT scans and other diagnostic services. People of Manitoba have to go to the United States to get CAT scans. That is disgraceful. In addition, there is mismanagement in the protection of children.

I will give some examples of mismanagement by the NDP. As a result of the mix-up between Manitoba Telephones and Saudi Arabia, $27 million was lost. Manitoba forest industries have lost $31 million. Manitoba Public Insurance Corporation has lost $58 million. Flyer Industries has lost $100 million, and workers' compensation has lost $148 million. Flyer Industries was a Crown corporation which the Manitoba Government sold. NDP Members in the House criticize the Government for getting rid of unproductive Crown corporations, but I do not hear them saying anything about the NDP Government in Manitoba. It is all right for it to dispose of Crown corporations. The NDP Government intends to establish another Crown corporation, another mix-up there.

Would the Hon. Member be kind enough, when criticizing the federal Government, also to include the NDP Government in Manitoba? Would she pass along her comments on how she would straighten out the ungodly mess in Manitoba? A population of a million people cannot carry that debt load in Manitoba or put up with such mismanagement. Would the Member give her commitment that she will speak to the NDP Government and get it to start straightening out the mess in Manitoba before being so critical of the federal Government?

Ms. McDonald: Madam Speaker, there are quite a few items on the list the Hon. Member has asked me to address. I will try to deal with most of them. First, I did not at any time say that we should spend more, more, more, more, more. I was pointing out the contradictions between a government which talks about reducing the deficit but, rather, has increased the public debt in the order of $30 billion every year for four years. Added up, that is roughly $120 billion in increases in the public debt since the Conservatives came to power.

The best example of reductions in the public debt is Saskatchewan. Over a period of 20 years the first CCF Government, under Tommy Douglas, reduced not only the deficit, which is the difference in expenditures and revenues per year, but the accumulated public debt. That was done by the first CCF Government in Canada.

It is true that there have been increases in the deficit in Manitoba. There have been in every province of the country as there have been in the federal Government. They are associated with the time of the recession. The years of 1981-82 were particularly bad. Manitoba is not out of line with other provinces. In Saskatchewan a CCF Government completely disposed of the public debt which was built up by the Conservatives. It was built up again by the Conservatives, reduced again by the NDP, and has now been built up again by the Conservatives.

The lesson is exactly the opposite to what the Hon. Member suggests. There was actually the accomplishment of reduction in the public debt in a CCF-NDP province. There are increases in Manitoba, but they are no worse than in any other province and no worse than what has been happening federally.

There are inconsistencies in the Hon. Member's remarks about increased taxes in Manitoba. He cannot have it both ways. He complains about the debt in Manitoba and he complains when taxes are increased to deal with that debt. That Government is being consistent and is trying to deal with this debt. They were fair tax increases, and that is the big difference with the Pawley Government. It has increased some taxes but it has done it fairly and has related it to ability to pay. That is what the federal Government is not doing. It has not brought in a minimum corporate income tax, and taxes have increased disproportionately for middle and lower income Canadians.

• (1650)

Those two Governments face a problem and one of those Governments, the Government of Manitoba, has approached it fairly. The federal Conservative Government has not approached it fairly.

The Hon. Member referred to health care services and difficulties in the health care field. He ought to look next door to Saskatchewan with its Conservative Government. There has been an appalling deterioration in health care services there. It is the same in British Columbia with, in effect, a conservative Government, a Social Credit Government. Health care services come under established program financing where we had cutbacks federally. It is the same for post-secondary education. Therefore, part of the problems the provinces have in paying for their health care costs stem from the fact that the Conservative Government has cut back financing for those very programs.

I do not think the Member is at all consistent or fair in what he has to say in making comparisons between Manitoba and the federal Government.

Mr. Althouse: Madam Speaker, I wonder if the Hon. Member for Broadview—Greenwood (Ms. McDonald) would care to comment on ways of raising taxes that are more fair and consistent? I note that in the past, Canada's tax system has tended to impose taxes less heavily on those corporations that have garnered extremely high profit margins. I have some Statistics Canada figures from 1983—and I realize we had a Liberal Government then—which show that the 25 largest business entities in the country, which control one-third of our entire $717 billion corporate pie, although their profit rates were extremely high, generally fell into one of the lowest tax rates, averaging something in the neighbourhood of 9.6 per cent of actual taxes paid on their profits, compared to small corporations which were paying an average of 17.1 per cent at the same time. The results seem to be that the tax system encourages the very large corporations not only to avoid supporting Government but to use the profits and savings from not paying taxes to raid the smaller and medium-sized corporations, putting them out of business. Does the Hon. Member think this is a good way to create economic development?

Ms. McDonald: No, Madam Speaker, it is certainly not a good thing for the economy to have this happen. We know that it is the small and medium-sized businesses that are creating jobs in Canada. They also happen to be the ones which are relatively highly taxed. The Hon. Member is indeed correct in talking about the enormous tax advantages the larger corporations have. This is bad for the economy because they are not contributing their fair share. The burden, then, has to be taken up by other people and small and medium-sized corporations, which we should be favouring more because they are so much more productive of jobs.

I would like to refer to the Government's own analysis of part of this problem. It blames the previous Liberal Government, and it is to a certain extent correct. The problem started under the previous Liberal Government and, indeed, the Right Hon. Leader of the Official Opposition (Mr. Turner) was the Minister of Finance when the major tax loopholes were created, which are still being taken advantage of by these major corporations. In the fiscal plan there is reference to the aggressive tax avoidance measures which are eroding the tax base—and this is the language of the Minister of Finance (Mr. Wilson)—which were started by the previous Government. That is true. The Hon. Member for Vancouver Quadra (Mr. Turner) is responsible. However, why is it continuing? Why is the Government not at least bringing in a minimum corporate income tax which could deal with the problem? Why is the Government not really plugging those loopholes? The Government is not doing that and because corporations are not—

The Acting Speaker (Mrs. Champagne): I apologize to the Hon. Member but I must interrupt. The time for questions and comments has expired. Resuming debate.

Mr. Bob Corbett (Fundy—Royal): Madam Speaker, I am indeed pleased that I have the opportunity to be involved in this debate this afternoon. I will take this opportunity to be perhaps somewhat more positive about the country in which we live than the Member who spoke previously. I would like to talk about our country's future and the capability of its citizens.

I do have a sense of responsibility, being a Member of this place, to share in the positive news about what is happening in Canada without dwelling continuously on the past days of previous administrations and the sort of problems we would have had to face should a Liberal—NDP coalition have continued. Fortunately for Canadians, that did not happen.

The night the Budget was tabled, the pundits labelled it dull, stand-pat and stay-the-course. The inference was not complimentary. However, I would suggest that there could not have been a greater compliment. We are staying the course because it is a strategy that works and has been proven to work. Why would we want to veer from a winning formula? Why would we want to return to the days of budget trickery and gimmickry that dazzled Canadians with seductive but ultimately costly programs, of promises and more promises? Why would we want to return to those days of sky-high unemployment, escalating inflation, crippling interest rates, unprecedented deficit growth, plummeting dollar values, declining economic growth and crumbling investor confidence? Why would we want to do that? It is a stay-the-course Budget which allows individuals, along with the business community, to know that the solid record of progress will continue and will provide for a stronger, more competitive, more prosperous and more innovative Canada.

When this Government came into office, the Minister of Finance outlined the Government's commitment to moving Canada away from a decade of soaring government deficits, rising unemployment and sluggish uncertain growth. The Government was committed to taking the lead in economic renewal. However, the Minister of Finance warned that renewal would not come quickly, nor would it be easy. There are no quick fixes. It would have to be undertaken in a deliberate, well thought out program. The Minister of Finance issued the challenge. We must put our fiscal house in order. We must redefine the role of Government so it provides a better framework for growth and job creation. We must develop policies that will foster higher investment, greater innovation and increased international competition. We must do these things in a manner which is fair, open and consistent with the spirit of Canadianism.

Three-and-a-half years later, Canadians are enjoying the benefits outlined in the economic agenda of November, 1984. That agenda set the course for the economic renewal and revitalization that this nation has witnessed and been a part of since that period.

This Government took office and took hold of an economy that was—my colleague from St. John was rather kind, I think, when he said it was almost out of control. I will not be quite as kind. I will say that it was out of control. All Canadians have enjoyed greater prosperity since that time. In my home Province of New Brunswick, a total of 33,000 jobs have been created since 1984. I am confident that under this Government and the steady hand of the Minister of Finance, the significant job creation in New Brunswick will continue.

This Government has more good news for New Brunswickers. In December, 1987, in the neighbouring constituency of the Hon. Minister of State for Forestry and Mines (Mr. Merrithew) the inflation rate in Saint John was only 3.7 per cent, below the national average of 4.2 per cent for the same period. That is significant. If my colleagues opposite do not think it is, then they should go to Saint John and ask Saint Johners how significant or insignificant they think it to be.

• (1700)

The personal disposable incomes of New Brunswickers increased in 1986 by 4.4 per cent. It is expected that they will increase by 6.4 per cent when the 1987 figures are released.

The number of families living below the poverty line has decreased in New Brunswick from 18.5 per cent to 15.5 per cent, a three point reduction between 1984 and 1985. That is in just one year's time. We know that it is still too high, but the Government has taken initiatives to deal with that intolerable situation with which we were left from previous administrations. The programs are working well.

The list of good news is long. The amount of prosperity and good news is directly proportionate to the depth of the Government's commitment to New Brunswick and to all of Atlantic Canada. It is important to note the Government's commitment to regional economic development in Atlantic Canada. This commitment was reinforced in the Budget.

Throughout the tenure of the present administration it has been a priority.

The most significant initiative to date is the Atlantic Canada Opportunities Agency. This new agency has its headquarters in Atlantic Canada. It is administered by Atlantic Canadians. It makes only good sense that those who deal with the problems which are unique to our region be people who know what the problems are. After all, when one's car breaks down one does not take it to Oshawa or Detroit to have it fixed. One has it serviced nearby where there is a competent level of expertise and ability to deal with the problems. We have a good sense Government, and this is a good sense Budget.

ACOA will handle a total of $1.05 billion over five years to encourage small and medium-size businesses and industry in the Atlantic region. ACOA is not the only initiative that has been taken by the Government in Atlantic Canada. There is in addition to it the Atlantic Enterprise Program, the Atlantic Opportunities Program, Enterprise Cape Breton, the economic and regional development agreements, six of which are in New Brunswick alone, plus initiatives for forestry, agriculture, energy, fisheries, investment, mining and small craft harbours. This is only the tip of the iceberg in terms of regional development in our part of the country.

The Canadian Jobs Strategy is working to create new training and employment opportunities in the Atlantic provinces. Jobs, jobs, jobs are indeed being created.

In 1984 the Government committed itself to social justice. A high priority of the Government was to restructure the tax system. The tax reform initiatives announced in 1987 have gone a long way to accomplishing this commitment. Again, in a part of the country where regional disparity has too long been a way of life this is significant.

There are now some 86,000 low-income earners who will no longer pay any income tax. There will be in excess of 875,000 low and middle-income earners in Atlantic Canada who will pay less income tax because of the tax reform system. We never hear about these measures from the socially conscious and aware people who apparently maintain that these people do not exist. Collectively, New Brunswickers will pay 5.8 per cent less of the tax burden on a national scale. This is good news for New Brunswickers and for Atlantic Canadians.

Income tax cuts will mean more money left in the pockets of Atlantic Canadians. The more money that we have the more we will spend and invest. The more money we spend and invest the more that will remain in Atlantic Canada to create the economic growth and the much needed jobs that the Government is committed to working toward.

Like all things everything cannot be perfect. We cannot have everything that we would like to have. In this respect I would like to leave one thought with the Government. It is with reference to some concerns that my constituents have expressed about the 15 per cent tax on investment income. Canadians believe that all individuals and corporations must pay their fair share of taxes. Obviously, that is a primary consideration of the tax reform proposals. Unfortunately, what is happening now is that many Canadians feel themselves paying the cost of this effort. The modification of the original proposal was an apparent effort to meet both the needs of Canadians and the need for tax fairness. However, many people in my constituency of Fundy—Royal continue to appeal to the Minister to withdraw the investment income tax proposal in order to protect the future value of their insurance policies. I urge the Government to consider seriously some way of ensuring that these people's fears are allayed.

Allow me to stray for a moment, Madam Speaker, to the free trade agreement. This historic agreement is the fulcrum of Canada's prospects for our continued economic prosperity in the future. This trade agreement will provide better and expanded opportunities for economies of scale in Canadian production and marketing. The Canada-U.S. trade agreement will stimulate innovation, greater productivity and lead Canadians to a lower-cost economy. My main concern as a parent with the Canada-U.S. trade agreement is that it will result in secure future growth and better opportunities for our children and their children. What opponent of this agreement is prepared to stand in his or her place to deny their children the right to a better future?

New Brunswick and the Atlantic provinces have long been denied access to their traditional and geographic trading partners along the Atlantic seaboard. As a matter of fact it was in the days of the national policy that we were first denied this natural trading route. Since then it has been a downhill slide for Atlantic Canada.

Our geographic natural partners along the Atlantic seaboard have been denied to us for too long. The New England market is vast. With unimpeded access to such a market Atlantic Canadians will be able to enjoy once again the prosperity of times past. We in Atlantic Canada should be clamouring for the heads of those who would deny us access to our traditional and geographic trading partners. We have been suffering for too long the consequences of such measures as countervails on softwood lumber, the proposed countervail on potash and the countervails on fish and potatoes. The list goes on and on. Those who would deny us the opportunity to rid ourselves of those millstones around our necks should indeed go to New Brunswick, to Atlantic Canada, to suggest that we as Atlantic Canadians should not have these opportunities. I would welcome the opportunity of having somebody go into the region to say so.

Exports from New Brunswick to the United States accounted for 15 per cent of employment in New Brunswick and a total of $2.6 billion annually.

Atlantic Canada has been battered in the war of protectionism between Canada and America on many different occasions. The workers and businessmen of the region want an end

to this. They want that end to be the culmination of a Canada-U.S. trade agreement.

All Canadians want the 120,000 new jobs that this agreement will bring about by as early as 1993. That is just the tip of the iceberg. There are a great many studies in the works and others which are in place which suggest that eventually we will be looking at something more significant and substantial than just 120,000 jobs.

Canadians want their real family incomes to increase by $1,800 annually as a result of this deal. Canadian consumers want better quality. They want better selection and lower prices. They want the U.S.-Canada trade agreement.

The implementation of this deal will cost Canadians little. It will take courage and a strong commitment to a better future and the desire to see our nation strong. That is all that Canadians will have to pay for this agreement. It is a small price.

I suggest that in 20 years from now we in Canada will be hard pressed to find a single living soul including our socialist friends and their allies in the Liberal Party who will say that they were against the deal. The same was true with respect to the Auto Pact.

• (1710)

What is the reason for the prosperity? What is the cause for all of the good news in Atlantic Canada? The answer is a Government in control of its spending, a Government with its eye on the future, a Government that is in the process of changing the direction of the Canadian economy in order that it will meet the challenges of tomorrow's world. The Budget has shown Canadians that we are meeting our commitments of four years ago and that we are prepared to meet the challenges that the future will bring.

Since 1984 the Government has revitalized the private sector and restored fiscal responsibility to government financing. This has been accomplished by reducing the deficit from $38 billion in 1984 to $29.3 billion where it stands today. This is a tremendous achievement. In 1984 many Members on the opposition benches stated that we could not do it, but it has been done. The Government and the Minister of Finance (Mr. Wilson) have done it, and we will continue along this path of slow but steady economic growth.

The deficit was only one problem that we inherited from the Liberals. Between 1980 and 1984 government spending had increased by some 14 per cent, which far exceeded the rate of inflation in the same period. Under the Liberals government spending doubled in a short period of five years.

This Government has managed to turn all of this around. In the first three years of our mandate we cut spending to 3.5 per cent, less than the rate of inflation. If we had not taken immediate action Canadians would have been faced today with an extra $100 billion more on our national debt.

It is because of this Government's steady hand over the past three years that we are able to announce an increase in government program spending of 4.3 per cent for the coming fiscal year. It is true that deficit reduction and economic growth will slow down in the coming year. We will continue to have growth and we will continue to trim the deficit.

The Government has been solidly committed to the strength of the Canadian economy and the future of the nation. As the Hon. Minister of Finance so aptly pointed out in his Budget Speech, Canada has done better than any other of the major industrialized nations. Canada is number one in economic growth. This is reflected in the growth of investment and in the creation of new industry and business across the country. Canada is number one in employment growth. The national average unemployment rate has fallen to 8.1 per cent in January from 11.7 per cent in September, 1984. In New Brunswick the unemployment situation that this Government inherited was considerably worse. In 1984 the unemployment rate in my home province was 16.2 per cent, which was intolerably high. Today I am pleased to report that this figure is down to 12.5 per cent. It is still too high, but there has been a real reduction of 3.7 percentage points. This is significant progress, progress that has led to the creation of 1.150 million jobs nationally since 1984 and 33,000 jobs in New Brunswick. These are good, well paying jobs, unlike those created by the quick fix band-aid program of Liberal make-work projects. Economic and employment growth were spread more evenly among the regions last year, and unemployment dropped in every province.

There is not much good news. Unfortunately, Atlantic Canadians have not been in a position to accept or absorb it all. The Opposition has stated that it is pledging to help the Atlantic region. But when it comes time to cast a vote for Atlantic prosperity in the House of Commons, suddenly the Opposition is whistling a different tune. In case my colleagues opposite have short memories, the NDP voted against the initial payment of $127 million designed for the Atlantic Canada Opportunities Agency. The NDP voted against $17 million for Atlantic Canada's fisheries.

To add insult to injury, the socialist finance critic, the Hon. Member for Ottawa Centre (Mr. Cassidy), was in Quebec not very long ago telling the shipyard workers, as my colleague from Saint John pointed out, that if the NDP were making the decisions, Montreal would have been allocated the second batch of frigates and not Saint John. I for one am glad that the NDP is not making the decisions. I can tell you, Madam Speaker, so are a lot of shipyard workers in Saint John, New Brunswick.

The NDP and that Hon. Member ought to be ashamed. The socialists think that they can pit region against region and then sop up votes from the aftermath. I can say that that will not work. New Brunswickers recognize the NDP for what it is. New Brunswickers will reject the NDP in the next election as they have done in past elections.

I would like to point out that my colleagues on the Liberal benches will be pleased to note that not one single person year of employment for the construction of the second batch of frigates will go to any Toronto shipbuilding yard. That is because they have been complaining bitterly and constantly about all of the jobs being allocated to Ontario. They must be pleased that not one single job of that contract will go to a Toronto shipbuilding yard.

There are many things that I want to say and deal with, but I see that my time is running short. I wish to close by saying that fostering and guiding economic renewal is not an easy, or, as we have seen, a popularity building achievement. Significant growth, job creation, economic stimulation, international competitiveness, and deficit reductions are simply not sexy issues. But they are issues that affect the social and fiscal fabric of every region of Canada.

This Government and the Finance Minister are to be commended for applying a fiscal strategy that is responsible and rewarding. Canadians can see the difference between policies determined by what is popular, and policies determined by what is right.

Mr. McKenzie: I wish to congratulate my colleague, the Hon. Member for Fundy—Royal (Mr. Corbett), for an excellent address. I always enjoy listening to him because his speeches are well researched and he has excellent technical material which is very important to the debate. I am glad that he touched on the debt. I would like to ask for his opinion on a couple of matters.

After reaching $29.8 billion in 1984-85, financial requirements are projected to drop to less than $10 billion by 1992-93. Relative to GDP, financial requirements will have dropped from 6.7 per cent in 1984-85 to 1.2 per cent in 1992-93. A mess like this cannot be turned around in four years.

We have to keep reminding the Canadian people who was the architect of the debt. When the Leader of the Liberal Party, the Member for Vancouver Quadra (Mr. Turner), became Finance Minister in 1972 there was a surplus of $700 million in the Treasury. By the time the Leader of the Opposition had finished as the Finance Minister the debt added up to $5 billion. That is what is known in Canada as the "Turner formula". Following Liberal Finance Ministers continued with the "Turner formula", and we ended up with this massive billion dollars of debt. We cannot forget to remind the people of Canada who was responsible for starting this mess in the first place.

The Hon. Member for Fundy—Royal pointed out the progress that has been made in eastern Canada and in his Province of New Brunswick. I would like to get his opinion on what he thinks of the National Energy Program and the devastation that it did to western Canada. Here is what the Liberal Party and its NDP cohorts did to western Canada. In a recent edition of the *Western Report* it stated, "Ex-Liberal Energy Minister Marc Lalonde admits publicly for the first time that the purpose of the NEP was to prevent the West from growing too wealthy".

Can anyone imagine two political Parties working together to plot against the West? It was devastating. Small companies had to lay people off. At the time I read into the record all the firms in Quebec and Ontario that suffered from the National Energy Program. The Member for Bourassa (Mr. Rossi) thinks it is a big joke.

Mr. Rossi: It is a big joke because you are against francophones. You are against Quebec. That's why it is a joke.

Mr. McKenzie: Marc Lalonde also stated, "Our proposal was to increase Ottawa's share appreciably so that the share of the producing provinces would decline significantly and the industry share would decline somewhat". Well, it declined the energy industry in the West. There were lay-offs in the West and it affected all types of firms in Quebec and Ontario. Now the Liberals and the New Democrats are opposing the free trade agreement which, when implemented, will bring untold wealth to western Canada.

• (1720)

I would like to ask a question of my hon. friend. The trade deal was not cooked up overnight in a kitchen. It has been studied to death. In November 1982, the then Liberal Government appointed a royal commission to study economic union and development prospects for Canada. Some three years and $24 million later the Macdonald Commission presented its report which overwhelmingly recommended that Canada pursue free trade with the United States. We cannot ignore a $24 million study.

In March 1974, the Liberal dominated Senate conducted a study in its foreign affairs committee of Canada-U.S. relations. Some eight years and over 100 witnesses later, the committee presented its report which overwhelmingly recommended that Canada pursue free trade with the United States.

How can we ignore these studies? It is incredible. Millions of dollars have been spent doing sound research, and political Parties say that it is no good. They do not know what they are talking about.

The Canadian Manufacturers' Association and many business and agricultural groups support the free trade proposal as well. I should like to ask my hon. friend to whom he thinks we should be listening. Should we be listening to the detailed studies of the Senate committee and the Macdonald Commission, the Canadian Manufacturers' Association, or the NDP?

Mr. Corbett: Madam Speaker, I wish to express my appreciation to the Hon. Member for Winnipeg—Assiniboine (Mr. McKenzie). I know that he has consistently and constantly over the years represented the West and his part of the country in a fair and balanced way.

I am astounded that during the course of his remarks to me a member of the Opposition should attempt to shout him down, imputing racist slurs against him—

Mr. Rossi: Right. He is a racist.

Mr. Corbett: I think that sort of behaviour should be intolerable in this place. Certainly that type of action does not enhance our reputation in the eyes of Canadians, nor should it.

In response to my hon. colleague's questions, I will attempt to deal with them as I recall them. There is no question that one of the most substantial or significant problems with which we as Canadians are faced today and must deal is the fact that over the past number of years, particularly prior to the current administration, we have been treated to a runaway spree of deficit financing primarily by a Liberal administration. As a result, tremendous and huge debts have built up.

I remind my hon. colleague that if one looks at the *Budget Papers* one will see that in 1984-85 we inherited $22.3 billion worth of public debt charges. If we take that particular amount and add it constantly over the four years we have been in control of the purse-strings, we will see that it totals some $88 billion. Let me point out that the figures of the Right Hon. Leader of the Opposition (Mr. Turner), who maintains that we have had an increase of $116.6 billion or 66 per cent in the last three and a half years, are not accurate. What we must do in fact is deduct the amount of debt we inherited on an annual basis from the Liberal administration, which amounts to some $88 billion. This means that we are faced with an increase of $28.6 billion. That is much more in line, particularly in view of the fact that we were committed to such programs as old age security, workers' compensation, unemployment insurance, and health care.

I well remember as an easterner the devastation of the National Energy Program. I well recall what took place, because we in Atlantic Canada had suffered for years under the intolerances of that particular administration. I recall when all investors were running as fast as they could get to the border, to head south of the border to the United States. I know what devastation the National Energy Program wrought on western Canadians and the fiscal irresponsibility, probably because of the very things which my hon. colleague has mentioned. I would not doubt at all that that was their intention. They have consistently ignored Atlantic Canada in the same way.

I remind my hon. colleagues opposite that back a short time ago they voted against an extra $7 million for Enterprise Cape Breton. The Liberal Members from that region should be downright ashamed of themselves. Indeed, that is what they did.

What else have they done? They have done several other things. Time and time again when they were in government they had opportunity to treat Atlantic Canada fairly. They expressed their lack of commitment to the Atlantic region by voting against the $17 million Atlantic Fisheries Restructuring Program. What kind of answers do they have to that? They have nothing but racial slurs against my colleague on this side of the House, for which I give them no credit—

Mr. Rossi: Because it is true. He is a racist.

Mr. Corbett: It is an example of the sort of administration that we would have, should we ever be treated or mistreated to the opportunities of having such a Government back in place.

Mr. Rossi: He is anti-French.

The Acting Speaker (Mrs. Champagne): It is very difficult for the Chair right now not to hear words that are being exchanged in the House. Some of the allegations or accusations are not in the type of language which should be used in the House.

I would appreciate it very much if all Hon. Members were to refrain from name-calling. Even though some people may feel justified about such name-calling, it does not belong in the House, and the Chair will not turn a deaf ear to it.

The time for questions and comments is now over. Resuming debate with the Hon. Member for Algoma (Mr. Foster).

Mr. Maurice Foster (Algoma): Madam Speaker, I am pleased to have a chance to say a few words this afternoon on the Government's *Budget Papers*. As we see by looking at the document, it is very thin. It does not contain very much. It is in both official languages, so it is actually half as thin. The document does not say very much.

When the Minister of Finance (Mr. Wilson) spoke a couple of weeks ago, he did not say very much. It almost seems like an accounting document, one that he could have easily tabled in the House, because it did not contain very much to help Canadians.

Over the past three and a half years taxes have increased dramatically, to some $22 billion for average citizens, whereas during the same period of time they have increased very little, if any, for corporations. That is fitting; that is what we thought the Tories would do. It is not what they said they would do. In the election campaign three and a half years ago, the Prime Minister (Mr. Mulroney) said that he would have a great, new egalitarian society. However, when we look at this document and look at what has happened over the past three and a half years, we see what the Government is planning to do. What it has been doing in each statement is trying to pull the fabric of our nation apart, making a very rich section and a very poor section. The Leader of the Official Opposition (Mr. Turner) said that it really creates two Canadas, a rich Canada and a poor Canada. That is what the Government has been about in this document which really does have many new changes, although I would like to talk a little bit about the changes later on.

• (1730)

Our real concern is the impact which this Budget and previous Budgets will have on Canadians. If we look at the taxes which have been imposed on Canadians since September, 1984, we find litany of regressive direct sales taxes, excise taxes, all of those taxes which hit low income people more than the high-income people. The whole tax reform is to bring down the income tax scales so that those in the high-income tax brackets will benefit and those in the low income brackets will benefit very little, if at all.

When the Prime Minister and the Minister of Finance talk about taking 850,000 people off the tax rolls with a tax reform program, they fail to mention that practically one million Canadians have been put on tax rolls by tax increases imposed since 1984. Although this Budget is a very thin document, in this one year alone, 1988, the Government has imposed $2 billion worth of new taxes, most of them imposed on a regressive basis via sales tax excise taxes on gasoline and a whole host of other things.

If you glanced through the document you would say it is not bad, that only a 1 cent a litre tax on gasoline showed up. But if you look closely at the taxes applied in 1988, you will see different things coming from tax reform and from previous taxes which start January 1, 1988 and amount to $2 billion. I cannot do the calculation rapidly enough to give the exact across-the-board increase, but it is an extremely heavy load in this one year. There was the 1 cent a litre gasoline tax, which draws down $300 million. There was an additional sales tax of $300 million, which came into effect with this Budget. On top of that, on January 1 there is a 10 per cent tax on long distance phone calls amounting to $870 million.

I had a small businessman in the marina business contact me about that and he said it amounted to something like $80 or $90 in additional taxes on his small business which commenced at the start of the year when business is slow. There is a 12 per cent tax on wallpaper, which will amount to about $60 million. From the 1985 Budget there is deindexation of the income tax scales, which add another $750 million. Even though the document is very thin it rides very hard on low-income people and on senior citizens because practically every tax is a regressive excise or sales tax. There is very little lifted from the ordinary low income Canadians in this exercise.

It is interesting that in the calculation which our caucus did, the average family with an income of $32,000 a year will pay about $1,200 per year more this year than it did in 1984. This calculation is based on all of the increases which have taken place during the last three years. The tax load has been especially onerous for the average family. In northern Ontario the increase in gasoline taxes, which amount to 5 cents a litre or 23 cents a gallon since 1984, we consider to be a special tax on northern Ontario. I am sure areas in western Canada and in the north consider it a special tax placed on their regions because of the longer distances people have to travel. That 1 cent a litre tax increase generates some $300 million, and in the *Budget Papers* it was set exactly beside the loss of revenues and tariffs in the Canada-U.S. trade deal.

The Prime Minister talked about a free trade deal. If you look at it you find that the tariffs which are reduced by some $400 million in the first fiscal year of the free trade deal cost some $460 million. In the first three months of 1989 it will cost some $55 million and the new taxes generated from this 1 cent a litre extra will little more than cover the loss of those tariffs.

The Government's anticipation of increased jobs over the first five years of the free trade deal are estimated at 120,000 jobs or 24,000 a year. That was calculated on the basis that the tariffs would be lifted, and over the five years it would amount to some $2 billion. In fact, if you look closely now that this gas tax has been imposed, you will find that there will be no reduction in taxation for the ordinary Canadian. In fact what Canadians would pay less in tariffs they will pay more in gasoline taxes.

Certainly over the 10 year period Canadians will pay a great deal more, perhaps $700 million or $800 million more. But there is one difference. Tariffs, whether on poultry meat or a seasonal tariff on tinned fruit and vegetables produced in the Niagara area or in the Okanagan Valley, help protect Canadian industry, Canadian agriculture and Canadian jobs, whereas the excise tax placed on gasoline is a straight dead weight.

For the sake of those who might have forgotten how much additional taxes have been imposed since 1984, we should look at all the indirect tax increases. We have had a 25 per cent increase in sales tax from 9 to 12 per cent at a cost of $3 billion extra. We had a tax for candy, soft drinks and fast foods imposed in 1985 and 1987 of $460 million. I have already mentioned the wallpaper and paint tax of $60 million which started January 1. If we look at the gasoline taxes, we see an addition of over $2 billion during the three and a half year period. There have been a rash of taxes relating to alcohol, tobacco and so on. In any event, the whole tax regime has been to grind down those in low-income groups.

One decision made last year in the tax reform package was the decision by the Minister of Finance to remove the special provision with regard to the mine depletion allowance and flow-through shares. This mechanism, which was put in place in 1984, raised some $500 million or $600 million a year for mining exploration and development in areas like northern Ontario. There will be a rally here on March 1. Municipalities from all over northern Ontario, northern Quebec and the northern parts of Canada that depend on mining exploration and development will emphasize to the Government what a tremendous disadvantage the loss of the flow-through shares and the earned depletion allowance will be for the mining industry.

• (1740)

If those mechanisms for carrying out exploration and development are not in place, we will not have new mines or the job opportunities that are created by those new mines. I

still hope that the Minister will change his mind and make a decision to reinstate the earned depletion allowance and the flow-through shares.

I see that the Hon. Member for Western Arctic (Mr. Nickerson) is here today. I know that he would want to support me in that. In resource areas like northern Ontario and Western Arctic, we depend on mining operations to provide jobs. We in Canada have not discovered many new mines in the last 10 or 15 years. If we stop providing these incentives for investment in exploration and development, of course we will not discover any more at all.

As well, I want to look at the situation in agriculture. I have long been concerned about the situation of agriculture in Canada. We were heartened to hear the Prime Minister indicate back in December that he would put some $400 million or $500 million in additional funds into the Farm Credit Corporation. As Hon. Members know, agriculture is facing one of the most difficult and trying times in history. Of the 170,000 farmers who have economic-sized farms, farms with sales of over $20,000 a year, some 40,000 farmers are in serious financial difficulty or are totally insolvent.

We have been calling on the Government for over a year now to get serious about this problem and to take some action to put the Farm Credit Corporation on a sound financial basis. We learned last April 30 that the Farm Credit Corporation had a negative equity of $124 million. That had changed from a positive equity position of $125 million in the last two or three years. We are told that by the end of this fiscal year, 1987-88, that negative equity position will be close to $300 million.

We were flabbergasted to learn when the Estimates were tabled this week that absolutely no funds had been provided to the Farm Credit Corporation in the way of appropriations. Surely the Government ought to take seriously its responsibility to the rural parts of Canada. The agriculture industry is one of the top industries for employment. It permeates the entire country. Surely the Government should have taken some action to restore the financial viability of this Crown corporation.

At the meeting of the Agriculture Committee this morning, we spoke to the new Chairman who is charged with the responsibility of establishing a recovery program. He did not know either why there was no funding provided for the Farm Credit Corporation. There is much concern across Canada that the Government may be trying to privatize it or wind it up. We do not know. We do know that the new Chairman is saying that the corporation will be hard on farmers and will force them to pay up when they are delinquent on their accounts. This is happening at a time when many farmers have been going through the worst period in history. The only explanation that seems reasonable is that the Government is refusing to provide this funding to the Farm Credit Corporation so that the corporation will go after the farmers and make them pay up, even though they may have to deprive their families of benefits or even of a decent living.

Those are some of the concerns I have as I go through the Budget brought down by the Minister of Finance a couple of weeks ago. I think there is so much concern because people are very uncertain about tax reform. We have heard that the income tax scales will be reduced and that in fact there will be a slight reduction in income taxes sometime in July or August of this year, a reduction of $150 to $200 for the average taxpayer. Comparing that to extra taxation through all kinds of regressive sales taxes in the past three and a half years, it does not seem like very much. There will be a reduction of $150 to $200 with an increase of $1,200. We know that the other shoe must eventually fall.

The Government is planning to bring in a new super-deluxe national sales tax which will apply not only to traditional goods and commodities but will also supposedly apply to all kinds of services. It will apply at various stages along the production of commodities. It seems to me that if tax reform had been done on a fair, equitable and honest basis, it should have been done completely. There should have been a comprehensive program so that people would not have to wonder what will happen with that sales tax increase which will supposedly take place later this fall or in the coming year. That could provide for a double whammy. Again, a sales tax is a regressive tax, one that hits everyone on an equal basis, regardless of income and ability to pay.

The Government missed an opportunity to come completely clean with Canadians in this Budget. We know that there has been massive new taxation. We know that there is new taxation coming that will apply to all kinds of services as well as to commodities. The Minister of Finance really missed an opportunity to help the regions, to provide new funding for northern Ontario, Atlantic Canada, the West and some areas in the North. He missed a chance to reinstate flow-through shares and earned depletion allowances. As well, he missed the opportunity to provide some redress to low-income families who are suffering from a massive increase in regressive sales and excise taxes. That is why we think the Budget was a missed opportunity to help the slow-growth regions of Canada and to help low-income families.

Mr. Scowen: Madam Speaker, the previous speaker brought to the attention of the House the problems with the Farm Credit Corporation. I am a farmer. The policies of the previous Government were what gave me the inspiration to run in the election. I saw what that Government did with its policy of a capital gains tax and building that tax into the cost of the land. The cost of land went up and up and up and the Farm Credit Corporation encouraged people to take the land on at these very high prices. Now, of course, we have the problem of collecting and redistributing the money owed.

• (1750)

I would like to know from the Hon. Member why he supported this kind of capital gains tax which caused the problem in the first place and what his solution is to the bind the FCC finds itself in today? It seems that his way of solving the problem is irresponsibly to pour more money out. It appears that the Hon. Member would like us to follow the same pattern as the previous Government which is what got the farmers into the problem in the first place.

Mr. Foster: Madam Speaker, I am glad the Hon. Member for Mackenzie (Mr. Scowen), one of the most distinguished members of the Standing Committee on Agriculture, has raised this matter of capital gains. Really the problem has been of a capital loss over the last three or four years. The net asset value of the Canadian farming industry has dropped from $116 billion to around $90 billion or $95 billion. The Government has been reluctant to put in place any mechanism to deal with this problem.

The Chairman of the FCC ticked off the Minister of Agriculture (Mr. Wise) this morning by saying in committee that one of the big problems had been that the Minister brought in this program of no foreclosure on FCC mortgages, implying that he did so without putting in place any mechanism to restructure the debt. That policy was in place for I guess 18 months or so. Now, belatedly, the Prime Minister has announced that he plans to provide some $500 million, in either loans or assistance, to the FCC over the next three years. I think everyone at the meeting of the committee this morning was saying, well, we know the Prime Minister announced that; the Chairman is criticizing the Minister for the moratorium on foreclosures; putting the two together, you would ask if the Government is going to provide this extra assistance, why did it not do it in the fall of 1985 when the Minister put the moratorium into place and provide some kind of proactive mechanism to assist the large number of farmers who are facing the loss of their farms?

We know that we now have 15,000 FCC loans in arrears. We know the debt is spiraling up. If the Government had taken some action two or three years ago similar to what it is proposing now, we might have been able to save some of those thousands of farmers who are facing the loss of their land because of low commodity prices brought on by the American Farm Bill. It is unfortunate that the mechanisms put in place by the Government were so inadequate as not to save some of those farmers.

The Hon. Member has raised a very important question, we just wish the Government had brought in mechanisms to reschedule that debt or set it aside in such a way as to save more of the young farmers. According to all estimates, given the Prime Minister's estimate of a write-off of $100 million a year for the next three years, this money represents several thousand farmers. The unfortunate part is that often they are our youngest and best farmers, our most technically advanced, those who could have made a great contribution in the years ahead. They will probably not have that opportunity any more.

Mr. Nickerson: Madam Speaker, it was heartening to hear the Hon. Member support the flow-through mechanism for funneling money into mineral exploration in those parts of Canada dependent for their economic well-being on the mineral industry. That concept is certainly supported on this side of the House and any debate there is over the matter concerns the exact terms of what should be in a flow-through scheme. However, the Hon. Member will be familiar with the position taken by the Hon. Member for Ottawa Centre (Mr. Cassidy) on behalf of the NDP when he said their Party, were they ever to gain office, would get rid of flow-through funding completely. They see it only as assistance to fat cats on Bay Street.

Mr. Cassidy: On a point of order, Madam Speaker, I do not believe Members are entitled to make comments like that when the position of our Party has been made very clear, both by my Leader in Rouyn—Noranda, and by myself in various places. It is the Conservative Party which is taking away flow-through shares and not putting anything in their place. My Leader will be speaking to a conference on flow-through shares next week and the Hon. Member should stop uttering falsehoods in the House of Commons.

The Acting Speaker (Mrs. Champagne): That is not a point of order. However, I think all Hon. Members will realize that the Hon. Member may be reacting a little strongly in his language. I think it may be wiser for all of us to call it six o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HEALTH—USE OF DEPO-PROVERA FOR CONTRACEPTIVE PURPOSES/REQUEST THAT REPORT BE MADE AVAILABLE TO CONCERNED WOMEN

Ms. Margaret Mitchell (Vancouver East): Madam Speaker, on May 12, 1987, I raised women's concerns regarding approval of the drug Depo-Provera for use in Canada as a contraceptive. Women have had serious questions about both the long and short-term effects of this drug, how it will be marketed and for whom it will be prescribed. When I questioned the Minister he suggested I should not ask questions but should rely upon him and the regulatory process to solve such matters. Advocacy on behalf of concerned women he considered to be political interference.

The information I received today from the Department of Health and Welfare leads me to say thank heaven for political

interference. Finally the Minister has been forced to listen to the views of 64 women's groups which have demanded that he exercise caution in approving Depo-Provera for birth control purposes. I am pleased to learn that he has finally delayed approval of the use of this drug. Officials have withdrawn their earlier approval and are now studying the implications of new data from Costa Rican studies. It appears that political interference by concerned women and their advocates in Parliament has been effective.

• (1800)

There is a long history of negative experiences in the use of drugs and birth control devices which have been marketed by brand name manufacturers and have often even passed Health and Welfare regulations. Let me give you a few quick examples.

DES, a synthetic form of estrogen given to many pregnant women to prevent miscarriage, has had a litany of medical and reproductive problems for some daughters and also sons whose mothers took this drug. The thalidomide story will never be forgotten. The Dalkon shield intra-uterine device causes infections often leading to hysterectomies or sterilization. Over 300,000 women have filed claims for injuries. Other UIDs also have disadvantages and risks. The birth control pill used by 28 per cent of Canadian women can result in increased risk of blood clots, strokes, heart disease, and hypertension as well as less serious side effects.

Other methods of contraception such as rhythm, condoms, diaphragms, foams, and jellies are safer but not as reliable as IUDs in preventing unintended pregnancies.

This deplorable history of failure in a society of high technology shows how little priority the Government has given to research and education in the very important field of family planning. It is deplorable that Canadian women, as a result, have been forced to turn to irreversible sterilization as the most common method of birth control. Men are also now considering this method and, while it is safer, it also is not guaranteed irreversible.

Men and women require safe, reliable birth control which is not intrusive. This should be a priority of the Department of National Health and Welfare. Instead of expanding the family planning division, it was closed in 1985 and funds for family planning have been cut by 50 per cent since the late 1970s down to less than $1 million.

The responsibility for controlling fertility must be shared between the sexes. Women must be relieved of the heavy burden of total responsibility and the risk of unsafe and unreliable methods of birth control. Government must priorize research into this area and provide more funds for education. Research into safe, effective methods of contraception is long overdue. This should be a government priority.

The prevention of unwanted pregnancies is the shared responsibility of men and women. It is far better to have positive education programs in schools, family planning programs in communities, and access to safe methods of contraception than for women to have to make the very traumatic decision to have an abortion.

Mrs. Shirley Martin (Parliamentary Secretary to Minister of Public Works): Madam Speaker, in response to a question on May 12, 1987, from the Hon. Member for Vancouver East (Ms. Mitchell) I wish to provide the House with information regarding the drug Depo-Provera.

Depo-Provera, an injectible hormonal drug, is a product of the Upjohn Company of Canada and has been marketed in Canada since 1961. The drug is only available with a physician's prescription. It is indicated for hormonal therapy and treatment of endometriosis—a painful condition involving the lining of the uterus—in non-pregnant women, as well as for the treatment of advanced breast and uterine cancer.

The Department of National Health and Welfare is evaluating data in a new drug submission for Depo-Provera for which new claims are being made.

The Member mentioned in her comments tonight the political interference which has taken place in order to make the Minister act. That is the furthest thing from the truth, as she should know. In fact, the Department has continued and will continue to study this drug. It is the work and results of the Department on which the Minister is making his decisions.

As indicated earlier, the drug has been available for many years for other purposes both as an oral preparation under the name Provera and as an injectible preparation where its long action characteristic has been found very useful.

• (1805)

The new indications which are currently under review relate to hormonal therapy and conception control. As Members of the House may know, this drug has been used for years in many countries in Europe and Asia for conception control. This is the first time the drug has been proposed by the sponsor for use in Canada as a birth control agent.

Under the requirements of the food and drug regulations, the manufacturer is required to submit evidence of the safety and effectiveness of Depo-Provera for these new indications before a notice of compliance is granted to them.

In order to hear the views of interested groups regarding fertility control, a series of meetings were held in six Canadian cities, Halifax, Montreal, Toronto, Winnipeg, Calgary and Vancouver, in September 1986. During these meetings, a panel appointed by the Health Protection Branch heard presentations regarding fertility control issues in general. Some individuals commented on the use of Depo-Provera for fertility control. These representations are being reviewed as part of the drug evaluation process.

The expert advisory committee on reproductive physiology, an outside committee of medical specialists, and the Department of National Health and Welfare, are evaluating all available safety data on Depo-Provera. The Minister of National Health and Welfare (Mr. Epp) has repeatedly stated that full examination of all the available evidence must take place before there is any approval of this drug for the above-mentioned new indications. At the present time, Depo-Provera is not cleared for the claim of conception control.

NATIVE PEOPLES—GENEVA RESOLUTIONS ON TREATMENT OF INDIGENOUS PEOPLES/REQUEST THAT OFFICIALS BE INSTRUCTED TO SUPPORT RESOLUTIONS

Mr. Keith Penner (Cochrane—Superior): Madam Speaker, earlier this week I asked a question of the Minister of Indian Affairs and Northern Development (Mr. McKnight) regarding Canada's position on certain resolutions dealing with indigenous peoples and indigenous rights. These resolutions are on the agenda of the current session of the United Nations Commission on Human Rights.

I asked the question this week because my office had received some very disturbing information from Geneva, from persons who are present there, that Canada has not been encouraging and supporting the passage of these resolutions. I might say that they have already been approved by the Subcommission on the Prevention of Discrimination and the Protection of Minorities and are scheduled to go to the full commission very shortly. They call for draft international standards on the treatment of indigenous peoples, second, the establishment of a study into treaties between nation states and indigenous peoples, of which we have many in Canada, and, finally, the designation of the year 1992 as the international year of indigenous rights.

These resolutions are enormously significant to the world's aboriginal peoples. They have been working toward them for several years now and the fact that they are on the agenda of the Human Rights Commission is a sign of the importance that other UN bodies place on these resolutions. If these resolutions do not receive approval when the vote is called, which is imminent—it could be later today it could be tomorrow—then years of work by the indigenous peoples of the world will be severely set back. It could be a two year or three year delay before such resolutions could again be considered. In my view, that would be tragic, and doubly tragic if a great nation like Canada were in some way instrumental in having these resolutions defeated.

Canada has the opportunity to play a positive and very constructive world leadership role with respect to these resolutions. Here in Canada we have tried as best we can through the constitutional process to give recognition to aboriginal rights, yet undefined. We have the treaties I referred to, but their implementation and significance have not been fully appreciated by the Government of Canada, nor the people of Canada. If there was an international discussion, I believe that the clarification coming from this international discussion could be of enormous benefit here in our country.

The information I received directly in a phone call from Geneva was that Canadian officials were actively lobbying to have these resolutions defeated. I do not have the time now to specify the tactics that they were using. However, I must report to you, Madam Speaker, that they were distressing, to say the least.

• (1810)

On Tuesday I asked the Minister of Indian Affairs and Northern Development (Mr. McKnight) if he would meet with the Secretary of State for External Affairs (Mr. Clark) and send a strongly worded directive to the officials in Geneva to desist from this lobbying practice against these resolutions and, in fact, to get behind them and to support them.

Today I received some heartening information from Geneva. The officials met with the Cree delegates who are there and apparently they have had a change of mind. They have indicated that there has been some sort of misunderstanding and, in fact, they are now prepared to get behind these resolutions and see them approved. In fact, with respect to the one on treaties, they want to see it expanded and improved. That is very good news, and we were most heartened.

However, this afternoon when my hon. friend, the Hon. Member for Skeena (Mr. Fulton), put a question to the Minister of State for Indian Affairs (Mr. Valcourt), he gave an answer which seemed to suggest that the old policy of delaying and holding up these resolutions is still in effect. Thus we have a difficulty here that I would like the Parliamentary Secretary or the spokesman for the Government to clarify. Either the Cree in Geneva who met with officials this morning have been misled or the Minister of State was given the wrong information, a bad briefing, and what he conveyed to the House is not correct. He is probably not responsible for that. I am not laying blame. However, it is a contradiction and it needs to be clarified.

Let me conclude by saying that the Canadian Council of Churches has strongly supported these resolutions. It has communicated this to the Right Hon. Secretary of State for External Affairs and to the Right Hon. Prime Minister (Mr. Mulroney). I conclude by quoting what the Canadian Council of Churches has said. It said:

> Canada's support for this United Nation's Human Rights Commission initiative will demonstrate to the international community and to the citizens of Canada that your Government is indeed committed to the protection of aboriginal rights.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Madam Speaker, the Canadian position at the United Nations regarding indigenous rights is clear. The Canadian delegation, headed by Mr. Gordon Fairweather, will speak on this topic tomorrow or Monday.

Canada strongly supports the resolution endorsing the continued efforts of the Working Group on Indigenous

Populations in developing global standards in the area of indigenous rights. We recognize that the core of the agreed mandate of the Working Group is universal standard-setting.

We are also in favour of broadening and strengthening the draft resolution which calls for an examination of treaties between states and indigenous populations. As in other areas of international human rights, we believe that studies and investigations must be based on objective universal criteria. Unfortunately, the phraseology of the current draft resolution on the proposed treaty study, as presently worded, does not meet this test.

On the basis of an arbitrary criterion—the existence of a treaty—such a study would focus only on the small number of indigenous populations which have treaty relationships with their Governments. A significant portion of the native community in Canada and the vast majority of the world's indigenous populations would be excluded from this study regardless of the conditions in which they live. We are not in favour of excluding native populations, whether in Canada or abroad, just because they do not have a treaty relationship with their states. To do so would not be consistent with our commitment to human rights world-wide. In addition, such a narrow study would divert attention and resources from the main task of the working group, which is universal standard-setting.

We have various types of arrangements with our own native populations. We have aboriginal treaty rights enshrined in our Constitution. We have under way comprehensive land claims negotiations. We believe that some of our arrangements, such as the James Bay Agreement, may be models for other countries. We do not want to exclude any of these arrangements from examination on the basis of a narrow, technical criterion. We want a broad study based on clear standards and objective universal criteria that would study all arrangements—legal, practical and *de facto* as well as treaties—under which indigenous people live world-wide. This is the direction currently being taken by the Canadian delegation in Geneva.

• (1815)

With respect to other resolutions now on the table at the commission regarding aboriginal issues, Canada has not taken a position. As Members will be aware, Canada is an observer at the commission, and we therefore believe that it is the responsibility of the 43 members of the commission to assess the merits of those texts and to act accordingly.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow morning at 10 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.16 p.m.

HOUSE OF COMMONS

Friday, February 26, 1988

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Thursday, February 25, consideration of the motion of Mr. Wilson (Etobicoke Centre):

That this House approves in general the budgetary policy of the Government.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, there are some who have suggested that, given the lack of any really significant initiatives in the Budget introduced recently by the Minister of Finance (Mr. Wilson), it was introduced simply because a promise was made that a Budget would be provided during each February; because it had to be done it was done and therefore it did not contain very much.

There are also those who say that in terms of the usual pattern of election Budgets this one was a missed opportunity for the Government. It was in fact a missed opportunity. It was a missed opportunity to be fair. It was a missed opportunity to provide for the future. It was a missed opportunity to be fair because, as all Canadians know, we have a tax system that still lacks fairness. We have a tax system that still has large elements of regressiveness in it. We have a tax system in which the rich seem bound not to have to pay as much as the very poor. We have a tax system in which many corporations go from year to year without paying any tax.

We find that this year, one more time, that the loss in tariffs as a result of a free trade agreement will amount to some $300 million. We have as a consequence, one might infer, the introduction of a tax on gasoline of an additional 1 cent per litre that will cost the average family around $300 additional per year. Once again, it is the little guy who will pay the biggest share of a new tax for a purpose that the average elector has not had an opportunity to approve.

I would note that down our way Canadians often go to Detroit to buy gasoline. When one takes into account the level of taxation on both sides of the border it is true that the tax rate on Canadian gasoline is much higher than it is in the United States, even though we ought to have an advantage in that area of cost of energy. It is also true that, even if one takes into account the differences in taxation, the price of gasoline is still higher in Canada as compared to the United States.

If one considers the much vaunted tax reform that the Government has introduced, one finds that in spite of all, the average Canadian family of four is still paying $1,000 more than such a family did before the Government came to power. Of course, apart from the element of fairness there is the element of dishonesty. We know that the Government has sales tax changes in mind which will increase the regressive elements in the system. What is more, the lower income and the middle income family will be hurt again.

Of course, you know, Mr. Speaker, that with respect to the element of fairness we have pointed out that there are a number of corporations, some 60,000 indeed, which have managed not to pay any tax at all. The Government has rejected our proposition that there should be a minimum tax on corporations. This is not a radical proposition. It is a proposition which was accepted by the socialist Reagan Government of the United States. It is something that certainly could be emulated here.

• (1010)

When we talk about unfairness, missed opportunity, and the lack of regard for the future, we have to take a look at what the Government has done in the area of regional development. It is true that the Government has articulated a notion that there ought to be a measure of independence and regional control over economic development as in the Atlantic Canada Opportunities Agency, in the Western Diversification Fund, and the initiatives in northern Ontario. When we take a close look at those initiatives, the element of local control is lacking.

More important, if one takes a look at what has been done in Atlantic Canada since the Government came to power, and one takes into account the increases provided in this Budget, it is only going to have returned to it 20 per cent of the funds that the federal Government was previously providing to Atlantic Canada in the way of regional transfers.

There are other elements in terms of future economic development that ought to be attended to. Two years ago the Federation of Municipalities of Canada proposed that some additional $12 billion be provided for the reconstruction of municipal infrastructure. This is a fundamental necessity throughout the country if we are to have the type of economic growth in the future that will provide the jobs that will make it possible for Canadians to prosper, and for us to perpetuate the

system of social support and essentially civilized behaviour with respect to the treatment of our people that has grown to be a tradition in Canada.

When one looks at what the Government has been saying about its success in providing jobs, I think that most Canadians will realize that that success has left us all with but certain portions of Ontario without there being an equal and fair share in what job creation there has been.

Even when one talks about Ontario, and hears the Prime Minister (Mr. Mulroney) and various members of his Cabinet brag about how well things have gone in Ontario, usually they are referring to the golden horseshoe. When we talk about the need for reconstruction of municipal infrastucture and the need for such things as roads, sanitary sewers, and living up to our obligations on our international agreements with the United States with respect to cleaning up the Great Lakes, and one looks at the unemployment rate in Windsor which is at 14 per cent, we can see that even in Ontario there are areas where Government failures are quite evident.

When talking about missed opportunities with respect to the future, I would like to pay closer attention than perhaps others have done to some aspects of what I think are fundamental failures of the Government. I am fortunate to have youth, post-secondary education, and science and technology as my critic areas for the New Democratic Party.

It is interesting to note all the hoop-la propagated by the Government a couple of years ago during International Youth Year. The Government made huge undertakings to ensure that there would be increased opportunities, and increased opportunities for participation of youth. As Members know, we had a little game of musical chairs that occurred with respect to the youth Ministers, until we reached the point where we now have a youth Minister who pays little attention and says relatively little about youth. Meanwhile, those programs that are supposed to be directed toward youth seem to have lost their priority for the Government.

For example, in regard to the support for student employment under the Challenge programs, in actual funds and in real money allocated for the Challenge program, there has been a continuing drop since the Government came into power. In 1986 $210 million was provided for the summer Challenge program. It has now sunk to $180 million. Of course, with inflation there has been dramatically decreased funds for that purpose.

When one also considers the student loan programs for university students, one finds that we are in a situation where the funds available to be borrowed are inadequate. More important, the emphasis on loans has led to a situation where almost every university student finds himself or herself in the serious difficulty of a huge debt load. By the time of graduation, more than 50 per cent have to carry a debt load of some $10,000.

Yet apart from the organization of study committees, we did not see in the Budget any serious indication that the Government is prepared to engage in serious negotiation with the provinces to come up with a new commitment to support post-secondary education accessibility for our young people. We know that one of the most important elements of real economic growth, one of the real elements in future economic development and prosperity for this country is to ensure that there will be opportunity for all youth.

For the purpose of example, I focus on university and college students. But one can look at the whole scope of action by the Government in respect to increasing opportunity for our young people, and this means not only opportunity for young people but having within our population the capacity for highly qualified work and creativity to contribute to prosperity for the country. The Government has consistently seemed to be unable to address this issue with anything like the priority that it requires.

Let us look at the institutions that our young people are entering with the hope that they may become qualified for future jobs. Through the words of the Prime Minister, the Government promised to improve such opportunity. Through the words of the Prime Minister the Government promised to ensure that the universities and colleges would produce the skilled workforce that we require. If one looks at the pattern one finds that the Government has not only failed to bring about progress, there has been a positive deterioration in the state of affairs. In fact, that has been the case not only since the Government took office, but for the last 10 years.

One thing is sure, when one compares Canada to the other nations against which we must compete, there is among them a higher percentage of participation in post-secondary education, in training, and in apprenticeship than is the case in Canada. Yet we know that the Government has taken away some $2 billion from universities and colleges in the form of transfer payments to the provinces. Over the last decade there has been an increase of 24 per cent in enrollment in universities and colleges, but there has been an 18 per cent decrease in the level of funds.

Our universities and colleges are in a state of deterioration. This fact has been documented in a variety of ways, ways that indicate that the situation is one in which accessibility has been decreased, either by increases in tuition fees, by setting new admission standards which are more exclusive, in the form of libraries lacking adequate numbers of books, in laboratories that do not have adequate equipment, in the form of university professors and college teachers with overburdening loads, or in the form of some of our best scientists leaving because they cannot function in a situation where those institutions in which they work are not being adequately provided for. We missed an opportunity to be fair, not only to those who want to have a university or college education, but to contribute to the future economic growth of our country.

With respect to post-secondary education we know that post-secondary institutions have a role in addition to merely teaching. They have a role in research and development. To the credit of the Government, in a variety of ways it has articulated the necessity for real investment in research and development. We can recall that the Prime Minister has pointed out, as so many have pointed out, that unless Canada contributes a good deal more of its Gross National Product to research and development, we must fail in the competition with other industrialized countries of the world. We will fail to mobilize adequately the resources and opportunities which our country presents to us for achieving greatness, as we can.

• (1020)

The Prime Minister promised that we would increase the rate of investment in research and development from 1.3 per cent to 2.5 per cent. Something must have happened somewhere along the line in the attempt to become major league. If one looks at the over-all record of the Government since it has come into power, one sees that the real expenditures on research and development by the Government have actually decreased because of failures in a number of areas.

Just in January the Prime Minister promised that $1.3 billion in new money would be provided for research and development, with the intimation that that would go toward the improvement of basic research in our universities, by providing more money for centres of excellence and for a national scholarship program. The curious thing is that of that $1.3 billion, only about $300 million has been accounted for.

Meanwhile, the Prime Minister's own National Advisory Board on Science and Technology, in the form of the Lortie report, said that basic research was in such a sorry state that we needed to have an immediate investment of a half billion dollars over two years to increase the fundings of granting councils in universities. There was nothing about that in the Budget, not a word.

Here was an advisory council of prestigious membership, with great promise, indicating the focus for the Government, yet a simple recommendation of an assurance of an additional half billion dollars over two years for granting councils, and a subsequent 1.5 per cent rate of increase over GNP growth in those grants, was completely ignored in the Budget.

If one considers Canada's record in research and development, we are tenth among OECD countries and the seventh among the Group of Seven. We need strong initiatives with respect to not only industrial research but to basic research, and both however have been failing.

The Minister responsible for industrial technology has indicated that research initiatives must be subject to market forces. It is true that industrial research should so respond, but I would say parenthetically that even with regard to industrial research the Government has failed. With respect to R and D tax credits we have all kinds of complaints coming from industry about the failure of the Government to provide a means by which those credits could be returned promptly. As a consequence, many small industries, quite willing to go into research and development, are finding their cash flows affected because the Government has taken as long as two years to process them.

The Government has failed with respect to creating opportunities for youth. It has failed with respect to funding of universities. It has failed with respect to an adequate approach to research and development policy apart from high rhetoric.

In other words, if one looks at such initiatives as the space agency, which is embroiled in all kinds of confusion right now because the Government cannot make decisions with respect to its location, and even though it may be true that the Government has increased the amount of funding for the space program, one sees that it has not adequately dealt with the significant impact of the cost overruns already projected for the space program on our over-all space initiative. The Government is gaining in the race in space, but it is falling far behind in its pace on the ground.

Let me just pause for 30 seconds to say the following about the Government's research and development policy. We are hooked into major initiatives on the part of Europe and the U.S.A. There is no doubt that there can be a significant technological pay-off by involving ourselves in the space enterprise, but recently we have been presented with a real opportunity for a major mission in science that would put Canada number one and would enable us to gain technological pay-offs like nothing else imaginable.

Why does the Government not lead the nation in the direction of our own national mission which would be unique around the world, and consider our capabilities and potential for building leadership in science and technology through the exploitation of hydrogen technology?

I am sorry that I cannot continue to speak about this matter, but I would ask the Government to examine more seriously a new mission, a unique mission, a mission different from that of any other country in the world which would provide for Canadian prosperity and development in the future.

Mr. Redway: Mr. Speaker, I have never heard so much bull in all my life.

Ms. Mitchell: Is that parliamentary language?

Mr. Redway: I think his comments could be characterized, I might say, as full of bull. I could spend 20 minutes dealing with each and every point the Hon. Member has raised, but unfortunately Your Honour will not give me that amount of time, so I would just like to comment on a number of them.

The first thing I can recall is that the Hon. Member referred to a great number of corporations that were not paying any taxes. In fact, as the Hon. Member knows, of the 60,000 corporations which he and his Party talk about as not paying any taxes, about 3,500 of them are large corporations. Of those 3,500, most if not all of them are not paying taxes because of

losses in previous years and, under the tax laws, they have the right to recoup those losses before they start paying taxes. Many of those corporations are in the Hon. Member's riding. The balance of those corporations are small and medium sized ones.

Is the Hon. Member really saying that he wants small and medium sized corporations to be wiped out, to go into bankruptcy, to lay off all their workers, just so the Hon. Member can say that everybody is paying taxes whether or not they have the money to do it?

Second, he talked about the Federation of Canadian Municipalities. He said that a couple of years ago it presented a plan for the federal Government to pay a lot of money to help the Federation in paying for infrastructure in those cities. I have corresponded and have had discussions with the Federation in that regard, and it had to admit that the economic study it did at that time did not stand up to analysis. The Federation promised that it was doing another economic study with which it would come back to me to justify its claims. That was two or so years ago, and I have not heard from the Federation of Canadian Municipalities since. It has not produced that report or economic analysis to justify the claims it was making.

I see that you are giving me the "hup to", Mr. Speaker. I could go on and on forever. The Hon. Member said that the Government should be fair. I just say to him: "Be fair yourself in the comments you are making".

• (1030)

Mr. McCurdy: Mr. Speaker, I am surprised to find my colleague becoming so agitated as to use language coming very close to unparliamentary. What he just said would grow a considerable crop itself.

With respect to the Federation of Canadian Municipalities and the precision of its estimates of the needs of municipalities, that may, indeed, be open to question. I will not challenge the Hon. Member's proposition that there was some inaccuracy in its projection. But there can be no denying the needs of the cities of this country. I did not hear the Hon. Member deny that the municipalities of Canada are faced with considerable tax difficulties in getting the resources to do the jobs they are expected to do. I did not hear him deny that the burden has been made more difficult by the policies of the Government in ensuring that municipalities have the funds available to them and on the basis of federal initiatives that would allow them to do the jobs they are expected to do.

More seriously, I did not hear the Hon. Member suggest that some poor devil who was unemployed, who might have been unemployed for four or five years, should have been forgiven his taxes for the next five years. I did not hear the Member address the most significant elements of what I had to say in this Chamber. The Government has not come to grips with the future. The Government has failed to have a research and development policy that will have the impact it ought to have on science and technology, with the creation of jobs all over the nation.

Nor did I hear the Hon. Member object to my assertion that the Government has failed to provide adequate funds to the regions so the regions could have the opportunity to undertake initiatives to create jobs so they would have as fair a part of the economy of Canada as Ontario has had.

The Hon. Member had all kinds of objections to what I said, but he did not object to the very fundamental of what I had to say, namely, that the Government has failed in this Budget to meets its responsibilities for taking initiatives to gain more prosperity for the nation.

Mr. Allmand: Mr. Speaker, the Hon. Member will remember that approximately two years ago the Government cut the Katimavik program for Canadians, a program aimed at providing a national service for youth in Canada, also providing an opportunity for those young people who had a hard time adjusting to the labour market who needed some new type of supervised experience to adjust to the labour market. The Government has not replaced Katimavik with anything, although the Government said it would have some new kind of program of that nature.

The Hon. Member is the youth critic for his Party. Could he tell us if he has observed whether there is still a need in this country for some kind of national service program for youth and/or a program to help youth with difficulties adjusting to the labour market? From my observation such a program is still necessary. The Hon. Member comes from a different part of the country and dealing with a different group of people. I would like to know about his experience and the need for such a program which was cut by the Government two years ago.

Mr. McCurdy: Mr. Speaker, it is interesting that in the course of my speech I came to realize that there were so many things which the Government has failed to do I found myself having to talk extremely fast to get in all its failures in 20 minutes. I did not have an opportunity, it is true, to mention Katimavik, but Katimavik is only part of the problem.

As I alluded to, a couple of years ago during the International Youth Year the Government promised that it would develop a policy for youth. The New Democratic Party proposed a coherent policy for youth. The Senate made suggestions about an over-all policy for youth and the Government promised that it would develop a policy for youth. Indeed, the Prime Minister stood in the House and said in March 1986 that we would have a program for youth. It was postponed to May. It was postponed to September. It was postponed to October. The Government appointed a new Minister of State for Youth, and the Minister of State for Youth (Mr. Charest) got lost somewhere along the line. He told me only recently that we will have a program for youth but it will not be until the election and it will be in the form of another promise.

We have proposed a coherent program that would provide youths all across this country with opportunities of the sort that Katimavik provided, that would provide opportunities for apprenticeship for training, for opportunities to go to colleges or universities as a person chooses and be supported in the form of an allowance to do so. I have heard rumours that the Minister of State for Youth thought that would be an attractive proposition. Somewhere along the line, I guess being diverted in a premature election campaign tour, he forgot about that. As a consequence, with the abolition of Katimavik and in spite of the promises of the Government, there has been no youth policy proposed or advocated by the Government since the International Youth Year. That is a great tragedy, Mr. Speaker.

Mr. Daubney: Mr. Speaker, would the Hon. Member elaborate on some of the comments he made about science and technology and, in particular, the space program? He and I were both founding members of the Standing Committee on Research, Science and Technology. I have considerable respect for his genuine commitment to improving things in this area.

I want to ask the Hon. Member about the space agency which, as he knows, is a matter of interest to me as a Member from the National Capital Region. Would he agree that Montreal is not alone in having an important aspect of the space industry in Canada and that the space industry is truly a national one with facilities here in Ottawa, Toronto, other places in southern Ontario, Vancouver, Saskatoon and right across the country? It would be regrettable to locate the headquarters of the space agency in any one of the regions; the neutral territory here in the National Capital would be the obvious place to locate it. I say that not just for those reasons—no favouritism to any particular regions—but because we have here, and have had since the 1950s, the administrative and technical apparatus in the National Research Council in the Department of Communications and in other federal Departments and agencies.

In commenting on that, would the Hon. Member comment on the position of the Leader of his Party which, as I understand it, at least as announced in the Montreal area, is that the head office of the space agency should be in Montreal.

Mr. McCurdy: Mr. Speaker, I think Ottawa has managed to take care of itself reasonably well. One of the difficulties is that the debate on the issue of the location of the space agency has diverted us from the real essential of the problem, and that is to get the operation in train. If something is contemplated, the Hon. Member is in a good position to do it. He is, after all, on the Government side and ought to be able effectively to make representations to the Cabinet to make whatever decision it is going to make immediately. As the Government fiddles, the scientists involved in the space program are burning with frustration.

I have worked with my colleague on the science research and development committee. He is a Member of Parliament I respect and whom I know is very much concerned about science policy. Has he not given any thought to the relative merit of the space program in its entirety as an appropriate initiative with the emphasis the Government is giving it as compared to the alternatives?

The space research program inevitably ties Canada into initiatives established in the United States or Europe as kind of appendages. Would it not be better if Canada pursued the possibility of being able to establish its own unique mission, one for which it has comparative advantage in terms of its resources and opportunities? Why not advocate that the mission for Canada be perhaps in some other area such as the hydrogen technology area?

Ms. Mitchell: What about Yellowknife?

Mr. McCurdy: Yes.

• (1040)

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to participate in this debate this morning. As you may recall, I had an opportunity to speak on the subamendment a few days ago, and I am sure Members across the way will remember it well. But now that we are speaking about the Budget I thought I would just refresh the memories of some Conservative Members about the failures of the Government. I know the Hon. Member for Windsor—Walkerville (Mr. McCurdy) tried to point out a number of those failures. I congratulate him on his valiant effort. However, he had only 20 minutes and it was indeed an enormous task to accomplish in such a short period of time.

During the 1984 election the Tories made promises to many people, as I think I have pointed out in this House once or twice before. One of the promises they made is in the document known as the "PC Pocket Politics". It was that a PC Government is committed to doubling our R and D efforts to 2.5 per cent of GNP in the first four years in office. Since they have been in power they have cut everywhere in the field of research and development. Scientists in the national capital area living in the constituency of the Hon. Member for Ottawa—Carleton (Mr. Turner) sitting across the way, know that the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney) failed on that promise. They know how badly the Prime Minister failed to deliver. The people of Ottawa—Carleton will no doubt agree with me that the Prime Minister has failed to live up to the promises he made to Canadians.

I want to talk to you a bit about tax increases. You will remember that those Tories across the way made promises in that area as well. You will have a particular appreciation for that because of the fact that you are a non-partisan person and you can appreciate those kind of things in a far more objective way than the Tories sitting across the way, Mr. Speaker.

The Minister of Finance, when he was in opposition, said in a City TV interview on August 28, 1984—very important date because it is my wedding anniversary—that they had no

intention of raising income taxes for Canadians. He said that what we have do is to get down government spending and so on. He said he did not want to increase taxes, that we have a good deal of scope on the expenditure side to deal with the deficit problem. A tax increase, certainly a general tax increase, puts a dampening effect on the economy and he did not want to see us do that.

It was the Minister of Finance who said that. What has he done? Let me tell you the sad reality of the tax increases by the Government. A single earner family of four making $32,000 a year has had a total tax increase since those Tories have been in power of some $1,200 a year. Would you believe it? This from a Minister who promised he would not increase taxes.

If it were an even distribution of increased taxes it would still be a breach of a solemn commitment, a sacred trust, as the Prime Minister referred to it in the past, but at least there would be some equity because everyone would be paying their fair share. Not so. Since 1984 taxes for average Canadians have increased some 68 per cent, while corporate taxes increased by 28 per cent. The friends of the Conservatives, the big business people, have not had major tax increases, but average Canadians like your constituents and mine have.

Those are not the only promises broken by the Conservative Government. Let me enumerate another and you will no doubt remember it. You probably recall that the Conservatives had a meeting in Halifax, Nova Scotia—you may have read about it in the paper—on August 2, 1984. They called it the Atlantic caucus meeting. Of course, most of the people at the meeting were not caucus Members at all, but that did not matter. At the meeting the Prime Minister proclaimed that he would examine gasoline, alcohol, food and lodging taxes which are reducing the competitiveness of Canada's tourism industry. In other words, clearly indicating to Canadians that what he wanted was lower gasoline prices.

[*Translation*]

What happened to make the Prime Minister change his mind? Since the Conservatives came to power, the excise tax on gas has increased by 23 cents a gallon. Twenty-three cents! Isn't that outrageous? Mr. Speaker, it's almost enough to make the Hon. Member for Argenteuil—Papineau (Mrs. Bourgault) want to resign. I am sure she must have trouble justifying this kind of behaviour on the part of the Government, considering the solemn commitments made by the Leader of the Conservative Party. Mr. Speaker, this is one more promise, one more solemn commitment that was broken by the Prime Minister. And there are more.

[*English*]

I invite the Member across the way to pay attention. We will ask him questions later.

The Government said with respect to agriculture that it would allow the Farm Credit Corporation to offer agri-bonds so that farmers would have access to reasonably priced funds. That was the promise. You would think that at least that promise would have been kept. No, once again the spending estimates of the Government came out on February 23, only a few days ago, and do you know how much money the federal Government has placed in the Estimates for the FCC this year? Zero, a grand total of nothing. Nothing for the farmers from the Government. This is not the first time that the farming community is disappointed with the Tories. It is almost a tradition, a tradition that is soon to end, of course, after the next election.

The economic and regional development envelope of the Government in its budgetary estimates has gone down from $14.8 billion to $13.3. What does that do for agricultural development?

[*Translation*]

And I want to ask the Hon. Member opposite what the cutbacks in the regional economic development envelope are supposed to do for agricultural development?

[*English*]

However, it is nice to know that the Government had money for other causes. Yes, we know that the office of Dalton Camp, which cost zero two years ago, cost $230,000 last year and is budgeted at $261,000 in this year's Estimates. The job of Mr. Camp is to keep the Government out of trouble. He was hired specifically to do that. You can tell what a great job he has done. He has certainly kept the Government in trouble. Just imagine what it would have been like had he not been there? It would have been a disaster. Of course, it is already a disaster.

I could go on with highlighting some of the horror stories of contradictions between the Government's promises and the record. For instance, let me remind you of a promise that the Right Hon. Secretary of State for External Affairs (Mr. Clark) made on September 26, 1984. That was only a few days after he was sworn into office—still a little green. He told the UN that his Government would fulfil a previous Liberal target of directing .7 per cent of Canada's GNP by 1990 to official development assistance. Obviously that is not going to be met. Again, the Government breached a promise. As a matter of fact, the Conservative Government has now pushed that target back by five years according to the November 8, 1984, economic statement.

It has not gotten any better since then. In May of 1985 the Conservative Government cut back further on development assistance. It says it remains committed to the target of .6 per cent of GNP by 1990. Remember that the previous Government had committed .7 per cent. Official development assistance was reduced by $50 million in the following year.

• (1050)

The Budget speech of February 26, 1986, said:

> —growth in Canada's aid program will be reduced by $1.5 billion over the next five years. For the balance of this decade foreign aid will remain at 0.5 per cent of GNP.

You can see that the Government is not only weaseling out of previously made commitments but is reducing and changing a solemn promise made to the people of Canada.

The people of my constituency are beginning to be quite upset with the Tories. It is small wonder that the Tories cannot find a candidate to run there.

Mr. Turner (Ottawa Carleton): They want me.

Mr. Boudria: I just heard good news, Mr. Speaker. They want the Member for Ottawa Carleton to run in Glengarry—Prescott—Russell for the Conservatives. That would be great. The last Conservative candidate in my constituency had the honour of being defeated by the Liberal with the largest majority in Canada. I invite the Member to try to match the record of his predecessor in the riding of Glengarry—Prescott-Russell.

Let me remind you of more broken promises, Mr. Speaker, just to further convince the Government that it is going in the wrong direction, which should be obvious already if it listens to what Canadians are saying. Shipbuilding is a very interesting area and I invite the NDP to pay attention to this as well because we know that their policy is a little confused on that issue. A communiqué issued at the August 2, 1984, Atlantic caucus said:

> A top priority of a PC government will be to create a more viable and prosperous shipbuilding industry. In achieving this goal, we will consult with provincial governments, maritime industries and labour. We will submit the following proposals to these groups during the consultative process.

A second component of their program was "extension of support for Atlantic ship repair facilities and dockyards". We have now seen that the second stage of our frigate program has been delayed. Part of the program has been abandoned. The Government has done everything but deliver on its promises. On February 16, 1986, the Minister of Finance said in this House in his Budget speech:

> We are eliminating programs such as... the Shipbuilding Industry Assistance Program.

That was said by the same guy who said he wanted to assist shipbuilding. Under that program which was instituted by the previous Liberal Government and terminated by the Tories shipyards could get a 9 per cent subsidy. Many shipbuilding facilities and organizations including the Canadian Shipbuilding and Ship Repairing Association asked for an extension of that program. However, notwithstanding the solemn promises that the Conservatives made to the shipbuilding industry and the people of Canada, they completely ignored those very important suggestions from the shipbuilding industry and again breached a solemn promise they had made.

[*Translation*]

Mr. Speaker, I said recently in the House that the Economic Development Committee of the United Counties of Prescott—Russell, and I am referring to the Committee on Industry, Tourism, Agriculture and Commerce, issued a press release. In fact, the Committee chairman, Mr. Denis Pommainville, an elected official in my riding and the Reeve of Cambridge Township, issued a communiqué condemning the Budget brought down on February 10 by the Conservative Government.

I am glad to hear the Hon. Member opposite say this man must be a Liberal! Shame, accusing an elected official in such a partisan manner. But I am glad to hear it, and I want this to be read into the official record of *Hansard*. I will let Mr. Pommainville know about it, and I am sure the Hon. Member for Ottawa—Carleton (Mr. Turner) can subtract one more vote from the few he might have had if he had run in the riding of Glengarry—Prescott—Russell. His colleague just lost him another vote.

The press release starts with the Committee chairman regretting that the initial economic impact of the Trade Agreement, the so-called Free Trade Agreement with the United States, was mainly negative on rural regions like the one he represents.

In fact the one cent per litre increase in the tax on gas is a tremendous setback for sparsely populated regions, especially those without public transit. Once again, the 12.5 per cent who are unemployed in the area—more than twice the average rate for Ontario—will be handicapped in seeking retraining and opportunities to go back to work, now that owning a car is becoming increasingly expensive.

Mr. Speaker, as you see, this is one elected representative in my riding at the municipal and regional level who is thoroughly disappointed in the Budget brought down by the Minister of Finance (Mr. Wilson) here in the House a few days ago.

Mr. Speaker, I would like to take the few minutes I have left, and unfortunately they are very few, to talk about the tax on long distance calls. This tax is an affront to people who live in rural areas. Canadians living in these areas often have to call long distance to call the doctor, stores, and even people who live only a few streets or concessions away. This measure is unfair to these communities because although the basic charge is not expensive, long distance calls are. I think putting a 10 per cent tax on freedom of speech is unfair to all Canadians, but it is particularly unfair to Canadians in rural communities and to people who own businesses.

[*English*]

All in all, Mr. Speaker, this is a bad Budget. There was not much to the Budget, it was not a very big document, however, it is not good for the constituency which I represent. I invite the government Members to think about whether or not this Budget is good for their riding. They should conclude, as have I, that it is bad, and they should assist us in defeating the Budget and, while we are at it, in defeating the Government too.

Mr. Deputy Speaker: It being eleven o'clock, pursuant to Standing Order 19(4) the House will now proceed to Statements by Members pursuant to Standing Order 21.

S. O. 21

STATEMENTS PURSUANT TO S. O. 21

[*English*]

SIKH ORGANIZATIONS

CRITICISM OF MINISTER'S LETTER

Mr. Sergio Marchi (York West): Mr. Speaker, many Canadians find the recent actions of the Secretary of State for External Affairs (Mr. Clark) threatening to boycott the activities of three Canadian Sikh organizations highly questionable. By conducting a letter-writing campaign against these organizations, some of which were sent to certain Premiers and not others, and some to some federal politicians and not others, it seems that the Minister is reticent in disclosing all he knows to all elected representatives. He should justify the reasons for his recommendations and clarify the allegations against the Canadian citizens within these three organizations by tabling all pertinent correspondence in the House.

It is truly unfortunate, Mr. Speaker, that the Secretary of State for External Affairs has tarnished the reputation of Canadians of Sikh origin. The Minister has painted the community with one brush and has opted for collective guilt, instead of pursuing matters of individual responsibility in a sensitive and judicious manner.

Canadian history is littered with examples of communities and collectivities suffering for individual causes. One would have thought, Mr. Speaker, that we would have learned from past injustices.

* * *

• (1100)

CANADIAN NATIONAL RAILWAYS

DOWNSIZING OF WINNIPEG REGIONAL HEADQUARTERS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I rise to call the attention of the House to the fact that the Conservative Government has broken its promises to Winnipeg with respect to maintaining Winnipeg as a transportation centre in western Canada. As was revealed yesterday, it is allowing CNR to downsize the prairie region in Winnipeg to an extent where it will soon become a farce to talk about CN maintaining its prairie region in Winnipeg.

Rather than railroaders, a bunch of maniacal downsizing accountants are running the railway. We will soon pay through the nose for the cost in morale, safety, and other problems that will accumulate as a result of the very bad management decisions that are being made. Tory Members of Parliament from Manitoba have once again failed to protect the interests of Winnipeg. They turned a blind eye, and are sleeping at the switch while allowing the CNR to gut its prairie region headquarters in Winnipeg.

ABORTION

SUPREME COURT DECISION—CALL FOR LEGISLATION TO PROTECT LIVES

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, the recent Supreme Court ruling overturning Section 251 of the Criminal Code has left millions of Canadians saddened and confused.

The Supreme Court was not elected to govern Canada. Its role is simply to interpret the legislation enacted by this Parliament.

I, as have all Members of the House, have been contacted by thousands of constituents regarding the Supreme Court decision. These constituents are telling me one thing. They are asking—in fact pleading—that our Government take speedy action to enact new legislation.

Much time has been wasted in the House dealing with the Opposition's wild goose chases trying to slander other Members of the House. This waste of time is shameful when Canadians know that the issue of abortion is critical and crucial to the future of our nation.

On behalf of my constituents, I urge the Government to enact legislation quickly that will protect the lives of all Canadians, both those born and those yet to be born.

* * *

UNEMPLOYMENT INSURANCE

RETENTION OF PREMATURELY BORN BABIES IN HOSPITALS—LOSS OF MATERNITY BENEFITS

Mrs. Mary Collins (Capilano): Mr. Speaker, a recent CBC TV story outlined the plight of a Vancouver couple whose child was born prematurely and remained in hospital for several months, but because of the limitations of the unemployment insurance regulations the mother was not allowed to postpone taking her maternity leave until the infant was released from hospital and went home, a time when the mother really needed the leave to care for her child.

This is not an isolated case. I have had similar cases brought to my attention and have urged the Minister to make the necessary changes in the unemployment insurance regulations.

Advances in technology and health care mean that many premature infants, who years ago would not have survived, are now able to do so with dedicated assistance from hospital personnel during their first critical weeks. Even after they go home to their parents' care, there are often special medical needs which make it more critical to have a parent with the infant on a continuous basis.

I ask the Minister, knowing his compassionate and caring nature, to move on this matter so that families facing these traumatic situations will have the security of knowing that

maternity benefits are available at the time they are most urgently needed.

* * *

[*Translation*]

LABOUR RELATIONS

LE DROIT NEWSPAPER—REQUEST THAT PARTIES RETURN TO NEGOTIATING TABLE

M. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, since February 20, Francophones in the National Capital Region have been deprived of an essential information tool in their own language.

I am referring to the strike which is dragging on at the newspaper *Le Droit*, involving some 200 shop workers and newspapermen and affecting over 45 000 readers.

Le Droit has always been a privileged advocate of Franco-Ontarians and this role must continue. A French language daily is a privileged source of information we cannot afford to lose.

This is why I am requesting all Hon. Members in this House to join me in asking both parties to go back to the bargaining table and to find a satisfactory solution to this unfortunate dispute which has already lasted too long.

I ask both Parties, not only in my name, but in the name of my colleagues, to go back to the bargaining table and to come up with a good solution.

* * *

PUBLIC SERVICE

REQUEST THAT GOVERNMENT NEGOTIATE AGREEMENT WITH LANGUAGE TEACHERS

Mr. Mike Cassidy (Ottawa—Centre): Mr. Speaker, the position of the Government regarding its language teachers is totally out of line with its support in principle for bilingualism, as expressed in Bill C-72, now undergoing second reading in the House of Commons. Last December, some 800 language teachers strongly rejected the proposed collective agreement which would have increased their teaching workload from 20 hours per week to a maximum of 37 and a half hours, without any preparation time.

If we want that public service employees, some of which are performing very complex and specialized tasks, be bilingual, we have to provide them with apt and professional language training. I therefore urge the Government to put an end to these lockouts and to its refusal to negotiate, and to go back to the negotiating table with a view to achieve a just and acceptable collective agreement, which would allow the language teachers to work as professionals rather than slaves.

[*English*]

POLITICAL PARTIES

CONFLICT OF INTEREST ACT—POSITION OF OPPOSITION PARTIES

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, it has been reported that the reception by the opposition Parties of the conflict of interest Bill has been lukewarm.

This is not surprising. If the truth were to be known, they are probably shaking in their boots.

Just how ordinary are the ordinary Canadians in the New Democratic Party? Is it only the Member for Oshawa (Mr. Broadbent) who travels around in a chauffeur-driven limousine?

Who pays for the Liberal Leader's (Mr. Turner) $3,000 a month Toronto apartment? What is the connection between Liberal Members and the generic drug firms? Was their opposition to Bill C-22 purely altruistic?

Yes, Mr. Speaker, conflict of interest applies to both sides of the House. No wonder they are lukewarm, or maybe even chilled to the spine.

* * *

HUMAN RIGHTS

ISRAEL—BEATINGS OF PALESTINIANS BY SOLDIERS

Mr. W. R. Bud Jardine (Northumberland—Miramichi): Mr. Speaker, two weeks ago a team of United States doctors stated in a story in the Ottawa *Citizen* that Israeli soldiers were systematically beating Palestinians in an epidemic of violence.

Dr. Geiger of the Boston based Physicians for Human Rights stated that they collected medical evidence of violence by the Israeli army on a scale and severity that, if this were a war, much of what they had seen would be regarded as atrocities.

Dr. Jennifer Leaning of Harvard said the doctors observed a systematic pattern of breaking limbs by beatings that is designed to fall short of killing victims.

Sadly, we too witnessed that kind of torture, of beatings, of gross violation of human rights this morning on *Canada AM*, captured on film, soldiers with rocks breaking the limbs of bound Palestinian refugees.

Again, I ask, I plead, for the Government to show the same leadership against human rights violations in Palestine as it has shown and demonstrated in South Africa.

S. O. 21

[*Translation*]

SPACE AGENCY

ESTABLISHMENT OF AGENCY IN MONTREAL—REQUEST THAT GOVERNMENT MAKE ANNOUNCEMENT

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I was recently telling this House that the best speech is a short speech. Therefore, I am asking again: When will this government be courageous enough to declare that Montreal is "spatial"? We have been waiting for months for the government to make that very important statement. Hundreds of thousands of dollars have been spent to make the government aware of how important it is to declare that Montreal is "spatial" and we are still awaiting that decision. What must be done, I ask you, Mr. Speaker, for the government to make up its mind at last to declare that Montreal is "spatial"?

* * *

• (1110)

[*English*]

NATIVE PEOPLES

NORTHEAST MANITOBA—POWER LINE NEEDED

Mr. Rod Murphy (Churchill): Mr. Speaker, the people of northeast Manitoba are in need of an electrical line power. The federal Government can help them to obtain this power.

While the Minister of Indian Affairs and Northern Development (Mr. McKnight) has agreed in principle to study this matter, it is essential that a further commitment be made. It is important that the Government undertake to sign a memorandum of understanding committing itself to the development of this hydro line, and to do so in a manner that would involve meaningful native participation.

A hydro line is essential to the livelihoods of over 8,000 native people in my riding. The people of Oxford House, God's Narrows, God's River, Wasagamack, St. Theresa Point, Garden Hill and Red Sucker Lake have all done without a service that most Canadians take for granted. Their struggle to get adequate electrical services has gone on for decades.

Without this electrical line the quality of life in these communities is seriously damaged, and significant industrial development of any kind is next to impossible. We have the opportunity to make a truly significant contribution to the livelihoods of the people of this region. It is up to the federal Government to meet that opportunity.

[*Translation*]

NEW DEMOCRATIC PARTY

UTILIZATION OF POSTAL FRANK

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, on February 24, I mentioned in this House that political organizers of the socialist party used and encouraged others to use, in a manner that is illegal and detrimental to Canadian taxpayers, the telephone code number given to the leader of the socialist party, the Hon. Member for Oshawa (Mr. Broadbent).

Mr. Speaker, that use of taxpayers' money to the socialist party's benefit seems to be institutionalized. Last February 22, the Hon. Member for Ottawa Centre (Mr. Cassidy) used his mailing privileges to send to people in his riding, following very precise mailing lists, a document entitled *The New Democrats, Report from Ottawa*. It contains the picture of the Hon. Member for Oshawa, another one of that party's general secretary, Bill Knight, and a family picture of the Hon. Member for Winnipeg. It contains as well partisan messages that are positive for the socialists but negative for the Conservatives.

Is that a legal use of the Members' mailing privileges? Indeed, Mr. Speaker, this party and, above all, its leader are not transparent at all.

* * *

[*English*]

TRADE

STEEL EXPORTS TO UNITED STATES

Mr. Allan Pietz (Welland): Mr. Speaker, as a representative of a steel-producing centre I would like to comment on the recent ruling in favour of the Canadian steel industry by the International Trade Commission in Washington. I hope that this ruling will help ease the concerns of the American steel caucus with respect to the bilateral free trade agreement. Our steel companies have stayed within the quotas imposed by the Americans, except when the U.S. has experienced a shortage and has turned to Canada for help.

This latest anti-dumping ruling in favour of Canada proves that our steel industry trades fairly. The Canadian Steel Producers Association has been very supportive of the free trade agreement.

With favourable rulings such as this, along with the efforts of the Canadian steel caucus, I have no doubt we will strengthen our current trade relationship under the Government's bilateral free trade agreement.

[*Translation*]

CULTURE

DANGER OF DISAPPEARANCE OF LE DROIT NEWSPAPER—CONSEQUENCES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, in June 1912, the Department of Education in Ontario introduced the infamous Regulation 17 prohibiting for all practical purposes French education in Ontario. Faced with such francophobia, French-speaking Ontarians took a number of steps to claim their right to French education. They founded the newspaper *Le Droit* which championed the cause of francophones. Over the years, the newspaper has grown to become one of the great dailies of this country. Unfortunately, the very existence of the newspaper is now threatened.

I call upon Mr. Gilbert Lacasse, the employees' union and especially Mr. Conrad Black, to find a reasonable and fair settlement to the labour conflict threatening our daily in the national capital. French-speaking Ontarians want to keep a true francophone newspaper in Ottawa and not an extension of a newspaper coming from elsewhere. The motto of *Le Droit*, that is "The future belongs to those who fight" is still valid.

We must fight together to preserve the only French daily in Ontario and as soon as the conflict is resolved, I will encourage francophones not only in Glengarry—Prescott—Russell, but on both sides of the Ottawa river, to subscribe to *Le Droit* and to ensure not only the survival of that newspaper but also its development.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

COMMITTEE'S IMPENDING VISIT TO BRITISH COLUMBIA

Mr. David Daubney (Ottawa West): Mr. Speaker, next Tuesday the Standing Committee on Justice and Solicitor General, which I have the honour to chair, will begin three days of public hearings and prison visits in British Columbia. These hearings are part of a major review of sentencing, conditional release, and related aspects of the correctional system which the committee has been engaged in since the fall.

In addition to our twice weekly meetings here in Ottawa the Justice Committee will be visiting all regions of Canada between now and the summer recess. After British Columbia we will spend a week in Toronto during the week of March 20.

I urge all Canadians who are interested in improving the justice system to take an interest in the vital work of our committee.

VISIBLE MINORITIES

CHINESE HEAT TAX—POSITION OF PROGRESSIVE CONSERVATIVE PARTY

Mr. Alan Redway (York East): Mr. Speaker, prior to the last election, on August 16, 1984, the Progressive Conservative Party of Canada sent a letter to the Chinese Canadian National Council which reads as follows:

> The Progressive Conservative Party supports the introduction of an all-party Parliamentary resolution which would recognize the injustice and discrimination of the Head Tax and the Chinese Immigration (Exclusion) Act. Such a resolution would also recognize the suffering of the Chinese community in Canada that resulted from these actions.
>
> The Progressive Conservative government would look forward to having discussions with representatives of the Chinese Canadian Community regarding appropriate remedial action and the specific matter of financial compensation.

The Chinese Canadian National Council is also looking forward to these discussions and to the all-Party parliamentary resolution.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—CONSTITUTIONAL POSITION OF PROVINCES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like to address my question to the Deputy, acting, stand-in, substitute, Minister for Trade, whomever that may be this morning. The question I wish to pose to whomever wishes to answer it is an important one.

This morning we have heard reports that the Premier of Manitoba and the Premier of Ontario are now threatening to take the federal Government to court to defend the right of their provinces to implement laws in their own jurisdictions on matters regarding trade. At the same time we know that the U.S. administration and Congress are demanding compensation unless there is full compliance by the provinces. The Government of Canada has caught itself in the proverbial spot between a rock and a hard place.

I wish to ask this question of the Government. Is it not absolutely incumbent upon the Government of Canada to sit down and meet with the provincial Governments to discuss the constitutional federal-provincial problems that have been created by the proposed Canada-U.S. trade deal, and to resolve those problems before any implementing legislation is brought into the House?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, the Minister for International Trade will be in the House later. I would like to inform the Hon. Member in the meantime that no Government has discussed any one issue with the provinces more than this Government has discussed

with the heads of provincial Governments the means to implement a free trade agreement with the United States.

As the House will know, the Prime Minister has attended meeting after meeting, hour after hour, to discuss the terms of the negotiation. We have an understanding, an opinion, that there is within the constitutional status of the federal Government the power to enact the legislation that we will be bringing before the House.

I can assure you, Mr. Speaker, that the discussions that the Prime Minister has initiated with the provinces in this field will be ongoing.

REQUEST FOR FEDERAL-PROVINCIAL MEETING

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I see that the Minister for International Trade is now entering the House. I will address my supplementary question to her.

It may be true that there have been prior discussions but the problem has not been resolved. We now have provincial Governments going to court and the Parliament of Canada being expected to deal with legislation that, clearly, could be *ultra vires* the Constitution of Canada, which could be a major disruption in federal-provincial relations. I ask this question now of the Minister for International Trade.

Would it not be prudent and proper for the Government of Canada to sit down with its provincial counterparts to resolve this major disruption, this major confrontation that is brewing, because of the trade agreement, to determine if there is a way of resolving it? If there is not, they should then go back and reject the trade agreement because it runs counter to the Constitution of Canada.

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, as the Acting Prime Minister has said, the Prime Minister has told the House repeatedly that Canada, the federal Government, has the constitutional right to sign and to negotiate international treaties. As the Acting Prime Minister has said, we have consulted throughout with the provinces on the free trade agreement. There have been something in the order of 18 meetings of the committee of officials. There have been about a a dozen First Ministers' meetings on this issue. They have been fully consulted, and their views have been taken into account.

The Prime Minister has made it very clear that the legal and constitutional authority of Parliament is clear. Should anyone wish to invoke a challenge, then they are entirely free to do so. That is the way our system works.

• (1120)

REQUEST THAT GOVERNMENT POSTPONE INTRODUCTION OF LEGISLATION TO RATIFY AGREEMENT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my supplementary question is the following. The Minister for International Trade is undoubtedly aware that there was a Privy Council ruling in the 1930s, the International Labour Organization case, which clearly stated while the federal Government may sign a treaty the provinces may not implement that treaty if it falls within their jurisdiction. There is clearly a point of dispute.

The Parliament of Canada is going to be asked to pass legislation that runs counter to the Constitution of Canada. I would suggest that it would be important for the Government either to resolve that dispute or to take a reference to the Supreme Court before it brings in any implementing legislation.

Will the Government delay bringing in any form of implementing legislation on trade until this major problem with the provinces is resolved, or is the Government once again giving in to the American threat of demanding compensation or concessions? Is that the real motivation for pushing ahead, even though significant provinces in this country are opposed to that particular move because it will take away their rightful powers?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, in all that rhetoric it is a little difficult to understand what is the actual question. I believe it to be the same question that has been asked twice before. Therefore, there is the same answer.

The Government of Canada has the constitutional right to negotiate and sign international treaties. The law officers of the Crown have assured the Government that it is proceeding in a perfectly proper way. As reported in *Hansard* on February 10, 1988, the Prime Minister stated, "that we are acting not only within the purview of our legislative authority but very much in the national interest". The Prime Minister also indicated that anyone who wishes to challenge that is perfectly free to do so in the courts.

* * *

AGRICULTURE

NEWSPAPER REPORTS OF CONTAMINATED MEAT IN KITCHENER-WATERLOO AREA

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. I wonder if the Minister can confirm reports in the *Kitchener-Waterloo Record* in the last couple of days which indicate that his Department has received some 220 reports of contaminated meat from some 13 plants in the Kitchener, Waterloo, Guelph area between the period January, 1986, to October 31, 1987. Those reports indicated that meat was contaminated with manure, rust, dust, feathers, hair, and even paint. Many of the meat carcasses were described as slimy, having odours, and discolouration.

Can the Minister confirm that his Department has received reports like that for that period of time, and that even though

they were inter-plant shipments the meat could have been shipped across the country, delivered directly to stores, or even sold internationally?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I have not had the opportunity to read the article. I was informed of the article and, immediately upon being informed of its contents, I requested the appropriate officials in my Department to investigate the situation.

I am sure that all Members of the House, and particularly the Hon. Member who posed the question, would recognize and probably substantiate the fact—and I would be very surprised if he did not—that Canada's meat and food inspection is among the finest in the world. It is supported by the Ontario Veterinary Association, it is supported by the Canadian Veterinary Association, and it is supported by the World Health Organization.

The Hon. Member should be very careful of the manner in which he puts that question, and the manner in which he puts that information. What one has to recognize here is the fact that it is as a result of the best food inspection system in the world that we pick out some of those problem areas and problem products in order that they do not get into the final link of the food chain.

MINISTER'S ACTIONS

Mr. Maurice Foster (Algoma): Mr. Speaker, this information is in the public record. Canadians want to know what action the Minister is taking to ensure the safety and health of Canadian food. Surely the Minister does not have to wait until a report appears in the *Kitchener-Waterloo Record*. Those documents are available to him. We are talking about a miniscule portion of the production and inspection of our whole meat inspection system. If we are looking at 220 reports over a 20 month period then the system looks very lax. The Minister should be taking the responsibility, and not waiting until there is a press report like this, to ensure the safety and health of Canadians and their meat supply.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member should understand that this good work by the meat and food inspectors goes on day in and day out. We do not need a report from the *Kitchener-Waterloo Record*, nor do we need an article from any other newspaper in the country, nor do we need a question from the Hon. Member in the House. The Hon. Member knows that this goes on on a day-to-day basis, and that is why we have been able to maintain the best food inspection system in the world.

The other aspect that the Hon. Member should be aware of is the fact that we were requested for information of this kind. I am not sure if it was from the writer of the article to which the Hon. Member refers, but I recall that quite some number of months ago, perhaps even some years ago, or perhaps even before we were in office, a request was made. I do not know whether my predecessor granted approval for the release of that information, but I know that I did. The fact of the matter is that we were prevented from doing so because of a court injunction sought by a sector within the industry.

Therefore, it is unfair of the Hon. Member to ask me to make that information public. I am quite prepared to make that information public. However, I cannot ignore, and the Hon. Member cannot ignore, a ruling of a court of Canada. As far as I am concerned, that information should be made available to the public, but we cannot do so.

* * *

[*Translation*]

CONFLICTS OF INTEREST

OPPORTUNITY TO PROPOSE AMENDMENTS TO BILL

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I shall address my question to the Minister and not to the Prime Minister.

The Government makes a few good suggestions in its Bill on conflicts of interest. Unfortunately, with regard to the people's right to a detailed account of the assets of a Minister or Member of Parliament, the Bill states that the Commission can decide to keep such information secret. As this is unacceptable and as there are provincial Governments in Canada and Governments in Great Britain and the United States with systems which are automatically open to the public, will the Government accept amendments to establish a similar system at the federal level in Canada?

[*English*]

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, as the Hon. Member knows, the Government has just tabled the legislation with regard to conflict of interest. The Hon. Member will also know that this is the first time that a Government of Canada has decided to move by way of legislation in this very difficult and sensitive field.

In the legislation we have indicated that there will be an independent commission established to which cabinet Ministers, Parliamentary Secretaries, Members of Parliament, and Senators will disclose their liabilities and assets. That independent commission will have the right to decide what information will be made public.

We believe that an independent commission is in fact the best way to proceed. That does not indicate that as this legislation is debated, and as it comes before committee, changes cannot be made. That happens with legislation at all times.

I would like to indicate to the Hon. Member that this legislation is a big step forward. We think that an independent commission is the proper way to go. There will be no question as to whether or not it will have the right and the jurisdiction to decide what should be made public.

Mr. Broadbent: Mr. Speaker, I compliment the Government on accepting the idea of a commission. I also compliment the Government on the idea that those rules should be applicable to Members on both sides of the House. It is desirable that there should not be an option whether such information is kept secret. All of that information should automatically be open to the public.

[*Translation*]

OPPORTUNITY TO INTRODUCE BILL ON FINANCING OF POLITICAL PARTIES—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question about another aspect of the reform.

When the Government discussed this reform, mention was made of the possibility of introducing a Bill on the financing of political Parties, but we have not received such a Bill.

Does the Government intend to introduce such a Bill, yes or no?

• (1130)

[*English*]

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, as you are aware, this Bill deals with the role of parliamentarians solely. That is what the Bill is directed toward; that is what it focuses on.

On the other hand, the Prime Minister has indicated that there will be a total ethics package dealing with other issues as well. I cannot tell the Leader of the New Democratic Party at the present time when those other measures will be dealt with, but I can tell him that Cabinet is considering a variety of other measures.

REQUEST THAT NEW LEGISLATION BE INTRODUCED PRIOR TO GENERAL ELECTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I find that encouraging. Could the Minister perhaps be a little more specific at this time on two other aspects of a reform package which have been discussed before, one including the financing of political Parties and the other making changes in the system of patronage?

Could the Minister assure the House that both these aspects are being discussed by Cabinet? Can she assure us, if not with a precise date in mind, that there will be legislation in these areas before the next election?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, the Hon. Member referred to patronage appointments. I should like to remind him that already major changes have been made in the way in which Governor in Council appointments are being reviewed. As he knows, they come before parliamentary committees, and I think one of the questions that we may have as a Cabinet is why so few of the Governor in Council appointments are being reviewed by committee. I would think that there should be far more done in this regard.

I should also like to say to the Hon. Member that the questions he raises with regard to other parts of the ethics package are indeed being reviewed. I cannot give him exact dates at the present time. I think he will understand that it is not really possible to say that on April 20 or May 15 such-and-such will be done.

However, I want to indicate to him that the Government takes the issue very, very seriously.

* * *

[*Translation*]

OFFICIAL LANGUAGES

RIGHTS OF ALBERTAN FRANCOPHONES—OPPORTUNITY FOR REFERRAL TO SUPREME COURT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the Supreme Court ruled yesterday that Saskatchewan will have to translate and pass in their French version all statutes adopted since its creation in 1905, or, as an alternative, to adopt a bilingual statute which would proclaim Saskatchewan an English-speaking unilingual province.

This ruling could apply equally to Alberta since this province was also carved out of the Northwest Territories and created by an act which contains the same provisions as the one for Saskatchewan.

My question to the Minister of Justice or to the Acting Minister is this: Is the Government willing to request by referral to the Supreme Court that it confirms that Franco-Albertans have the same linguistic rights as francophones in Saskatchewan?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, as the Minister of Transport said yesterday, the federal Government is willing to provide assistance to the Saskatchewan Government to comply with the ruling of the Supreme Court.

As you know, Mr. Speaker, the policy of the federal Government is to promote the equality of both official languages. The Government and myself are willing to consider every option.

[*English*]

On the question with regard to Alberta, I would say at the moment that that question is premature to the federal Government. However, we will be working very closely with the provinces to see how, in the first place, the Supreme Court decision with regard to the Province of Saskatchewan can be implemented.

Mr. Gauthier: I remind the Minister that the Supreme Court said what I just put to her, that indeed it could possibly

apply to the Province of Alberta, that it was cut away from the same territories and ruled by the same law.

GOVERNMENT ASSISTANCE TO PROVINCES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my supplementary question is directed to the same Minister. Given the Manitoba experience—and she will remember it clearly because she participated in that debate—and given the give and take in the question put to us by the Supreme Court on matters identical to the question put yesterday, but dealing with the Province of Manitoba, is the Government disposed, ready, or well intentioned enough to offer to the provinces of Alberta and Saskatchewan the same advantages which were offered to the Province of Manitoba, that is, as an exchange for less translation of all the statutes, possibly an extension of some of the services to the Francophone minorities in these provinces?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I should think that the record of the Government in what it has done already in this deal is an indication of the good intention of the Government of Canada to do everything possible to advance the equality of our two official languages.

I could tell the Hon. Member that very shortly the Government will be in touch with the Government of Saskatchewan to explore the ways in which we might be helpful in this regard and, as other matters arise, I would see us doing the same.

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EXTERNAL AFFAIRS

ISRAEL—SOLDIERS' VIOLENT TREATMENT OF PALESTINIAN REFUGEES

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Acting Prime Minister. It concerns the most recent revelations of the violent treatment by Israeli soldiers of Palestinian refugees.

I begin by hoping that the Acting Prime Minister would share the abhorrence, which I hope all Hon. Members feel, at the continuing violent response on the part of Israeli troops in the West Bank and the Gaza and our hope that the madness that is going on there must stop.

It is in that spirit that I ask the Acting Prime Minister—and I hope it will be the Acting Prime Minister—what the Canadian Government plans to do now in order to help bring about a solution in the Middle East.

Up until now the Government has been able to talk in vague, well-intentioned generalities about the need for a peace conference, but there has not been a Canadian position elucidated with respect to many of the difficult questions which must be asked about that conference and about the various intransigences that are held by the Israeli Government, by the Palestinians, and by various other parties.

When will the Canadian Government say something definitive about what Canada thinks needs to happen?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Secretary of State for External Affairs has made the Canadian position very well known on a number of occasions in the House. He has made it clear that Canada shares the abhorrence which the Hon. Member has indicated.

If he has specific points to make, I would urge him to give them to me and I will make sure that they are passed on to the Secretary of State for External Affairs.

LAND FOR PEACE PROPOSAL—CANADIAN POSITION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, of course the problem is that the Canadian position with respect to very difficult questions has not been clear, and I will give the Minister an example—the whole question of land for peace.

We know that the Israeli Government itself is divided between Mr. Shamir and Mr. Peres on this, so I ask the Government what is the Canadian position with respect to that proposal? Is the Government prepared to say to the Israeli Government that it needs to be more flexible with respect to these issues if there is ever to be peace in the Middle East? What is the Canadian Government's position on that?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, it is the same question, therefore it is the same answer.

Mr. Broadbent: It was a specific suggestion. You asked for a suggestion and he gave you one.

Miss Carney: The Secretary of State for External Affairs has made the Canadian position fully clear many times in the House, and I will convey the intent of the specific question to him.

* * *

UNEMPLOYMENT INSURANCE

RETENTION OF PREMATURELY BORN BABIES IN HOSPITALS—LOSS OF MATERNITY BENEFITS

Mrs. Mary Collins (Capilano): Mr. Speaker, my question is for the Minister of Employment and Immigration. As I have brought this matter to the Minister's attention over the past year, he knows the difficulties faced by parents when infants are born prematurely or with severe health problems and must remain in hospital for a considerable period of time.

On the happy day when the infant comes home, the mother needs to be able to take her maternity leave to care for the child, but present regulations under the Unemployment Insurance Act preclude that, requiring her to take maternity leave from the date of confinement.

• (1140)

Can the Minister assure this House that he will make the necessary adjustment in unemployment insurance laws, changes that will not result in any increased costs to the fund so that in such special situations mothers will have the flexibility to postpone maternity leave until the new-born child is released from hospital?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I thank the Hon. Member for her question. I know she has a keen interest in these issues. Although we are sympathetic to the case, the Hon. Member should know that if we wanted to go in the direction she has proposed we would have to change the legislation. We have already proposed making a change in one case, what we call the McInnis case.

Of course, before making any change in another direction I would first like to have the opportunity to make an indepth assessment of the case, and I am sure that the Hon. Member will help us to find a solution to the problem to which she was referring.

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PRIVATIZATION

PETRO-CANADA—RADIOCHEMICAL COMPANY—GOVERNMENT POLICY

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Acting Prime Minister. Canadians are very concerned and confused by the Government's position on the privatization of Petro-Canada. The Minister of Energy says the Government will go ahead with privatization, and the Deputy Prime Minister says that it will not.

Canadians are also concerned about the Government's intention to sell the Radiochemical Company, a division of Atomic Energy of Canada Limited, a company which deals with the very sensitive subject of irradiation. Why does the Government want to sell to the private sector a company that deals with sensitive products, with irradiation, which accounts for 80 per cent of the net income of Atomic Energy of Canada Limited?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I think it is important to note that yesterday when the Deputy Prime Minister was responding to similar questions, he set out the position of the Government and he at the same time quoted the Minister of Energy, Mines and Resources in both cases. Both Ministers said the Cabinet has yet to make a decision on this issue. I refer to the question of Petro-Canada, Sir.

There has been no decision with regard to privatization. The matter has not been decided. I think the Hon. Member should not try to distort and confuse the issue.

With regard to the question of the component in the AECL that he raised, I can only say that various aspects of companies are being looked at. I do not have the information that he seeks at the present time, but I will be sure to take his question to the Minister of State for Privatization.

REPORTED BID FOR RADIOCHEMICAL BY LAVALIN INCORPORATED

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, *Nucleonics Week* says that the most likely buyer for the Radio Chemical Company is Lavalin Incorporated. I understand that Lavalin submitted a bid in November for the Radiochemical company. Will the Government state whether, in fact, Lavalin Incorporated has submitted a bid for Radiochemical Company and will the Minister state what the Government's position is with respect to Lavalin's bid?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I can tell the Hon. Member that there have been expressions of interest in this component from companies and organizations all across the country. It happens to be a very good operating unit, and obviously there is interest in it. I do not know the specific of any particular interest that has been expressed, but I can give the Hon. Member the assurance that I will bring his comments to the attention of the Minister.

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TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—PROVINCIAL JURISDICTION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Minister for International Trade.

I would like to ask the Minister about the commitment which the Government of this country made in Halifax in 1985 to the provincial Governments that all matters under provincial jurisdiction in trade would "have a situation that all provincial Governments support and are ready to implement" so far as the free trade agreement is concerned. Now reports say that federal officials are prepared to stomp on the provinces. They also report that there is a likelihood of suits from the provinces themselves.

I want to ask the Minister point blank whether she will confirm or deny that there is a plan afoot in the Government to bring legislation forward which will force provincial Governments to do in trade areas what is not what they wish to do.

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Hon. Member correctly points out that it was at the Halifax meeting that our Government made the decision to involve the provinces in the free trade agreement. It was the

kind of consultative step which had never been carried out by any previous Governments in terms of any matters pertaining to trade.

Unfortunately that is the only correct statement the Hon. Member made in his question. Everything else he brought forward is totally hypothetical. There is no legislation before the House, and all these allegations about stomping on the provinces are being made totally on the basis of hypothetical suggestions and have no basis in fact.

MINISTER'S POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the point is that the commitment was not just the involvement of the provinces, the commitment was that all provincial Governments would support and be ready to implement any legislation in trade areas affecting them which were to be put into this agreement.

Will the Minister make a commitment to that effect yet again, or is she prepared to break this promise? Does she not realize that a constitutional crisis of a major sort could emerge if she proceeds in the path the Government seems to be taking?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, as you know, I covered this ground earlier today when I pointed out that the Prime Minister has made it clear on a number of occasions that Canada's constitutional right to deal with international treaties is just not at issue here.

I can again quote him from his comment on February 10 when he said that "the Government of Canada on behalf of the people of Canada has concluded an international treaty. We believe it is very much in the national interest. We will submit it to Parliament at an appropriate time and we will ensure that the treaty is respected".

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CANADIAN SECURITY INTELLIGENCE SERVICE

TRAVEL ARRANGEMENTS OF CONVICTED TERRORIST

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Solicitor General. It relates to the role played by CSIS and the Government's bungled attempt to remove Mr. Mohammad from Canada.

On Wednesday, the Minister categorically denied in the House,that CSIS was involved. Yesterday he stated that CSIS did have a connection, and today we learn that Mr. Ron Atkey, chairman of the Security Intelligence Review Committee, has initiated an investigation into the entire involvement of CSIS in the Mohammad affair. I think it is time that the Minister came clean with this House and with Canadians, and I urge him to do so now.

Therefore, I would like to ask the Minister after CSIS learned of the plan to remove Mr. Mohammad, and after two CSIS officials met Mr. Mohammad and the RCMP at the Toronto Airport before his departure, what follow-up action was taken by CSIS?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, first I would like to deny categorically that this Government or any of its officials in any way bungled the travel arrangements of Mr. Mohammad. I also strongly deny the allegation that two CSIS officials had a meeting with Mr. Mohammad at the airport. There was no meeting. I have admitted that there were some CSIS officials at the airport, which was perfectly normal. They certainly had no meeting whatsoever with Mr. Mohammad.

As I also stated yesterday, after a morning meeting with the Deputy Commissioner of the RCMP and the Director of CSIS, I have been advised that CSIS did absolutely nothing that contributed to the failure of the travel arrangements for Mr. Mohammad.

• (1150)

Mr. Marchi: Mr. Speaker, this is becoming a three-ring circus. Because the Minister is obviously refusing to answer the question, I suppose we will have to wait for Mr. Atkey's investigation to find out the truth. The Minister should not take it lightly that CIRC is investigating CSIS on this whole matter.

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IMMIGRATION

LANDED IMMIGRANT STATUS GRANTED TO MONTREAL RESIDENT

Mr. Sergio Marchi (York West): Mr. Speaker, my supplementary question is directed instead to the Minister of Immigration. While public confidence has been haemorrhaging over the Government's bungling and incompetence in the Mohammad case, we learned this week that another individual, Mr. Abraham Finkel, who lied to immigration officials consistently for eight years, was convicted of serious and violent crimes and was repeatedly refused entry by successive Ministers. However, he was granted landed immigrant status by the federal Cabinet. Can the Minister explain the glaring contradictions?

On what specific grounds was Mr. Finkel accepted? Does the Minister not believe that this dangerously blurs the one set of standards by which all applicants must be judged as opposed to the *ad hoc* approach that is bleeding public confidence and public integrity?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I am very amazed that the Hon. Member could mix up two cases which are totally different.

There is no relationship between Mr. Finkel's case and Mr. Mohammad's case.

I think Mr. Finkel's case is very clear. Mr. Finkel is a 63-year-old man who has been living in Canada for eight years. He admitted that he had been convicted. I have all the documents necessary to prove that he was convicted and he admitted to the conviction. When he came here to Canada, he gave us fingerprints and we made a check. When he lived in Montreal, all the people living around him admitted that he was a good citizen. Today he respects the conditions under which we admitted the man to Canada. It is an old story, one year old. I maintain that Mr. Finkel is now a good Canadian.

There is no question about changing the decision. I want my hon. friend to understand that, as Minister, I have to make decisions. One decision was made for Mr. Mohammad, another decision was made for Mr. Finkel. I challenge my friend to tell me that Mr. Finkel is not today a good Canadian.

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SPECIAL CANADIAN GRAINS PROGRAM

DISTRIBUTION OF DEFICIENCY PAYMENT APPLICATION FORMS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Minister of Agriculture and deals with the Special Grains Program. The Minister will be aware that because of technical problems several hundred farmers were missed when the deficiency payment application forms were mailed out. Some of these farmers are from Saskatchewan and some are from Quebec. Six communities affected happen to be in my constituency.

Without these application forms, farmers are ineligible for deficiency payments. Will the Minister ensure that the farmers involved will be sent application forms directly in the mail?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member drawing this matter to my attention because I must admit, and I do not mind admitting, that I was not aware of it.

I certainly would give the Hon. Member the assurance that we will not miss any producer, particularly not any producer in his constituency. In fact, if the Hon. Member is going to his constituency over the weekend, he can phone my office and I will see whether or not we have some application forms that he might take with him.

DEADLINE FOR SUBMITTING APPLICATIONS—REQUEST FOR EXTENSION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, because Treasury Board regulations set the application deadline at March 16, it is inevitable under the circumstances that some of the farmers will not get their application forms in time. Will the Minister make arrangements for extending that deadline at least in the case of farmers who were unable to get their application forms in time?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I think that is a very logical request and it is one with which we will want to comply. Of course, the Hon. Member can have my assurance that I will do everything possible, and I will seek and I am sure I will receive the necessary support from my cabinet colleagues to ensure that no eligible producer is left out of the Special Canadian Grains Programs. Again, I appreciate the Hon. Member bringing this matter to my attention.

* * *

TAX REFORM

FLOW-THROUGH SHARES PROGRAM—EARNED DEPLETION ALLOWANCE

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, in the absence of the Minister of Finance I will direct my question to the Minister of State for Finance. The Minister certainly knows that community leaders of numerous mining areas have recently formed a special committee to save the flow-through shares program that the Minister of Finance virtually eliminated in the tax reform proposal by phasing out the earned depletion allowance.

Considering the fact that millions of dollars were raised since the early 1980s with the flow-through share mechanism to finance resource exploration in remote areas, and considering that the elimination of the earned depletion, together with last October's stock market crash, killed the financing prospects for mining exploration, will the Government reverse this ill-considered proposal and announce that the earned depletion allowances on flow-through shares will be maintained?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the Hon. Member omits two crucial facts about this very important mechanism. I agree with him that the flow-through share mechanism has been an important contributor to exploration. In the period between the tax reform announcement in June and the Ways and Means Motion in December, we made a number of technical improvements to the suggestions made in the June document. We are also monitoring very, very carefully mining exploration activity to make sure that the changes we have made will not adversely affect the mining sector. I am told that exploration levels are strong now and are expected to be strong in the spring, but we will monitor it very carefully.

[*Translation*]

FUTURE OF REGIONS—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the Special Committee is aware of everything the Minister just said. After 1988, however, the tap runs dry, and these people are coming to Ottawa—not just mining operators but mayors

of municipalities and chambers of commerce—because they feel that as far as regional development is concerned, this Government has failed to deliver, and, on top of that, it is eliminating the flow-through shares program.

My question to the Minister is this: Since the Special Committee will be bringing people from every corner of this country to attend its meeting on March 1, what kind of answer does the Government intend to give these people who see the future of the mining industry in our regions, and especially the economic survival of these regions, in terms of jobs? What kind of answer is the Government going to give these people when they come to Ottawa on March 1?

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the Hon. Member knows that initial public offerings in the equity market are down across all sectors. That means that the Government has to be especially alert to sectors such as the mining industry that may suffer as a result of the general decline in the stock market. That means that flow-through shares together with everything else are being examined while we monitor that exploration.

The Hon. Member knows that at present exploration levels are strong. We expect them to be strong in the spring. If it does not continue that way, the Government will act.

REQUEST THAT GOVERNMENT INTRODUCE NEW PROGRAM

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the same Minister and is on the same issue. The Minister knows how important this is for communities right across Canada. Virtually every sector and every mining community are now concerned about the Government's decision to gut the flow-through share program. The Minister will know that when the tax programs for the oil and gas sector were phased out, the Government promised to implement new programs to offset the losses from the tax changes.

Will the Minister of State for Finance indicate clearly to the House that, since the Government has now decided to gut the flow-through shares program, there are plans to bring in a program that will ensure that mining exploration will take place right across Canada, and particularly to ensure that the benefits flow to the small and medium-sized exploration and mining companies as opposed to the large multinationals?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, my friend has raised a question which, quite frankly, is a piggyback on the previous question. I am reminded of last June when we brought forward tax reform and we left in place the flow-through share mechanism with some changes. At that time we were attacked by the Hon. Member for Ottawa Centre for leaving this preference in place. We were told that it indulged rich businessmen, dentists and doctors who had money to invest in flow-through shares.

We have saved flow-through shares and made some technical improvements to them. We will continue to make technical improvements and to monitor exploration levels very carefully.

* * *

AGRICULTURE

REPORTS OF CONTAMINATED MEAT IN KITCHENER-WATERLOO AREA

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is for the Minister of Agriculture. In light of revelations in the *Kitchener-Waterloo Record* concerning reports of dirty meat from 1986 to October of 1987, is it the Minister's intention to make a report to the House by way of Ministerial Statement to explain the workings of the meat inspection branch and what improvements have been made since that time, particularly when meat is transferred from one plant to another and is reinspected? That is where most of these problems were found. Similar inspections do not occur when meats leave the original plant and go directly to the consumer. Consumers are very concerned about this, particularly about the allegations that the official inspectors have been told to ease off because every time they find a problem it means downtime.

• (1200)

Will he be giving us a full report in the House in the next few days?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am not so sure whether this is the appropriate forum to give a report on this incident. I have no objection to it but I would suggest that in my opinion an appropriate starting point would be to have the issue referred to the Standing Committee on Agriculture. Appropriate officials from my Department could be brought before the committee and Hon. Members from all sides of the House could pose those questions in seeking that information. I am sure they will find my officials on this issue, as on all issues, will be very fair, frank, accurate and forthcoming.

Mr. Deputy Speaker: There will be one question from the Hon. Member for Notre-Dame-de-Grâce—Lachine East.

* * *

EMPLOYMENT

LABOUR ADJUSTMENT BENEFITS PROGRAM—REQUEST FOR REPLACEMENT TO ASSIST UNEMPLOYED OLDER WORKERS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. A recent Statistics Canada

report indicates that unemployment among older workers, those over 54, is increasing at a disturbing rate. In fact, many in this group are giving up after a long search and leaving the labour market.

Two years ago the Government cut the Labour Adjustment Benefits Program which helped those older workers, clearly promising to replace it with a $32 million Program for Older Worker Adjustment. That was promised in the 1986 Budget but after two years nothing has been done.

In light of these recent statistics when will the Government finally move on this proposal which is critically needed by older workers?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I think the Hon. Member for Notre-Dame-de-Grâce—Lachine East is aware of the fact that the Minister of Labour is responsible for this matter. In fact, he is very busy negotiating with the provinces. The Hon. Member will agree it would be hard not to involve the provinces in a matter like this. The negotiating process is a difficult one. However, my colleague the Minister of Labour told me recently that in the case of several provinces, we could expect to complete the process very shortly.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, pursuant to Standing Order 106(8) I have the honour of tabling, in both official languages, the Government's response to petitions Nos. 332-3886 to 332-3899, inclusive.

[*English*]

UNEMPLOYMENT COMMISSION—REQUEST FOR CHANGE TO REGULATIONS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I have the honour to present petitions signed by people concerned about the treatment given to workers at Canada Packers in Winnipeg as a result of the plant shut-down. The petition is the following:

Whereas the Government of Canada requires employees to pay unemployment insurance premiums, premiums are paid by employees who are salaried employees and employees who are members of a union; whereas all citizens of Canada regardless of their job status have the right to expect and receive fair and equal treatment; whereas the Government of Canada has with discrimination chosen to make a distinction between the earned benefits of salaried and union employees with respect to severance or termination benefits according to Regulation 57(3)(L)(ii); whereas this deliberate act creates a hardship and disadvantage for union employees who remain loyal citizens of Canada; whereas the Government recognizes that its Regulation 57(3)(L)(ii) is discriminatory by limiting such discrimination to a period ending March 26, 1988, the undersigned petitioners, many hundreds of them, call upon Parliament and the Government to amend the said regulation retroactively so as to provide all citizens of Canada with equal favour of benefit and to remove the discrimination which is now making a difficult situation for union employees at Canada Packers even more difficult.

PROPOSED FREE TRADE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my honour to present a petition pursuant to Standing Order 106 on behalf of a number of residents of Swift Current, Saskatchewan. They are concerned that the Conservative Government has no mandate from the people of Canada with which to conclude a free trade agreement. They believe that the trade deal negotiated by the Government threatens the very fabric of Canadian political and economic sovereignty since it removes the power of the Canadian Government to effectively control foreign ownership, to develop Canadian energy resources in the best interests of Canadians, or to equalize opportunities between the regions.

Therefore, since they are concerned that this trade deal would deny Canada the policy freedom to determine its own economic future and would undermine our ability to provide a society distinct from that of the U.S., they are asking Parliament to dissolve to allow the people of Canada an opportunity to either accept or reject the proposed trade deal with the U.S. through a national general election.

PORNOGRAPHY—SUPPORT FOR BILL C-54

Mr. John Reimer (Kitchener): Mr. Speaker, I have the honour to present eight petitions from residents of the Kitchener—Waterloo region. They call upon the Government to act quickly to bring in and pass Bill C-54. They call upon Parliament to effectively deal with the social evil of pornography and its attacks upon children, women and the family, and thereby the health of Canadian society.

These eight petitions and the 502 signatures they contain bring to a total of 2,133 the number of signatures from the Kitchener—Waterloo region. I urge the Government to act with all dispatch to bring this Bill in and bring this issue of pornography to a conclusion.

DESIGNATION REGARDING NORTHERN TAX ALLOWANCES

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I have the honour and duty to present a petition containing some 230 names, most of them residents of the community of Fort Frances in my riding.

The petition protests the inequitable and unfair application of the northern tax allowance. The petitioners complain of the

fact that some communities are designated to receive this allowance whereas others, in many cases directly adjacent, have been excluded.

Therefore, the petitioners humbly call upon Parliament to designate all communities in tier three ridings, remote and isolated as they are, as eligible for the allowance.

PROPOSED FREE TRADE

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, the second petition is signed by many residents of the community of Fort Frances in my riding.

They protest the Government's negotiation of a treaty with the U.S. on free trade. They protest that the Government never had a mandate to enter into such a treaty and therefore call upon Parliament to dissolve so the people of Canada may judge this question by means of a national general election.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, today we are answering questions numbered 248 and 253.

[*Text*]

AIDS EDUCATION PROGRAMS FOR TREATY INDIANS

Question No. 248—**Mr. Nickerson:**

Does the government distribute free condoms to Treaty Indians and, if so, on what date did this practice commence and how many have been distributed?

Hon. Jake Epp (Minister of National Health and Welfare): Condoms have been available to Treaty Indians on request at most nursing stations and health centre serving Indian communities for over ten years. As AIDS education programs are developed by communities, it may be that a more active distribution policy will be adopted by band councils. In that case, the Medical Services Branch, of the Department of National Health and Welfare, will provide the supplies and distribution network recommended. The only figures available are the following:

No. of condoms supplied:	1986/87	67,670
	1987/88 to date	101,460

GRANTS TO CORPORATIONS WITHIN METROPOLITAN TORONTO AREA

Question No. 253—**Mr. Redway:**

Since September 4, 1984, did the Ministry of State for Science and Technology make grants and/or loans to persons or corporations, non-governmental organizations and governments within Metropolitan Toronto and, if so, in each case, in what amount and for what purpose?

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): In so far as the Ministry of State for Science and Technology is concerned, since September 4, 1984, grants have been made only to the Canadian Institute for Advanced Research (CIAR). These totalled $1,498,260 in fiscal year 1987-88, the first year in which CIAR became eligible for the grants.

In June, 1986, Cabinet approved payment of up to $7 million to the Institute over four years (1987-88 to 1990-91) to match contributions of the same amount from the private sector. Matching grants to CIAR have a ceiling of $1.5 million in the first two years and $2 million annually thereafter and are conditional upon a satisfactory evaluation, to be submitted to Cabinet in March, 1988.

President: Dr. J. Fraser Mustard Executive Director: Dr. P. B. Munsche Headquarters: Toronto

1. In June, 1986, Cabinet approved payment of up to $7 million to the Institute over four years to match contributions of the same amount from the private sector. The Treasury Board submission was approved in December, 1986.

The grants commenced in the 1987-88 fiscal year and end in 1990-91. Payments for the last three years are conditional upon an evaluation of the work of the Institute by the Minister of State for Science and Technology, to be submitted to Cabinet in March, 1988.

The grants are administered by the Ministry of State for Science and Technology.

2. The matching grants are designed to support the work of CIAR, which aims to build research strength in areas of economic and social importance in Canada; to strengthen the training of highly qualified scientific personnel; to encourage greater private sector investment in basic and applied R&D; and the formation of closer links between university and industry research activities.

3. (a) Government funds will be provided to the Institute in amounts equal to the eligible private sector contributions received by the Institute, up to the maximum annual levels.

(b) For 1987-88, eligible contributions will be those received by the Institute between June 12, 1986 and March 31, 1988. For 1988-89 and future years, eligible contributions will be those received in the current or preceding fiscal year. Contributions in excess of the maximum may be carried forward to the following fiscal year for matching purposes. The grant to CIAR will be authorized on receipt of satisfactory evidence regarding the eligibility of contributions. Payments may be made up to four times per year.

(c) The Institute identifies high-priority areas for long-term research of major economic and social importance, recruits world-class scientists to work in those areas, and creates networks of researchers using modern communication technology and regular working sessions. The Institute, by building on existing facilities in universities and industry,

offers a low-cost means of strengthening R&D. Its programs focus on research for the core technologies of the future, on the advancement of fundamental knowledge in the natural sciences; and on aspects of social and economic change.

(d) The clientele served are researchers based in universities, primarily in Canada but also in the United States and United Kingdom. CIAR's revenues come from corporations (over 50 per cent), foundations (25 per cent) and individuals. Strong support from industry ensures the continued relevance of CIAR's work to the long-term competitive position of Canadian industry.

4. Expenditures under CIAR are entirely matching grants (grants and contributions) as follows (maximum grants, $ millions):

1987-88	1988-89	1989-90	1990-91	Total
1.5	1.5	2.0	2.0	7.0

There are no person-years or O&M expenditures allocated to the program.

5. The Ministry of State for Science and Technology as been directed to evaluate the work of the Institute and report to Cabinet in March, 1988. Grants for the 1988-89, 1989-90 and 1990-91 fiscal years are conditional on this evaluation. The evaluation will examine the relevance of CIAR's research areas to broad government and industry priorities and the effectiveness of the Institute in achieving its objectives.

[*English*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre):

That this House approves in general the budgetary policy of the Government.

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I am glad to have this opportunity to rise and add my comments to those of my colleagues on the matter of the Budget that never was brought down by the Minister of Finance (Mr. Wilson).

The Conservative Government, in its four Budgets so far, has steadily undermined the tradition of budgeting and the tradition of budget speeches being presented before Parliament. We have seen an Olympian Budget—very appropriate because the Olympics are currently underway in Calgary and in his speech the Minister of Finance made reference to them. However, this Budget is not Olympian in its majesty, it is simply Olympian in its detachment from the everyday reality facing Canadians.

• (1210)

The Finance Minister had a real opportunity to move toward greater regional fairness, to redress some of the inequities in the country, to halt rising interest rates which have been rising in real terms, and to make the system fairer. Instead, the Finance Minister basically stood up before Canadians and said "We are saving our announcements for the politically opportune time". He stated that the Government had a commitment to an orderly Budget process but undermined it by introducing only minor changes in this Budget and by failing to address the major problems which are facing Canada today.

On a quick conspectus of this do-nothing Budget we find that in general terms it takes more from consumers, leaves more with corporations, does little for those who are less well off, and does something for those who are well off. The Prime Minister (Mr. Mulroney) warned last year that "We are in the process of building two Canadas, one which is rich and promising and one which is under-developed and under-employed". That warning seems to have been lost on the Minister of Finance. I think we should repeat that warning to the Minister of Finance and to the Prime Minister, because if two such Canadas are being built they indeed are the prime architects, willing or unwilling, of the inequities which are increasingly developing in Canada today.

That is something which could easily have been seen by reference to experience of other industrial countries, something which could easily have been provided for in the Government's budgeting process. As I am sure the Prime Minister and the Minister of Finance are well aware, if that is allowed to continue it will threaten the very identity of the Canada we have today.

Canada, after all, was founded on notions of regional equity. They are enshrined in the legislative process and the budgetary process. We have such things as regional equalization, regional allowances for higher rates of unemployment. We have not seen that with which a New Democratic Party government would provide the country, a proactive approach to regional development, based not only on the understanding that it is good for areas that are under-developed to be economically developed but also on comprehension of the fact that in the long run the areas in which the economy is overheating are not going to see benefit to their average residents at all, but mainly benefit to those who control the levers of power and wealth in

those major cities such as Toronto, in particular, which are benefiting from the economic upturn.

This Budget adds $575 million to the $22 billion total increase in sales taxes since the Government was elected. The cumulative increase in sales taxes is taking $700 to $750 a year out of the pockets of the average family. That makes any cut in income taxes simply an exercise in robbing Peter to pay Paul, taking out of one taxpayer's pocket and putting back into another. Of course, we know that when the Tories do that which is put back is always significantly less than what has been taken out.

The lip service that has been paid to child tax benefits is another defect in the Government's Budget. Instead of concentrating on the sin taxes, the Government seems to have judged that gasoline is a commodity which should be priced increasingly higher, beyond the reach of ordinary Canadians. We have seen the tax on car gasoline. We know it is going to cost more. We know that when the Minister of the Environment (Mr. MacMillan) was the Minister of Tourism he spoke out against higher taxes on gasoline.

Let us not ignore the effect on the aviation industry of the one cent a litre increase in tax. This will drive up costs, particularly for those small operators for whom fuel is a large component of their cost structure. This will marginalize some airlines which have been making it and will jeopardize some airlines which are presently marginal in their operations, particularly the smaller ones.

In my riding of Kenora—Rainy River there are some airlines which operate only one or two planes, strictly for local needs, in air taxi or charter operations, or serving the tourism industry by flying hunters and fishermen in and out of the lake areas. These operations are marginalized by that sort of tax.

The $750 which is taken out of the pockets of average families is reflected by the 21.6 per cent which sales tax revenues are projected to increase this year That is a pretty massive increase in revenues that the Government is predicting. Indeed, it is clearly an indication that the Government's commitment to tax reform is running out of steam. The Government's commitment to revenue generation proceeds full speed ahead, and the Government is losing its commitment to switch from the regressive, inequitable sales tax, which falls more heavily on those with lower incomes than those on higher incomes, to giving the revenue side of the ledger priority.

Average Canadian families want the Government to be called back to its commitment to a more equitable tax system. What they are afraid of, and what the New Democratic Party warns against, is that the Government may be saving such an announcement for sales tax reform until shortly before the next election. The saving of announcements for when they are politically appropriate and politically advantageous calls into question the proud statements of the Minister of Finance that the Government would stay the course with its Budgets and would budget in a business-like fashion. It is clear that the Budget is being presented in as political a fashion as even a Liberal Budget ever was.

During the period of the Government's mandate personal incomes have barely kept pace with inflation, but personal taxes will rise more than 16 per cent in 1988. Despite all the lip service that has been given to tax reform, and despite the statement of the Prime Minister that the rich must be made to pay and to pay handsomely, the Government is allowing 60,000 profitable corporations to continue to pay no corporate income tax. That situation flies in the face of equity and also in the face of logic. The Government has stated its need for revenue sources. The Government has given its commitment to deficit reduction. It has not, however, followed the logical next step and gone to the pools of finance which are available to assist in those objectives.

Let me make a simple comparison between the federal Government and the Province of Ontario. In the Province of Ontario every corporation pays what is called a capital tax. This is a minimum tax on corporations. It is hardly onerous. For a small corporation it represents a minimum of $50 a year. That charge goes, obviously, to replenish the coffers of the Province of Ontario. The larger corporations are taxed on an *ad valorem* basis, a percentage. I believe it is one-fifth of one per cent of their available capital. Every corporation that has an establishment or is registered in the Province of Ontario is paying at least a nominal amount by way of a minimum corporate tax.

Another example is the United States where the Government is at least as conservative as this Progressive Conservative Government—a delightful juxtaposition—as it describes itself. The American Government has seen the real need for a corporate minimum tax and has introduced as part of its tax reform package a 20 per cent minimum tax on corporations.

We are not necessarily talking about onerous taxes on corporations which, for one reason or another, have not reported a profit. We are not even talking of going to the corporations and trying to collect at least some percentage of the money they owe as deferred income taxes which shows up on their balance sheets. We are talking about imposing some nominal degree of taxation at least on corporations which have been very profitable and yet have paid no taxes.

• (1220)

I am sure others have put on the record the cases of individual corporations, including one with profits totalling $117 million and no taxes, another with profits of $220 million and a tax credit of $32 million, and another with profits totalling $39 million and no taxes paid. I am sure other Members have read the names of some of these corporations, so I will not repeat them here.

However, this shows the contrast between those 60,000 profitable corporations that continue to be off the tax rolls, untouched by the Government's revenue garnering measures, and the approximately one million working poor who have

been added to the tax rolls as a result of the federal tax reduction and only partial indexation of the tax system.

I am sure other Government Members will rise with pride to say that the Government having more people to the tax rolls is good because it indicates that more people are working and therefore paying taxes. However, they will be either ignoring or wilfully concealing the reality that while many taxpayers have come on to the tax rolls as a result of an increase in their income, many are earning no more than they were earning four years ago in terms of real dollars but are paying taxes now when once they were not.

The Government pays lip service commitment to child care in Canada through this Budget. Child benefits have been cut because of deindexation in past budgets and there is no substantial improvement to that in this Budget. From 1989 onwards the child tax credit will be limited to an indexation factor of the amount over 3 per cent, which guarantees a 3 per cent decline in real terms of the dollar value.

The cumulative effect of deindexation of child benefits is that by 1991 the child benefit system will be reduced by about $1.5 billion, approximately one-third. Obviously, that is significantly larger, in fact a multiple of the amount that the Government envisages putting into a child care program. Again, this is evidence of the Tory syndrome of saving three times as much on the swings as it is prepared to spend on the roundabouts, even after it has advertised such a strong commitment to child care in Canada, after it had trumpeted its initiatives as providing solutions. Of course, those measures merely paper over the cracks of the existing problem.

One of the most significant measures the Government could have taken in the Budget to increase prosperity, promote economic growth within Canada, and to try to work toward a better life for Canadians, was to reduce the interest rates that Canadians pay. Many economists believe that the so-called trade agreement between Canada and the United States, even in its most favourable manifestations, does not have even one-half the economic potential that a drop in interest rates would have in promoting Canadian business.

Presently, Canadian interest rates are kept artificially higher than those in the United States in order to shore up the value of the Canadian dollar, but also to assist the Bank of Canada in its futile attempt to bring inflation down to a zero percent level. Reducing inflation to zero per cent is a prime example of erecting a macro economic measure into an instrument of policy. Of course, the inflation rate is nothing more than a macro economic measure.

Fortunately, Canadians have economic choices which they continually use in making decisions about the mix of goods and services that go to support and essentially make up the lifestyle that we enjoy. Each and every one of us, in our qualities as spenders, are continually involved in controlling inflation by deciding on what and what not to buy. Canadians may choose not to buy strawberries when the price is too high, or switch vegetable and meat choices as the price fluctuates. Inflation is a macro economic measure that is very useful but, as a target, zero per cent inflation, which has overtaken the minds of the Bank of Canada and been erected into a priority, is essentially a proxy goal of very limited utility.

None of us want to go back to the days of the Liberal Government when inflation was allowed to run riot and interest rates soared to levels of 21 per cent to 23 per cent for ordinary mortgages. Everyone wants to control inflation, but we as parliamentarians must demand of the Government that it pursue a reasonable policy that trades off inflation control for economic development, instead of completely neglecting that economic development for the goal of controlling inflation.

Economists have estimated that an 84-cent dollar is the point at which we become non-competitive with the United States, so that attempting to keep the dollar value below the 79-cent or 80-cent level provides a very substantial margin in which Canadian business and Canadian industry is still competitive.

The Premier of Quebec is the fondest friend of the Prime Minister on many issues. While the Hon. Member for Laval-des-Rapides (Mr. Garneau) may deplore that fact, he is powerless to change that by any jot or tittle. However, the Premier of the Province of Quebec said on February 8 that there should be lower interest rates and that any further increase will jeopardize our exports.

The fact is that if interest rates in Canada could be reduced by approximately 1 per cent there would be increases in output and employment that would, even in as short a period as five years, exceed even the notational gains that the Government's most favourable studies postulate as a result of the trade deal.

A cut in rates would help the average consumer. Consumer spending accounts for approximately 60 per cent of Gross National Product and if growth is to continue consumer spending will have to remain high. A cut in interest rates would substantially reduce the cost of servicing the Government debt, and that would leave more money for important social programs and job creation.

The Budget itself estimates that a 1 per cent decrease in interest rates will cut the deficit by $1.4 billion in one year and by $9.5 billion over four years. Certainly that would be a measure that this Party could endorse as being very substantially effective, not only in deficit control but ultimately in increasing the revenue side of the ledger, as more people would be working.

The Budget fundamentally ignores the fact that unemployment in eight of the 10 provinces remains at recession levels. There is no commitment to increase the very nominal funding that was granted to northern Ontario by means of the FED-NOR program. There is no commitment to the promotion of industrial development in other parts of the country.

The Government had led Canadians to expect that the Budget process would be done on a businesslike basis. It has

led Canadians to believe that Progressive Conservative budgets would always be substantial, would be responsible, would be full of measures that would be significant even though people may not like them. On all three scores, the Government has retreated from that commitment.

[*Translation*]

Mr. Fontaine: Mr. Speaker, after listening to the Socialist Member's comments on the Budget Speech, I would appreciate it if he would explain his position on the Government of Canada's allocation of tax revenue, because if one is prepared to comment, one must also be clear. I want to ask him how he can justify the fact that the New Democratic Party is abusing tax measures that make it easier to contribute to political parties by using such contributions to provide political support in municipal elections.

Furthermore, and this still concerns the use of funds, how can he justify the fact that his Leader, the Hon. Member for Oshawa (Mr. Broadbent), made his telephone code available in Abitibi to the Dean of the University of Quebec in Rouyn, Mr. Trudel, and to a former senior officer of the Quebec Provincial Police who is now his principal organizer? These people, who are supposed to be paragons of openness and honesty, now have the telephone code of the Hon. Member for Oshawa. They use the code in Abitibi for their political organizers, Mr. Speaker. I wish he would explain that.

Finally, to get back to the Budget in general, I wish those people in the Socialist Party would tell us how they think wealth, products or services are created. We must have services, Mr. Speaker, because the Socialists are parasites who congregate in countries where a lot of goods and services are created. They flock to economies that are profitable and take advantage of what they have to offer, and then they can afford to make a lot of grand speeches. I wish they would start by shedding some light on their own conduct and the fraudulent use of taxpayers money, through their Leader, Mr. Speaker.

Mr. Parry: Mr. Speaker, I cannot believe that the Hon. Member for Lévis would think that I could reply to such far-fetched allegations. He knows quite well that, if he wants to lay charges, there are other ways to do so, and he also knows that this has nothing to do with the recent Budget, which is the subject now being debated.

Mr. Speaker, the Hon. Member made these accusations during statements under Standing Order 21. He repeats them at every opportunity, but he knows quite well that I cannot discuss such matters during the Budget debate. He paints a rather horrifying picture of the nature of socialism, but I cannot believe that he is not aware of the success of certain socialist economies, for instance in certain countries in Western Europe and Africa.

The Minister responsible for Small Businesses does not differentiate between East and West. He is perhaps misled by the translation, but there is obviously a difference! For instance, most successful economies in Black Africa apply socialist measures and policies. Moreover, the socialist Governments of Sweden, West Germany and France have brought prosperity and economic recovery to their own countries.

• (1230)

[*English*]

Mr. Hovdebo: Mr. Speaker, the Hon. Member will know that one of the key planks of the Conservative Party when it ran for election was its move to eliminate national debt and to reduce the deficit. In the three years that it has been in power it has managed to increase the national debt by 50 per cent to about $100 billion. It has decreased only marginally the deficit. Will the Hon. Member comment on this inadequacy in the operations of the Government?

Mr. Parry: Mr. Speaker, I suppose we all stand to be judged somewhat harshly for our election commitments. Of course the Government must expect, being in the position it is in, that it will receive the harshest judgment. The fact is that during the election campaign the Conservative Party protested loud and long about the situation of the deficit that previous Liberal Governments had run up by, to use some common phrases, uncontrolled spending, spending like drunken sailors, or having let the economy get out of control. The fact is that for all its vaunted skills and commitment the Government has really made very little impression on the deficit.

Why has it made little impression on the deficit? I suggest it is partly because the commercial interests that brought the Government to power and which back it so powerfully did not feel that it was ultimately in their best interest to see the deficit reduced because, of course, they would have been the ones called upon to contribute to such a reduction. The fact is that the income tax situation which I outlined previously in my speech is obviously to the advantage of the corporate sector. While we hear great preaching from the corporate sector about the need for deficit reduction, as is characteristic in such cases, and individual taxpayers are not any different in this regard, there is very little volunteering done to reduce that sort of deficit.

Other matters I could mention deal with the unwise commitments that the Government has made to military spending, something that will not benefit Canada's defence and which, as we all know, will have a very limited impact on Canada's economy.

Mr. Garneau: Mr. Speaker, I would like to ask the Hon. Member what the position of the New Democratic Party is concerning flow-through shares. He will recall that a year or so ago the Hon. Member for Ottawa Centre (Mr. Cassidy), the finance critic for the NDP, said that he was against flow-through shares. Later, the Leader of his Party went to Rouyn-Noranda and said something in support of flow-through shares. Today, another member of the NDP asked a question of the Minister of State for Finance (Mr. Hockin) in which it

was suggested that he supported grants for mining development.

Representatives from different communities, mayors, chambers of commerce and prospectors will be in Ottawa next Tuesday wanting to know what the position of the NDP is concerning this matter.

Mr. Parry: Mr. Speaker, I would like to thank the Hon. Member for Laval-des-Rapides (Mr. Garneau) for his very friendly question. As my Party's spokesman on mines I have indeed repeated the commitment of our Leader, the Hon. Member for Oshawa (Mr. Broadbent), to the continuation of incentives for mineral exploration. Flow-through shares have been a very successful measure in terms of promoting exploration.

I would not expect the Hon. Member to know this but in my riding there is the most active exploration area in the whole of Canada, particularly in terms of gold prospects.

The commitment of this Party is obviously to the continuation of progressive measures, particularly those that can be shown to benefit small and medium-sized Canadian-owned operations in mining exploration, whether that be by means of flow-through shares or another incentive combined with flow-through shares. The Hon. Member for Laval-des-Rapides can rest assured that that will be continued under a New Democratic Government.

Mr. Deputy Speaker: Resuming debate with the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy).

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, there was a time in the House when speeches on the Budget were an opportunity to examine a blueprint of economic and social priorities for the country. It was an opportunity for Governments to give an honest rendering of the financial accounts of the nation. At such a time they had to be forthcoming about prospects for growth and development. Most important, it was a time when they attempted to set out some series of goals and objectives that the Budget, the most important economic document of the country, would seek to implement.

• (1240)

One of the difficulties of engaging in this debate is that that is not what the Budget brought about. It was a masquerade, a camouflage, a subterfuge. It was cosmetic. The Minister of Finance (Mr. Wilson) is known as the "Mary Kay" of the political world. All he does is to put a lot of rouge and lipstick on the same old face. He does not provide Canadians with an opportunity to examine clearly the fiscal and economic direction of the country and what the Government will do about it. There was an attempt to present a picture of rosy, glossy, Pollyanna scenarios without providing the facts. When one examines that document it is disturbing to realize how much was hidden. There was a deliberate attempt to hide within the *Budget Papers* the real story of economics in this country. Let me provide one example.

For the past two years we have been given the impression that the proposed trade initiative with the Americans was going to be the great cornucopia of economic growth and development. The Prime Minister (Mr. Mulroney) and the Minister of Finance promise you everything. You have a bald head, hair will grow; you have warts on your fingers, they will come off; all you have to do is to sign this agreement with the Americans. The Prime Minister goes to Calgary and says, "You see all those people driving BMWs in Toronto? Sign free trade with the Americans, and everybody in the West will have one too". This was going to be the magic wand that would open up all manner of incredible opportunities.

However, one need only look at the Government's own documents, which are not something that the Liberal Research Bureau has concocted. Let us look at the Department of Finance's own document, its own economic forecast as to the prospects under the trade agreement.

I think it is a fair assumption that the Department of Finance is on the same side as the Prime Minister. Perhaps in their hearts they are not, but as public servants they will be required to give the best case scenario. What was stated in the Department of Finance document, the Government's own estimate of what trade with the Americans will provide? Well, Mr. Speaker, hold on to your hat on this one. It stated that maybe, possibly, under the best case scenario, we may get one-half of one per cent growth per year. That is not even within the margin of error of the computer that does the forecasting. It is so small as to be meaningless in terms of an economic forecast.

The Minister of Finance rises in the House to the cheers of all his back-benchers and states that the Government will create 120,000 jobs. He did not say that those jobs would be spread over five years. That is 24,000 jobs a year. Last year, in the month of January, the Canadian economy created 60,000 jobs. We have been doing that for 10 years. In other words, the economic growth prospects provided by the Department itself are marginal. Not only that, but the Department of Finance forecast did not include two very important items, which we found out when we had to go through the *Budget Papers*. What they did not account for is that the Government of Canada will lose revenue as a result. In four or five years' time when the agreement is finally in place, it will mean $2 billion a year of lost revenue. Even in this year there was a very interesting little table in the fiscal plan which stated that lost revenue due to trade initiative amounted to $450 million, and increased taxation on gas was $475 million.

In other words, every time a Canadian taxpayer fills up his or her car with 30 or 40 litres of gas, he or she will be paying a lot of money for "Brian's folly". The Department of Finance did not include the fact that there was going to be increased taxation on Canadian consumers to pay for the trade initiative. It is $.5 billion this year, $1 billion the next year, and finally

$2 billion a year. That wipes out that one-half of one per cent growth per year.

Furthermore, the Government includes absolutely no forecast in its analysis as to the cost of adjustment. It pretends that that will not be a problem. Industry after industry has come forward and stated that there will be major job loss. Someone will have to pay additional UI premiums. Someone will have to pay for additional training. Someone will have to pay for new industries in the community that will be devastated by the loss of its textile plant, food processing plant, or its printing industry. Who will pay for that? The federal Government has stated that it will not pay for it. The provinces or the private sector will pay for it. The Macdonald Royal Commission has stated that that could be a $5 billion tab.

Try these mathematics, Mr. Speaker. The Government states that there will be one-half of one per cent of growth. If one subtracts $2 billion in additional taxes and $5 billion in adjustment costs, not only is the additional growth wiped out but there is a negative account.

Last Monday in Fredericton Mr. Archer McLean appeared before the federal Liberal task force. He is a vice-president of McCain Foods, the largest food processor in Canada. There are 1.7 million Canadians who work in the agro-food business. Mr. McLean appeared before the task force and stated that his company has a choice under the free trade agreement; it either shuts down or goes south. That is his choice. I have it here, and I will gladly table the document. Mr. McLean stated that the agro-food business, the people who put the cornflakes in the box, the tomato catsup, the frozen foods, or the chicken pot-pie, which is a big industry in Canada, cannot survive under this free trade agreement.

If the Government is being honest, they will be required to pay higher input costs for the tomatoes, the potatoes, the chickens, the asparagus, the broccoli, and all the foodstuffs used. As Mr. McLean properly pointed out, the trade agreement forgets a couple of important ingredients. One, Canada has a winter that sometimes lasts six to eight months. Therefore, if a company has to compete on the so-called level playing field with chickens that are grown in Georgia, where a little hut is built and some corn is thrown on the ground, and that is all that has to be provided, compared to chickens that are grown in New Brunswick, Manitoba, or British Columbia where the buildings have to be heated and many other input costs have to be provided, they say that they cannot compete. They say that they have a choice of getting rid of supply management, put import quotas on, which is not free trade, or they will move south.

There is an interesting example in my own province provided by Mr. McLean. There is a large plant in Portage La Prairie where 300 or 400 people work. They make French-fried potatoes from good Manitoba potatoes. They pay $120 per tonne for potatoes in Manitoba. That same tonne of potatoes is available down south for $90 a tonne because of the difference in climate and geography. It has nothing to do with the creative ability of the Canadian farmer, his sense of confidence or entrepreneurship. All it says is that he has to grow potatoes in a cold climate. Therefore, there are higher input costs.

The Government of Canada has taken none of that into account. It is putting at risk the largest industry in Canada. Where is that contained in the Minister of Finance's forecast? Where is his analysis of how we will compensate that industry or the workers who will lose their jobs? It is nowhere to be found. The economic forecast provided by the Minister of Finance in his statement is phoney. It is a con job, it is a snow job, it is has no basis in reality or in fact.

I did not mention the printing industry which will lose 10,000 jobs, or the textile or garment industry which has been promised that it will not be injured by this trade arrangement.

[*Translation*]

The largest industrial sector in Quebec is the textile and clothing industry. This sector would certainly be substantially weakened by the Free Trade Agreement.

[*English*]

Yet the Government makes no provision. It states that it will not do anything about it. Yet it knows that someone will have to pay the tab.

• (1250)

Let us look at the analysis on the economic side. The Government is hiding the facts. It is concealing the truth. It is relying on its propaganda machine rather than on its ability to present an effective argument. That is not right. Canadians should expect more from the Government. They should expect honesty and truth from their Governments, otherwise how can they prepare themselves and know what they are getting into?

Let me provide another example of the way in which the Budget is cosmetic. The Minister of Finance promised new initiatives in the regions to help them regain their economic balance, one of the primary responsibilities of any Government. He promised the great Western Diversification Fund. However, when we look at the Estimates we find that the money being spent on western diversification is under old programs, that certain provinces do not receive any money at all, and that in my own Province of Manitoba they are hauling out jobs. Some 300 jobs in the CNR will disappear, but the Minister of Transport says "Oh, I am sorry, that is downsizing". So we have this interesting contradiction—we have a Western Diversification Fund with no allocation. They have not got around to it yet because they have not completed the organizational principles. They are taking money under existing regional development programs, transferring it out of my province to go elsewhere, and reducing jobs in federal Crown corporations. That is the Tory formula for regional development. They take away money, take away jobs, and leave us with a lot of propaganda and promises; hardly a basis upon which to build confidence.

Let me give another most fascinating example by returning to the trade agreement for a moment. The Government of Canada says: "We want to be world traders", but we know from an analysis that it is really preoccupied with Canada-U.S. trade. I would be most happy if a Member on the government benches would answer the following question: If the Government is anxious to encourage trade around the world, why is it that it has reduced the budget expenditure on trade development by $11 million in the last year? Why is it cutting back? It has cut back on export financing every year. Is it any wonder that our trade with the Pacific Rim is down by 30 per cent? Is it any wonder that our trade with Europe is down by 20 per cent? Is it any wonder that our trade with the Middle East is down by 30 per cent? It is because this is a Government which does not want to trade with the world. It wants to trade only in Akron, Ohio, or some other such place. It is deliberately neglecting its responsibility to the Canadian business sector to provide the export financing, the development work, and the embassies and consulates necessary to open new trade opportunities. That is the real agenda. It is not interested in trading around the world. It has no interest in supporting such trade diversification for Canadian industry.

Can we believe a Government which is going to spend $11 billion on nuclear submarines but is cutting back millions of dollars on trade development? What kind of a perverted sense of priority is that? What kind of rank stupidity is it when the Government is going to build submarines to satisfy the adolescent aspirations of the Minister of National Defence (Mr. Beatty) who was frustrated because he did not have enough submarines in his bath tub as a young boy and as a result cut back expenditures on broadening our trade position around the world?

Mr. Thacker: Shame on you, Lloyd.

Mr. Axworthy: I have no shame about that. The only people who should have shame are those who are engaging in a gross militaristic expenditure at the sacrifice of our trade development in the Pacific Rim, in Latin America, and in Europe, and who are sacrificing small businesses that need export financing support to open up new markets, for the sake of an adolescent fantasy of cold war brinksmanship that the Minister of National Defence tries to peddle around the country.

Let us deal with another question on which the Government has been totally silent. The other day when I was in my riding in Winnipeg, I met with a group of social workers and street workers to talk about the problem of the homeless in downtown Winnipeg. We have 5,000 homeless kids in downtown Winnipeg. Many of them are engaged in street prostitution. Many of them are running from home to home. Many of them do not have the kind of support they need. There are 5,000 homeless kids, to say nothing about families.

However, if I turn to the Estimates I find that the Government is cutting back job-creation programs dealing with low income people. It is cutting back its expenditures. Also, CMHC is no longer providing financing to housing for special needs. Grants are being cut back to the social agencies, and organizations working with native groups. In other words, at a time when we are facing one of the most debilitating and heart-wrenching social problems of a generation, the Government says "no", is indifferent to the problem, and is paying no attention. It cannot be heard.

Mr. Garneau: What about International Year of the Homeless?

Mr. Axworthy: Yes. We had International Year of the Homeless, as my colleague reminded me. Where are the programs which came out of it? There were conferences, studies, reports, and research, but no direct delivery. Those 5,000 homeless kids—and the numbers are growing—did not see any of that money. In fact, I will give an example. The Government announced a few years back that it would spend $5 million to try to do something about battered and abused women and children as a result of the Badgeley report.

I went through the figures. All the money that has been spent to date went on conferences, seminars, and training programs, with the exception of one project in Vancouver that actually provided direct delivery to the children themselves; one of the whole group.

I only use that example to say that the Government does not have its priorities straight. It has no social programs. It has no sense of what is happening out there on the streets. It is abandoning those people. It is cutting back on its support in critical areas.

There are Members of the House who have stood and defended the so-called Canadian Jobs Strategy program as being a great accomplishment. What that program has done is taken money away from those very groups. They say that they are going to train for the labour market, which means that they are not training those children who left school in grade seven or grade eight and do not have the proper literacy to enter a training program. They do not give money to social organizations such as children's homes or Rossbrook House in downtown Winnipeg which used to use those programs to take native kids off the street and give them some initial experience in the job market. Oh, it was not fancy training on computers, but it sure made a difference. It gave them a step up and a sense of hope. All that has disappeared, and now we are left with a problem which is growing by leaps and bounds, and we have a Budget which says absolutely nothing about it.

What we say is that this is not a Budget. It is an attempt to fool and con the Canadian people. It is a blueprint for discrimination. It is a blueprint of bias. It is a blueprint that has no feeling or compassion.

This is why Canadians, when they begin to learn what is in the Budget and see the reality behind it, will make their judgment, as they are already making it, that this is a Government which no longer has the right to govern.

• (1300)

Mr. Riis: I have a question for my hon. colleague, Mr. Speaker. I listened with interest to a speech on priorities in which the Hon. Member said that priorities seem to be skewed with this Government and the Member laid out a whole number of reasons why he felt that.

I want to ask him about another priority, namely, we appreciate as Members of this House that the mining industry is one of the major industries of Canada. It is a multibillion dollar industry employing tens of thousands of people in every region and every province. One of the initiatives that Governments have taken in the past has been a mechanism called flow-through shares. This mechanism allowed mining companies to raise funds for exploration. If you like, the first stage of any mine development has to be to find the mineral deposit and explore it. We know now that the Government has decided to phase out for all intents and purposes that flow-through program which, in a sense, leaves the mining sector high and dry, particularly the small and medium-sized junior companies which are exclusively Canadian owned.

Could the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) say whether this too would be part of his litany where the Government has missed the point in its priorities by abandoning support for exploration at the front end of the upstream of mining development in Canada? Will that have serious implications on the ability of Canada to develop this critical sector in the future?

Mr. Axworthy: Mr. Speaker, I thank the Hon. Member for Kamloops—Shuswap (Mr. Riis) for his question. When I was in British Columbia seven or eight months ago meeting with the mining associations it was very clear that the flow-through share program was one of the most important regional development programs in the country. It was a program that not only had a specific set approach but also had a number of corollary benefits for the communities and the regions. The Member himself knows from the constituency he represents that many small communities are totally dependent upon the mines. If the exploration and development is cut back, reduced or eliminated, then the communities themselves suffer.

We had commitments from the Government that it would do something for the mining industry. The flow-through share program was removed and the Government said it would replace that with something, but, as we know, the Government takes off one shoe and never lets the other one drop. So we have the abandonment of the flow-through share formula but nothing to replace it. I have had several representations from the mining industry in my own province that this situation is creating a climate of uncertainty which means there will be a cut-back on investment and expenditure. It will also have harmful effects on many of the small one-industry mining towns which are very important in western Canada. Once again we have a Government that has blinded itself to reality as to what works well and what it should be doing to keep a regional balance in Canada.

Mr. Langdon: Mr. Speaker, I would like to put a genuine question to my friend from Winnipeg—Fort Garry. I have had some concern and, frankly, some surprise in my mind since reading the comments after the policy conference in Vancouver on the question of the trade deal with the United States. I know that in his speech the Member made a very strong condemnation of the potential effects of this trade deal, one that I share completely. I would like a reaffirmation from the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) as to the Liberal commitment on this trade deal.

If a new Government is elected, a non-Conservative Government, a Government which includes or is made up of Liberals, will that Government take a decision to see to it that the trade deal as it stands, as an agreement, is not put into effect but is instead replaced by a series of individual initiatives to improve our trade with the United States, as opposed to this blanket, across-the-board deal and what I think we both feel has been so devastatingly dangerous, a deal for Canada which has led to so many surrenders for this country?

Mr. Axworthy: Mr. Speaker, I am glad to answer the question. Perhaps the Hon. Member who referred to the policy conference in Vancouver would be interested in a speech given by the Leader of our Party. May I just take a moment to quote from it. He said:

> I oppose the Mulroney trade deal because in integrating our economy and society more closely with that of the United States we are dramatically reducing our ability to make our own choices for our own future.

I think it states very clearly the position of the Leader of our Party and it is a position supported by the caucus of our Party. We are determined that this is a deal, an arrangement, that is not in the interests of Canada and would have to be abrogated.

I point out to the House, and I do respond to the sincerity of the question with an equally sincere answer, that when we were in Washington a week ago as part of a fact finding mission to determine American attitudes about the deal, it was clear to me that it would be far more difficult to abrogate a treaty after it is ratified at the end of the year than if we were to do it now. The Americans would not find it particularly difficult or problematic if Canada, through its democratic process, decided that it did not want to go ahead with the deal. It would be more complicated if after ratification and the treaty or the agreement was signed and the abrogation had to be used, it could cause a reaction. That is why I think it is absolutely morally responsible for the Prime Minister (Mr. Mulroney) to call an election before that ratification so as to give Canadians the right to decide on this issue, among others, before we put ourselves into the situation where Americans might have more justification for reaction.

I am not saying that we would pull back from that reaction. I am just saying it would be more difficult. If the Conservatives really believe and have the strength of their convictions, which I sometimes wonder if they do, then let them put it to the test and not put a future Government in a position of having to abrogate a treaty. Have an election before the

agreement is ratified. If the Conservative Party wins, then fine, the Conservatives will have a clear mandate and they can go ahead and ratify in all good conscience. If they lose, they will not be putting a future Government into a difficult position. That, I think, should be a clear recognition on the part of the Prime Minister. If he had any sense of responsibility or obligation through the democratic process, that is what he would do.

Mr. Garneau: Mr. Speaker, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) in the early part of his speech referred to the document prepared by the Minister of Finance (Mr. Wilson) concerning job creation if the trade agreement was put into effect. My colleague referred to the tax increases to replace the duty removal that will be the result of this deal.

Could the Member tell me if in this report of the Department of Finance the Department took into consideration the changes in the value of the dollar? Was the assumption that the dollar would remain at 74 or 73 cents? As of this morning it was at 79 cents, and this increased value of the Canadian dollar could wipe out completely the benefit of the duty removal. I would like the Member's comment about this aspect of the Department of Finance's report on job creation.

Mr. Axworthy: Mr. Speaker, I will provide a very quick and concise answer. First, it is very clear, almost axiomatic, that if this agreement goes ahead, there will be an increasingly upward valuation on the Canadian dollar. That is the expectation of the Americans and it has been the case historically when such agreements have been signed. There will be new institutional pressures to bring that about. We can make the assumption that the dollar will be much higher than 79 cents after ratification.

• (1310)

There has been no consideration whatsoever in the Department of Finance report that the value of the dollar is a factor that should be taken into account. If the value of the dollar were to change by another three or four cents, it would totally wipe out any proposed benefits under the forecast provided.

I will just say as a footnote, Mr. Speaker, because I know that you are deeply interested in these matters, that I met yesterday with people in the softwood lumber industry who pointed out that they have already been severely affected by the change in the value of the dollar from 75 cents to 79 cents. They are already losing markets and are already on the margins of production for small and medium-sized sawmills on the West Coast, in Quebec and in Ontario. Already the promises we have had from the Government that somehow the dollar was a fixed item have been proven wrong in a very vital sector of the industry. My colleague is absolutely correct. The Department of Finance took no consideration of that.

The Department did not consider the cost of adjustment nor did it consider the cost of increased taxes or the cost of the dollar. If all that had been taken into consideration in an honest forecast, we would probably have a negative report, not a positive one.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I appreciate the opportunity to speak on the Budget. When the Minister of Finance made his Budget Speech, he used a format which to some extent has been followed by other Hon. Members who have spoken. When he spoke, he reported on his term of office. On some occasions, it was a somewhat biased report, but it was a report on that period of time. Over the days of the budget debate, government Members who have risen have followed that format. They have repeated *ad nauseam* the same liturgy, attempting to convince the people of Canada by repetition that the Government has done something worthwhile in the last three or four years.

Since the Minister has established that format, I am sure he will not object to our use of it. I will use at least part of my 20 minutes, therefore, to report on the record of the Government and on the effect of the Minister's Budget on the people of Canada.

This particular Budget contained very little. I suppose that this is part of the reason for the Minister having used the format he did. He really did not feel that he could spend the half hour or so he thought was necessary talking about the new deal he was presenting to Canada. Therefore, he made a rather lengthy attempt to put the past in the best light possible.

The Budget will have very little impact on Canadians across the board. What becomes important in the Budget is what the Government is attempting to make the central issue in this debate. The Budget does nothing to improve Canada for Canadians. The Budget contained a few things that will impact negatively, particularly taxes, and it even contains some retreats from positions the Government had taken previously. However, there is nothing to make the life of Canadians better than it was before 1984 when this Government was elected.

The record of the Minister of Finance in agriculture has not been impressive over the years. He started out early in his career by presenting to Parliament and the people of Canada a paper entitled *Finances in Agriculture*. I believe it was presented late in 1984 or early in 1985. The main point of that paper was that the farming sector was obviously the richest sector in the economy and that farmers were getting much more out of the economy than they should. That was two years ago, and that was when the recession in agriculture began.

At that time, even the Minister's colleagues in the Conservative Party were embarrassed by the lack of knowledge and understanding expressed by that paper. The Minister withdrew from the ideas in that paper rather hurriedly and buried his head for a while. Rather than getting good advice on agriculture, his next incursion into the agricultural industry was to remove the investment tax credit on new machinery. He, along with his colleague in revenue, began to investigate how producers had benefited from the investment tax credit.

We recognize that the agricultural industry is not doing particularly well at this time. The Minister's initiative kind of put the boot to the industry when it was down. At a time when a great many farmers were suffering, they suddenly found themselves being investigated for doing their part in helping the machinery industry.

The investment tax credit for new machinery was put in place to increase the movement of machinery from the manufacturer to the farm by giving some assistance to the farmer. This was of great assistance to the farm-machinery manufacturing industry. The provision was not put in place originally to help the farmer, although farmers did receive some benefit from it. It was intended to increase the sale of farm machinery, and it did just that.

The Government proceeded to remove that measure and to assess farmers who had made use of it. It was a kind of harassment which caused a great deal of concern and heartache among farmers who were already in a bad situation. Again, the Government retreated in somewhat of a fluster. I must say that, for a while at least, the harassment stopped. The Government decided that its approach to this withdrawal was doing it some political harm and it withdrew. Now, however, many farmers are telling me that they are again being assessed and are required to produce rebates on matters into which they themselves had very little input. It is the kind of discrimination that gives all Governments a bad name. After the Government committed itself not to proceed with investigation and harassment of farmers who had taken advantage of the investment tax credit, it is now proceeding to do so. It flip-flopped twice on that issue.

• (1320)

Another incursion into the agricultural industry was the Minister's White Paper on taxation presented last June. In that paper the Minister attempted to impose accrual accounting on all farmers. With a certain amount of relief, farmers are seeing one further retreat by the Minister in this Budget, but he did not solve the problem. He left farmers in limbo. He says he is going to take his accounting and tax procedures to hearings across the country and then come down with something somewhere between cash and accrual accounting. Right now farmers do not really know what to expect. They can carry on what they have been doing for at least another year, but they have not been told whether they will be faced with accrual accounting in the future.

The Minister's inadequacy or absolute lack of knowledge of agriculture almost makes you want to take him out West and say to him: Now, Mr. Minister, this is a cow. This is a quarter section of land, 160 acres. It is part of a section which is a mile each way, one square mile or 640 acres. Those kinds of things are basic to agriculture and the Minister should know them, but he apparently does not because he does not take the kind of action which will allow farmers to continue to operate. It appears that he does not know the effect of the decisions he and his Department have made in the past concerning the farm industry.

When you look at the rest of the Budget, you realize the Minister lives in some kind of a fantasyland which must be based on Bay Street. He does not deal with reality. His is a financial world which has very little connection to the actual world of day-to-day labour and production.

For example, the Minister tells us loud and long in his speech about the reduction in income taxes for ordinary Canadians. He says they will receive an average reduction of $400. Yet he neglects or overlooks or fails to tell the people of Canada that since 1984 the Government has added $1,400 to their taxes. The average family is paying $1,400 more in taxes now than it was three years ago. Yet the Minister stresses the fact that you might get $400 back, even though you are out of pocket by $1,000. This is not something for rejoicing, nor is it a particularly realistic or honest approach.

I can give another example. The Minister suggests the Government has created one million jobs. Using the Government's method of counting he says they can prove it. Yet he ignores the fact that about half those jobs are part-time and that in eight of the 10 provinces the unemployment level has not changed significantly.

Another example. Even as the Minister proclaims fairness in taxation for all people, he adds another five cents a gallon to the price of gasoline as of April 1. That makes for a total increase in the cost of gasoline of approximately $350 more than it was in 1983. Since many workers, even those in fairly low-paying jobs, cannot avoid using their cars, this is a regressive tax. The people who can least afford to pay it and who are required to use their cars must pay it. It comes off the top of their earnings before they spend money to live, pay rent and buy food.

A further example. After great huffing and puffing by the Prime Minister (Mr. Mulroney) about the increase in research and the need to double spending in that area, we have a recognition of specific funds in the Budget for research. Research happens only if you plan and train for it. The Government has systematically reduced the funds available for higher education. Places like the University of Saskatchewan, in my province, which is one of the most active and highly respected agricultural research centres in Canada, are not being adequately funded to train scientists let alone carry out the research necessary in that area.

I am sure that if you took any particular sector of the economy you would find exactly the same thing. By reducing the number of scientists or the amount of money going to training and research facilities, the Government is effectively reducing the amount of research being done in Canada. We are tenth among the OECD countries in the amount of money we spend on research. We are short of scientists and we are not giving universities enough money to produce scientists. We are

not taking advantage of the opportunities available in technological development. Again, the Minister is living in a fantasy-land or in Bay Street finance land rather than in the world of development.

The Minister spends much time spouting about fairness, but his projected taxation structure is anything but fair. To most of us, fairness in taxation means that those most able to pay should pay a higher percentage than those in the lower income tax brackets. Since 1984 corporation taxes have risen by 28 per cent, yet personal income taxes have risen by 55 per cent. Sales taxes which everyone in Canada pays when buying anything have risen by 96 per cent. There are still 60,000 profitable corporations which pay no taxes at all. The Minister did not even suggest a minimum tax so that all corporations would contribute to running this country.

• (1330)

The Minister has not moved on reduction of the deficit. In the three and a half years during which the Government has been in power it has added $100 billion to the national debt and has only marginally reduced the speed at which the debt increases each year. I can go on. There are 200,000 child care spaces required and no effective money to solve the problem. There is only marginal money available to proceed on regional development.

We are studying the effect of this Budget on Canada. Free trade is not the answer. That is the road to Americanization and America is not the model toward which most of us want to move. Joining the United States is not a new deal for Canadians. During the rest of the Government's term I hope it will bring to the people of Canada a new deal which recognizes that we need improvement and the development of Canada.

Mr. Redway: Mr. Speaker, I have great respect for the Hon. Member who just spoke. I served with him on the Public Accounts Committee and I regard him highly. However, I must say that I found his remarks today to be basically bumf.

He referred to the issue of personal income tax and the amount of income tax paid by individuals as opposed to corporations. The Hon. Member did not point out that while the amount raised by personal income tax has increased very substantially in the last three and a half years, 80 per cent of that increase is as a result of the fact that people have been put back to work. People who were not working are now working and earning money again and are, therefore, paying taxes. The Hon. Member did not point that out in his comments.

The Member also spoke about the deficit and deficit reduction. The Member indicated that there had been only marginal deficit reduction over the last three and a half years. You and I are aware, Mr. Speaker, that the annual deficit has been reduced over that three and one-half short years by $10 billion. The other day an Hon. Member suggested that "billion" should be spelled with a capital B, and that is right. There has been $10 billion annually spent on deficit reduction.

If the Member believes that deficit reduction should take place at a much more substantial rate, would he increase personal income taxes or other taxes, a move which he and his Party have opposed consistently over the last three and a half years and forever before that, or would he cut government expenditures, a move which he and his Party have opposed over the last three and a half years and long before? They have indeed consistently requested that government spending be increased over that period of time. How would the Hon. Member reduce the deficit—by cutting expenditures or by raising taxes?

Mr. Hovdebo: Mr. Speaker, I would like to thank the Hon. Member for the question. He is using exactly the same logic in commenting on my speech as the Government is using across the board. The Member suggests that the deficit has been reduced by $10 billion. That may be so, but in the process of doing so the Government has increased the debt of Canada by $100 billion.

The Government shows the same kind of logic in dealing with employment. One million jobs have been created, but each of the provinces has the same percentage of unemployment as they had before and the number of part-time jobs has increased. Half of the one million jobs were part-time jobs.

The Member asks how we would reduce the deficit. We certainly would not do it by signing a trade agreement with the United States because the effective result of that will be the reduction of jobs. We need to put in place a policy of full employment which will require domestic investment. Every $1 billion of profit in a Canadian corporation produces close to 5,000 jobs. For every $1 billion of foreign profit 16 jobs are created and most of the profit goes to the foreign country.

If we really want to get rid of the deficit we must put everyone to work, whereupon taxation will increase to the extent that the deficit will become less and less of a factor.

Mr. Boudria: Mr. Speaker, I want to ask a question of the Hon. Member and I am sorry that it may not be as complimentary to the Conservatives as my questions usually are. The Hon. Member for Prince Albert (Mr. Hovdebo) is a very wise Member. Does he know that since the Conservatives came into power in 1984 a family of four with one earner earning $32,000 a year pays $1,200 per year more in income taxes than it did the day prior to the Government coming into office? I would like the Member to tell us what he thinks of that particular government initiative.

I would also like to ask the Member about tax on long distance phone rates, the tax on free speech as I call it. That 10 per cent tax on telephone rates unfairly discriminates against rural Canadians. I know the Member has a number of rural constituents because I had the honour and pleasure of visiting the Hon. Member's riding last year. He was kind enough to greet me when I went there. He and I both represent rural ridings.

Would the Member not agree with me that that tax which will generate $870 million this year is totally reprehensible and discriminatory against rural Canadians and small businessmen, the same small businessmen whom the Tories pretend to represent?

Mr. Hovdebo: Mr. Speaker, the first part of the question regarding the income and taxation of the average family is a matter of record. Taxation has increased by $1,300 or $1,400 and the reduction will only be about $400 if it goes through in the way the Minister suggests.

With regard to the 10 per cent tax on telephone calls, there are communities in my constituency where every call made is a long distance call. If people want to call their doctor, their children's school, or call for any equipment or supplies, they have to make a long distance call. Small businesses in such communities are bearing the burden of the major increases in the tax on telephone calls. There is no doubt in my mind or in the mind of anyone in rural areas that the 10 per cent tax on telephone calls is very discriminatory.

• (1340)

It affects people in rural areas much more than it affects any city dweller.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: Mr. Wilson (Etobicoke Centre), seconded by Mr. Lewis, moved:

That this House approves in general the budgetary policy of the Government.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion, the yeas have it.

And more than five Members having risen:

[*Translation*]

Mr. Deputy Speaker: Pursuant to Standing Order 13(5), the division is differed to Monday, February 29, 1988, at 6 o'clock.

[*English*]

Mr. Lewis: Mr. Speaker, there have been discussions among the Parties and I think you will find there is unanimous consent to call it three o'clock.

Mr. Deputy Speaker: Is there unanimous consent to call it three o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Therefore, the House stands adjourned until Monday at 11 a.m.

The House adjourned at 1.41 p.m.

HOUSE OF COMMONS

Monday, February 29, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8) I have the honour to table, in both official languages, the Government's response to 149 petitions, Nos. 332-3538 to 332-3661 inclusive, 332-3678 to 332-3685 inclusive, 332-3689, 332-3700, and 332-3709 to 332-3713 inclusive.

I would like to take the opportunity to point out that we have had parliamentary reform. It is the Government's responsibility to respond to petitions, hopefully within 45 days. In this group of petitions there are some that were presented to the House by the Hon. Member for Montréal—Sainte-Marie (Mr. Malépart) on January 18, 1988, which is certainly within the 45 days, but they were certified on April 24 and May 8, 1986.

In the spirit of representation of constituents, I think it would be helpful if Members were to have petitions certified upon receipt and present them to the House in order that the Government has an adequate opportunity to respond.

* * *

NATIONAL HEALTH AND WELFARE

PRESENTATION OF SECOND REPORT OF STANDING COMMITTEE

Mr. Bruce Halliday (Oxford): Mr. Speaker, I have the honour to present the second report of the Standing Committee on National Health and Welfare, in both official languages, dealing as it does with a reference from this House on the subject of family life education, a matter that was originally brought to the attention of the House by the Hon. Member for Scarborough West (Mr. Stackhouse).

POINT OF ORDER

NON-SMOKERS' HEALTH ACT—REPORT OF LEGISLATIVE COMMITTEE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I was seeking the floor on a point of order. It has to do with Bill C-204, coming out of the legislative committee.

The legislative committee completed its deliberations on February 11 and, after the necessary work was completed, it was prepared to report on Wednesday, February 24.

I would simply like to raise the issue. I hope that the chairman of that committee will be here at the appropriate time to present that committee report—as soon as possible. If it was to occur later in the day, I am sure that we would be able to receive unanimous consent to have it introduced at that time.

It is an important piece of legislation, it has gone through all the appropriate stages, and on a daily basis we are waiting for it to be presented.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I wish to advise the House that I have been in touch with the office of the Hon. Member for Sarnia—Lambton (Mr. James). He has been delayed in Toronto airport. He had intended to introduce the report today.

As a courtesy to my hon. friend, the House Leader of the New Democratic Party, upon the arrival of the Hon. Member or directly after Question Period, we are prepared to revert to presenting reports from committees in order to allow this report to be tabled in the House.

• (1110)

Mr. Speaker: Perhaps I could assist the Hon. Member for Kamloops—Shuswap (Mr. Riis) by thanking the Hon. Minister of State (Mr. Lewis) and by indicating to the House that it was conveyed to the Chair that the report would be brought forward this morning at this time. I am sure that something has come between that intention and the fact.

As long as there was consent, of course the Chair would be very much prepared to revert to receive the report later this afternoon.

PETITIONS

PROPOSED FREE TRADE

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, it is my duty to present a petition from constituents of mine resident in the area of Red Rock, Nipigon, and Dorion, who have signed a petition protesting that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States.

They believe that the Prime Minister (Mr. Mulroney) promised, in the course of the bilateral trade negotiations, that Canadian sovereignty would not be compromised but that the trade deal negotiated by the Government actually threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to control foreign ownership effectively, to develop Canadian energy resources in the best interest of Canadians, and to equalize opportunities among the regions.

Whereas the proposed trade agreement would deny Canada the policy freedom to determine its own economic future, the petitioners pray that the House of Commons might be dissolved so that the people of Canada would have an opportunity to accept or to reject this agreement with the American Government.

Mr. Nelson A. Riis (Kamloops—Shuswap): Madam Speaker, it is my pleasure, indeed an honour, to present a petition on behalf of a number of constituents from British Columbia, pursuant to Standing Order 106.

They are concerned that the Government has no mandate from the people of Canada to conclude the trade deal with the United States. They believe that in essence the trade deal threatens the very fabric of our political and economic sovereignty since it removes the power of the Government to control foreign ownership in Canada effectively. Of course, it also limits our effectiveness to develop our energy resources in the best interest of Canadian citizens and causes real problems in terms of our ability to deal with regional economic difficulties.

They are asking Parliament to dissolve to enable the people of Canada to accept or reject the proposed trade deal during a national general election.

Mr. Rod Murphy (Churchill): Madam Speaker, I also have the honour to present a petition, which was certified earlier this month by the Clerk of Petitions as being correct and in the proper form.

The people who have signed the petition express their concern with the Government's trade arrangement with the United States. They believe that the Prime Minister (Mr. Mulroney) did not receive a mandate from the people of Canada on this issue in the 1984 election, and they believe that the trade agreement negotiated by the Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to control foreign ownership effectively, to develop Canadian energy resources in the best interest of Canadians, and to equalize opportunities among the regions.

Therefore, the petitioners humbly pray and call upon Parliament to dissolve to allow the people of Canada the opportunity to accept or reject the trade arrangement through a national general election.

Mr. Howard McCurdy (Windsor—Walkerville): Madam Speaker, it is with great pleasure that I fulfil my responsibility as a Member of the House to present a petition signed by a number of electors, which has been properly certified as being correct.

It, too, points out the danger to the Canadian future or Canadian destiny involved in the prospect of the bilateral free trade agreement signed by the Prime Minister (Mr. Mulroney) and the President of the United States.

The petitioners humbly pray and call upon Parliament to dissolve to allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, question No. 250 will be answered today.

[*Text*]

GRANTS TO ORGANIZATIONS WITHIN METROPOLITAN TORONTO

Question No. 250—**Mr. Redway:**

Since September 4, 1984, did the Department of National Revenue make grants and/or loans to persons or corporations, non-governmental organizations and governments within Metropolitan Toronto and, if so, in each case, in what amount and for what purpose?

Hon. Elmer M. MacKay (Minister of National Revenue): The Department of National Revenue does not provide for nor support the making of grants and/or loans to persons or corporations, or any other entity.

[*Translation*]

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

The Acting Speaker (Mrs. Champagne): The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1988-89

MEASURE TO ENACT

The House resumed from Friday, February 12, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-109, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, I should like to continue the debate on Bill C-109, an Act to provide the Government with a $25,300 million borrowing authority.

When I was addressing the Bill the last time the matter was before the House, I pointed out that the Government had failed to give arts and culture the kind of boost they need in terms of tax policy and, I would add at this point, in terms of the free trade negotiations.

Canadian arts and cultural industries deserve protection, not only for what they do in respect of our sovereign concerns but as well as for their importance to the Canadian economy and to employment. Statistics Canada has said that in 1987 the arts and cultural industries contributed $11 billion to the gross national product and that over one million Canadians drew income directly or indirectly from these industries, following a remarkable 90 per cent increase in the number of jobs in those sectors since 1971. It is mainly because of the social and cultural roles they play that these industries should have been better protected in the free trade talks.

To continue from the point where I was discussing what could have been the Government's economic thrust, I talked about the need for block averaging for artists, not just for farmers. In another area I was talking about arts organizations. They are designed to promote the arts and welfare of artists and should be accorded special status under the Income Tax Act, which would allow them to issue receipts giving tax deductions for gifts in the same way as registered Canadian amateur athletic associations do now. It is interesting that the Province of Quebec adopted a system akin to that recommended by the Standing Committee on Communications and Culture in January, 1987, but this system only applies with regard to Quebec organizations and Quebec taxation. Unfortunately no reference to this has been made by the Government in its White Paper. This issue still remains a high priority for the arts community.

In respect of money for national museums, two national museums are expected to open their facilities in Ottawa during 1988-89—the National Gallery and the Museum of Civilization. I had hoped that each of these museums would be adequately funded to meet the demands of the newer and bigger facilities and that consequently their acquisition budgets, particularly in the case of the National Gallery, would not be severely restricted. I had hoped that the Government would provide money for these important needs. Little did I expect that it would undertake to play a shell game and just move moneys within that pot. There have been no increases, just unfair manoeuvres which will negatively impact on other museums across the land. At the same time, the lack of concern and the lack of attention to the decision of the Cultural Properties Review Board respecting a piece of work by Gustav Klimt that the Montreal Museum of Fine Arts wished to purchase obviously indicates that the federal Government or the Minister missed the boat as they did not act on time.

In respect of Canadian programming on radio and television, it is essential to the enjoyment and development of our cultural identity as well as our sovereignty. Radio and television are the largest and most immediate distribution mechanisms for cultural products. I had hoped the Government would have provided increased funding for the CBC, the National Film Board, and Telefilm Canada for this purpose. These agencies are key to the development and strengthening of Canadian radio and television film production. The strengthening of these industries will become increasingly important as we forge closer commercial ties with the United States. Their success will depend on Telefilm Canada's reputation and stable funding.

• (1120)

Another aspect I had hoped to see addressed is with respect to a home for the National Archives of Canada, which is now in poor temporary quarters. It is short of space. Its archival holdings and its government records are at risk. These environmental conditions are not acceptable. We need to have a way in which to preserve our national heritage.

The standing committee has recommended that priority be given to the construction of a new facility which would meet the accommodation needs of the National Archives until the year 2010. It was the Minister's intention to move in that direction. I was disappointed to see that this was not found in the Budget or in the Minister's remarks.

In closing, I would like to quote Canadian publisher John MacFarlane who pointed out that it is important as a country to "make the distinction between importing merchandise and importing culture. Wearing foreign shoes and driving foreign cars won't make us any less Canadian, but without our own culture we're nothing more than a colony".

We cannot, it seems to me, preserve Canada's political sovereignty and cultural identity without protecting and developing our own cultural industries. They provide Canadian artists, creators and communicators with real and numerous opportunities for expressing and sharing their vision of Canada.

The closing ceremonies of the Olympics took place last evening. We all viewed its Canadian dimensions. Our Hockey Night in Canada and the Olympics are part of what make up the Canadian cultural milieu. I hope that we will give serious consideration to these matters as we look at the borrowing authority.

Mr. Blenkarn: Madam Speaker, in listening to the Hon. Member on the borrowing authority Bill which puts the country further in debt I was wondering if it is still the policy of the Liberal Party, and her policy as one who represents the riding of the former Prime Minister, to continue to borrow, borrow, borrow without end just because she has further demands and wants of the Government. It is as if we have a money tree out in the backyard from which we can pick further currency.

As the Hon. Member may, know there are further appropriations for culture in the budgetary figures handed down by the President of the Treasury Board (Mr. Mazankowski). I wonder why the Member demands insistently for more borrowing. Does she want the Bill raised to $27 billion or $28 billion? Is $30 billion too little for her? When will we see the end of Liberal demands to put the country into bankruptcy?

Mrs. Finestone: Madam Speaker, the Hon. Member also had certain negative attitudes toward the capital cost allowance which was a way in which one could infuse risk dollars into the film industry. He did not care to support this measure to the degree I or the industry would have liked.

May I remind him that 60 per cent or more of the debt of the country has been accumulated under the management of his Government. If it would stop spending these incredible sums on nuclear submarines and put them where we need to place emphasis in Canada then we would be far better off. It is a matter of priorities. I find that the Government's priorities are not well directed.

If we accumulated a deficit in 1980, 1981 and 1982 I remind the Hon. Member that the whole world was in a state of chaos and heading toward a depression. Canada did not have to put bread lines in place. But we now have bread lines, thanks to the management of his Government.

Miss MacDonald: Madam Speaker, I would like to make a couple of comments. With regard to the Hon. Member's remarks, she takes a certain perverse delight in going about the country knocking Canadian arts and undermining Canadian culture. It is really a sad state of affairs when a Member of Parliament will not stand up in defence of Canadian arts, our artists and our creators.

This year in the Estimates $113 million has been added to the base budget of the Department of Communications and the portfolio. Some $53 million in additional resources will now be available to the Canadian Broadcasting Corporation. There is a 5 per cent over-all increase in the envelope of the Department of Communications and the portfolio. This means additional increases for museums, broadcasting, the National Archives and a number of other fields.

What is important to note is that since that time we have added an additional $8 million to the Canada Council so that it can meet with requests from across the country that are coming to it. We have also allocated $8 million for the expansion of the Art Gallery of Ontario. This is a tremendous project which serves Toronto, Ontario and, indeed, the whole of Canada.

Two years ago on a five-year basis we added an annual increase of $33 million to the production of feature films and dubbing and to a series for television. This amounts to a total of $165 million over this period of time.

We have added substantially to the budget of the sound recording industry. This has allowed a great increase in the number of Canadian songs performed by Canadian artists and recorded by Canadian recording companies.

These measures are taking place. At the end of the last calendar year newspaper after newspaper made comments such as, "This is the best year we have ever had in Canadian publishing". "This is the best year we have ever had in film production". "This is the best year we have ever had in Canadian sound recordings". Artists are reiterating that all across the country.

Mrs. Finestone: Madam Speaker, I suggest that the fine record that the Minister just read to Hon. Members has a great deal of substance to it. It is too bad that it was the previous Minister who brought in these measures and that this Minister has the worst record for interference and meddling in the cultural industries of any Minister in the history of the country.

I suggest that the Minister talk to representatives of the sound recording industry. She sent the Hon. Member for Don Valley West (Mr. Bosley) to defend her stand. It was interesting to note that his observations on her behalf were not well received by the sound recording industry. It is extremely unhappy with the lack of consultation and with the very poor performance of the Minister defending its place in the constellation of cultural industries in this land.

Mr. Nelson A. Riis (Kamloops—Shuswap): Madam Speaker, I have been looking forward for some time now to participating in today's debate, for a number of reasons not least of which is the fact that the Government is now asking permission of Parliament to borrow $25,300 million. I suspect that for most people it is difficult to get their minds around what $25,300 million is. It can best be described as a substantial sum of money. I do not think anyone can begin to even comprehend the thousands and thousands of millions of dollars that we are borrowing for a variety of purposes. I would say that one of the reasons is that the Government does not have its financial house in order.

I want to explain why I think the borrowing authority simply betrays the inability of the Government to come to grips with some of the real problems facing our country. In my estimation at the top of the list is the deficit. I do not think the

Government has dealt with the deficit adequately. I do not think the Government has taken the necessary steps to reduce the deficit. This will create an incredible amount of indebtedness for future generations of Canadians. The best thing that one could say is that the increasing, spiralling nature of the deficit of Canada has at least been capped. During the Liberal administration, we saw the deficit escalate almost to the stratosphere. It just got totally out of hand. It rose out of sight and beyond all comprehension.

• (1130)

Quite frankly, I think that Canadians in general and even people who do not follow the fiscal, financial and monetary policies of Government closely know that we are too heavily in debt. They know that the liability we are leaving future generations is quite frankly catastrophic. I do not think we have dealt satisfactorily with the deficit and I simply want to point out what I think were some missed opportunities. That is why we are now having to discuss giving the Government the support to borrow $25,300 million more.

Mr. Blackburn (Brant): Tories are always big spenders.

Mr. Riis: As my friend has indicated, the Tories are big spenders. They like to buy votes in a sense. I know that that flies in the face of what many of my Conservative colleagues in the House of Commons have said over the years, but the facts speak for themselves.

Just recently, the Government tabled its expenditure plans for the forthcoming year. Right at the top of the list was a $2.5-billion slush fund. There were no programs earmarked for that $2.5 billion. To be fair, the Tories called it by a fancier name. They did not call it a pre-election slush fund. That would be a little too obvious, I suppose.

The Estimates clearly earmark $2.5 billion to be used to buy votes in various parts of Canada. The Government can expand an airport here, build a new port there, relocate a prison in some constituency there in the hopes of trying to buy the support of Canadians, sort of the hooker approach to politics. I do not think that that will work. I do not think Canadians will be bought off by the Government. Nevertheless, $2.5 billion has been earmarked for the next year for various projects that at this point have not been identified.

What does that tell us about the Government? Surely to goodness, if the Government has some vision of the future of this country, if it has been working closely with provincial, regional and local Governments, it should be able to predict now what these major projects worth $2.5 billion ought to be. If it cannot, then that is scandalous. Any Government that says it has no idea how it will spend $2.5 billion now but will have to determine that in the next few weeks and months is not the kind of Government Canada needs. We need a Government that has some vision of the future of Canada a Government that works with the other political jurisdictions at the regional and local levels to determine the appropriate initiatives the Government should be taking to ensure that economic prosperity returns to all parts of Canada, not simply pockets in southern Ontario. A Government that says it is concerned about the deficit but has a $2.5-billion slush fund is being very unrealistic in its expectation of support for this initiative.

I am concerned about another missed opportunity. If the Government were serious about deficit reduction, it ought to have dealt with the matter of interest-rate policy. We all recognize now that interest rates in the United States are lower than they are in Canada, particularly short-term interest rates. The argument that if we lower interest rates in Canada, there will be an exodus of money to the United States where the returns are better is absolute folly. Interest rates in the United States are much lower than they are in Canada.

I say why not reduce interest rates by 1 per cent, 2 per cent or almost 3 per cent to get them down to the United States rates. Can you imagine, Madam Speaker, what it would mean to the deficit of Canada, to say nothing of the assistance it would give to small and medium-sized businesses and consumers, particularly in the regions? The cost of serving the unbelievable debt the Government has now given us, a debt of nearly $300 billion, would be significantly reduced if interest charges on the debt were reduced by 2 per cent. That is why I say that it was a missed opportunity. Not to have reduced interest rates to approximate those in the United States was a serious oversight by the Minister of Finance (Mr. Wilson) and the Government of Canada. The deficit could have been reduced by another few billion dollars.

Another missed opportunity to reduce the deficit was tax reform or, as others have referred to it, tax deform. Tax deform is probably a more appropriate name for what the Minister of Finance has done to the tax system. The system remains unjust, unfair, discriminatory and biased in favour of the wealthy and the largest corporations rather than in favour of ordinary Canadians and medium and small-sized businesses.

You are probably filling out your tax return now, Madam Speaker. You have probably noticed that the tax return is no simpler than it was before. This notion of simplifying the tax system is absolute nonsense.

Over the weekend, I sat down for the first time to look at the tax return and the pages and pages of schedules. I do not know what on earth I will do. I think we ought to do what was done in the State of California. We ought to introduce legislation that requires Members of Parliament to fill out their own tax returns with no help from anyone. Then we would see some quick action.

I see that the Chairman of the Finance Committee knows full well that that is what should have been done. He is nodding. He knows full well that there was an opportunity to introduce a one-page or half-page tax return that would suffice for 75 per cent of Canadian citizens.

Mr. Blenkarn: The Fraser Institute thinks it's a good idea.

Mr. Riis: The Fraser Institute thinks it is a good idea. I think it is a good idea. I suspect most Canadians would revel at the thought of a one-page tax return for 75 per cent of the people. Why did we not do it? I think it is because we are trying to mystify the system. Still the Minister of Finance says that we have simplified the tax system. I cannot imagine a more nonsensical statement being made. I suppose if he says it loud enough and long enough, enough people will begin to believe that there must have been some improvement at least, though I cannot see any. Again, this was another missed opportunity.

Why on earth, when we had gone through months and months of discussion, did we not make the tax system fairer? Why on earth was the Minister of Finance required to rise in his place recently to announce that, in spite of all the Government's best efforts, there will still be 60,000 profitable corporations that will not pay a single penny in income tax next year? Of course, that is to say nothing of the tens of thousands of corporations that will pay $100 or $50.

I know that my friend, the Chairman of the Finance Committee, knows that the real tax rates of the big finance companies, the big trust companies, the big banks and most of the institutions in the financial community would probably average less than 3 per cent. How many Canadians enjoy a tax rate of about 3 per cent? Virtually none. I think it is disgraceful that the tax system allows so many profitable corporations, corporations with profits in excess of $200 million or $300 million per year, not to pay any income tax whatsoever, to say nothing of those that pay only a few dollars.

• (1140)

As I say, we are not talking about the mom and pop shop or the hair salon down the street. In 1986, for example, Alcan Aluminum made profits totalling $220 million. Not only did it not pay any income tax at all, it got a tax credit for next year of $32 million. Then there is the little company Brascan with profits totalling $187 million and a tax credit of $2.3 million.

I will not take time to go through this long list of 60,000 profitable corporations that paid no income tax whatsoever, but I would point out that if the Government was serious about deficit reduction this was an opportunity to find new revenue amounting to hundreds of millions of dollars. It did not do that. It said instead that it would allow these thousands of companies that make good profits every year to continue without paying any income tax whatsoever.

It is tragic when you think of it. Here was an opportunity, through changes to our interest rate policy and our tax system, to make the system more fair, equitable and just, but we did not do it. Instead, the Government created this big slush fund of money not earmarked for any particular project, to say nothing about a lot of peculiar spending by the Government.

In the coffee shops of Kamloops I still hear that people are outraged that they had to pay hundreds of thousands of dollars for Sinclair Stevens' legal bills. People are still outraged and ask why the Government had to give $5 million to help build the West Edmonton Mall for the Ghermezian brothers. They did not need that money, but thousands of struggling small businesses did. That $5 million would have gone a long way for a lot of the small businesses in Alberta who are struggling to find some venture capital to establish a new product and get involved in a new creative business. They cannot get money from traditional lending institutions and could have used some of that $5 million.

There is a long list of ways that the Government decided to spend the taxpayers' money which I think people find very disappointing. I could also talk more about fiscal policy but I will move to some other areas because it has become clear that the Government is not serious in its efforts at deficit reduction. If it was, it would certainly have done things differently in the last number of months. Therefore, I want to spend the next few moments talking about the trade deal which the Government signed on January 2 with the United States of America.

A lot of people are asking what this deal will do to Canada. Is it a complete sell-out of our country to the U.S? Have we given away our economy to the U.S. multinational giants? What will it mean for jobs?

In spite of the statistics often presented to us by the Prime Minister (Mr. Mulroney) about how wonderfully Canada is doing, he forgets that while we are doing wonderfully in pockets of southern Ontario, such is not the case in most of the rest of Canada. In my Province of British Columbia, where unemployment in many communities is still in the 20 per cent to 30 per cent range, we have not noticed a tremendous improvement in the last four years of the Government's administration. In eastern Canada, where unemployment levels are as high as 40 per cent in some communities, they have not recognized any improvement, to say nothing about other parts of western Canada, northern Canada, or Quebec. It is not prosperity city in most of Canada today. Yes, indeed, in pockets of southern Ontario such is the case and we are pleased about that. However, we were looking in this most recent Budget and the Estimates for some real commitment to overcoming regional disparities.

Many of us are concerned that this trade deal will act against attempts by the federal Government to assist the regions. The American companies are going to be looking at these various programs to help our western farmers, East Coast fishermen and the forest industry throughout the regions and calling them subsidies producing unfair competition. The fact that they have the same kind of subsidies back home is irrelevant to them. All they have to do is prove there is some unfair subsidy here.

We saw this just the other day with the flow-through shares issue. The U.S. said if the federal Government, through the tax system, provides encouragement for the mining sector to explore for minerals, that is unfair. What did the Government do? It gutted the program and made it very difficult for exploration companies to raise capital to carry on their activities. This is critical, as you well know, because without that upstream investment, nothing will happen.

As you know, this exploration is usually done by small and medium-sized Canadian companies. Much of the mining operations might be done by larger companies, in some cases multinationals, but in this case we are talking almost exclusively, 100 per cent, about Canadian-owned companies out there in the trenches, in the hinterlands, exploring for new mineralization. Flow-through shares was a way in which the federal Government could encourage and support those junior Canadian companies. Now it has decided to gut the program but what is it going to replace it with?

To be fair, particularly to my friend, the Chairman of the Standing Committee on Finance and Economic Affairs, this is not the only way to assist mining exploration and show that we support their initiative. There are other more direct ways of support, if you like. However, the Government is apparently not going to do anything, just hang these small companies out to dry at a very critical time.

To go back for a moment to the trade initiative, what does it mean with respect to jobs? We have to look to the evidence to arrive at an answer. The Minister of Employment and Immigration (Mr. Bouchard), an honest man, one with integrity, a man who likes to tell it like it is, when he was asked how many jobs this trade deal might cost Canadians, had the courage to say it could be as high as 500,000. His predecessor and other cabinet Members have used figures as high as 800,000. There is no question there are going to be major adjustments. The royal commission which took a number of years to look into the whole matter of what they call free trade, which of course this deal is not, said it would cost the federal Government up to $5 billion in adjustment costs because of the tremendous dislocation that will occur in our economy. That means a lot of people are going to lose their jobs.

On the one hand we hear the Minister saying it could be as many as 500,000 jobs. Then we look at the work that the Department of Finance has done and we see that the best case scenario is that over five years it could create 125,000 jobs. That is 25,000 jobs a year. Yet in a good month, when our productivity is doing well, we can create that many jobs alone.

You have indicated my time is up. I just got started on this dissertation but unfortunately the rules prohibit me from continuing. Therefore, in closing, with respect to a serious situation facing this country, that being the deficit, unfortunately the most recent initiatives taken by the Government have eliminated those initiatives which could have helped reduce the deficit.

• (1150)

Mr. Blenkarn: Madam Speaker, I would like to ask the House Leader of the New Democratic Party some questions. I was quite interested in his desire to become associated with the Fraser Institute in terms of simplified tax returns.

Has he had an opportunity to discuss with his colleague, the finance critic for his Party, the recent trip of the Finance Committee to New Zealand where, as he will know, a socialist labour government is in power? Has he discussed with his colleagues how that socialist labour government was in the process of selling out their national oil company to a British multinational?

Does he think we should do as they did and cancel all farm subsidies, lower farm interest rates, and all assistance to farmers completely as they did? Does he think that in order to squeeze inflation out of the system we ought to raise interest rates to 19 per cent as they have?

Does he think that in order to get the tax system down to a flat tax system we ought to disallow any contributions to pension plans or registered retirement savings plans as a deduction against taxable income?

Finally, on a sales tax issue, would he be supportive of taxes on food and even taxes on municipal taxes in order to keep the system simple?

Mr. Riis: Madam Speaker, I appreciate my hon. friend's intervention because I did forget one very important item in my presentation and this will allow me to refer to it briefly, that is, the decision of the federal Government to impose a national sales tax on all Canadians. It will make interesting election campaigning when Conservative candidates are promising changes to the tax system which will result in new taxes on everyone for virtually every business transaction with the exception of the purchase of food, as the Minister of Finance has indicated.

I appreciate that the Minister listened to the consumers of Canada who said that a tax on food and prescription drugs would be unethical and, quite frankly, unacceptable to the people of Canada, which point was raised by our finance critic on so many occasions that it became boring.

I am not familiar with what efforts are being undertaken in every country of the world to come to grips with the challenges facing them. However, I am aware of what is going on in our country. I am aware of the Government's decision to cut back on support for the mining industry. This fits into an over-all program. As I see it, the Government has a program in place to depopulate rural Canada. It has not been very explicit or articulate about the program but it is a program to pull support from small communities and rural Canada.

The Post Office is the most obvious vehicle of this initiative. The Government's plan is to cut back postal services in rural Canada. In my own constituency in the last month the Government has attempted to close two post offices. We are trying to fight that. However, it is very clear that the Government has made a decision to use this method to encourage people to move into the big cities. I do not think that is right or appropriate.

My colleague mentioned my support for the initiative of the Fraser Institute to simplify our tax returns. You bet, Madam Speaker, I see no reason why we must have the complicated, convoluted tax system which we do have in terms of the returns which people must fill out. There is no reason for it. The Member, who is the Chairman of the Finance Committee, will know that work had been done on a one-page tax return which would have been sufficient for the vast majority of Canadian citizens. People are subjected to trauma in their efforts to determine how much tax they owe or how much tax they have already paid the Government in hopes of a small refund. This ought not take place in the case of most Canadians. This is one page out of the many volumes of the Fraser Institute which I would have to support. I do not support many of their pages, but this would certainly be one which I do support.

With regard to the Member's points on initiatives taken by the Government in New Zealand, I am afraid that I am not equipped at this time to comment intelligently on those.

Mr. Hawkes: Madam Speaker, the Member opposite brings to our attention that his riding is being depopulated. I presume the people are going to the cities for jobs. If the people of his riding were to get a little wiser and elect a Conservative Member who believes in job creation in the private sector and economic opportunity, perhaps people would stay in the riding. I simply offer that as a suggestion. We would be happy to see a conversion and have him come across the floor.

The Member's speech, in a somewhat uncharacteristic way, contained a lot of sophistry. I want the people who are watching to recall and perhaps read in *Hansard* what the Member said about the Minister of Employment and Immigration (Mr. Bouchard) with regard to 500,000 or 800,000 jobs. The Member attempted to leave the impression that that would produce 500,000 or 800,000 unemployed Canadians. Those numbers are used in reference to the capacity of the free trade deal to bring about adjustments in the Canadian economy so that people will have better jobs in the future than they have today. They will have higher paid and more highly skilled jobs.

The Member started with the figure of $10 billion and then said that it would cost the taxpayers $5 billion for adjustment. He left the impression that these would be unemployed people. The purpose of adjustment funds, be it $5 billion, $10 billion, or $20 billion, is for ordinary Canadians to attain increased skills and increased job opportunities with better working conditions and higher salaries.

The absolute minimum economic analysis is that the first five years of the trade deal will produce 125,000 additional jobs. That is the critical part which the Member very cleverly slides over. We are not talking about creating 25,000 jobs a year in Canada. The Government's economic policy is producing more than 30,000 jobs a month and has been doing so for three and a half years. How do we get 1.25 million more Canadians employed than were employed three and a half years ago unless we are producing jobs at that rate? The free trade deal will produce an additional 125,000 jobs. People now on the unemployment rolls will have jobs. It will produce better quality jobs for Canadians and the adjustment fund will ensure that that happens.

I suspect that the Member was in a conflict of interest with the reality that labour union leaders provide so much of the funding for the New Democratic Party and have a desire to protect the jobs which they already have in their unions. They have no commitment to the total Canadian mosaic and the twelve and a half million people employed in Canada but are trying to do that which they were elected to do, protect the selfish interests of the members of that particular union.

That is what unions are about. They do that very well and are useful in Canadian society, but it is a tragedy that a political party in the Chamber is so clearly a captive of that single mentality on behalf of this very privileged group which controls the supply of labour and fights very hard on behalf of its members. However, the total Canadian society will be well served by the free trade deal.

• (1200)

We are on the borrowing Bill and perhaps the Hon. Member would like to tell us what justification he has for the use of tax credits? He brought up the issue of tax credits. Everyone who donates to a political Party receives a tax credit so taxpayers pay part of the contribution to the Party. What justification does the Hon. Member have for giving free trips to socialist countries. That is one of the things the New Democratic Party is doing. What justification does he have for the tendency to take campaign expenses and move them over to the column called "election expenses", receiving a larger rebate from the taxpayers of Canada, to fund the Party on the longer term?

If the Hon. Member is concerned about tax credits that are devoted to the creation of jobs for ordinary Canadians, how much concern does he have about the use of the tax credit system by his own political Party to service its political ends?

Mr. Riis: Madam Speaker, I have a long list of inaccuracies presented by the Hon. Member. I do not know where to begin. First, the suggestion that the Government has created an additional one million jobs is a very inaccurate statement. There are not, as the Hon. Member knows, an extra million jobs in Canada today.

Mr. Hawkes: There are.

Mr. Riis: There are not. We can look at any list. Let me just say the Hon. Member has given us an untrue statement. He has also given us an untrue statement when he talked about all these jobs that are going to be created. Let us recognize what kind of jobs these are. I want to relate to my hon. friend that in the constituency of Kamloops—Shuswap over the years we have seen jobs in the mining and forest industry paying decent wages. A person could actually earn a decent living. But people have now lost those jobs and are in the service sector earning one-third of what they were earning before. They are eking out a mere existence. That is the Tory agenda in terms of creating new jobs. A person who was in a position to raise a family decently and in dignity had to go to a job at the poverty level in terms of income. That is the Tory idea of new jobs coming out of this trade deal.

In closing, I simply want to say that there is much yet to do. I found it of some interest that the Government, looking for new ideas, new suggestions and new ways of doing things with respect to a change in our tax system, went to the socialist country of New Zealand to seek out better ways and means of changing our tax system and government economic development policy.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Madam Speaker, in the spirit of this Chamber, of being able to provide a proper exchange of views, I would like to begin by looking at the assertions made by the Parliamentary Secretary to the Deputy Prime Minister (Mr. Hawkes) who is a well known expert in the art of sophistry. He was commenting on the views of my colleague. It is certainly well known within the boundaries of this House that if there was ever a practitioner of that particular art, the Parliamentary Secretary deserves the full accolades of this House.

The Parliamentary Secretary talks about the so-called economic benefits of the proposed trade arrangement. Let us examine what those are on the basis of the Government's documents, not some of the other analyses or studies. Let us look at what the Government says. The Department of Finance produced its own document trying to put the best face possible on the trade arrangement. One would have assumed that the promises and expectations held out by the Prime Minister (Mr. Mulroney), that there will be this incredible gravy train of growth and jobs sort of sloshing over the country, would have been confirmed in the figures. However, instead we received a projection of an incremental growth rate of one-half of 1 per cent per year. That is so marginal, so meaningless, that in terms of computer forecasting, no analyst worth his salt would not even take that into account and provide it as a legitimate proposition. It simply does not add up. When our own growth rate varies, depending on the time of year, between 3 per cent, 3.5 per cent and 4 per cent in a good year, to say that we expect, on the best possible scenario, a growth rate of one-half of 1 per cent is hardly going to provide comfort and solace to all those who will be losing their jobs.

Of course, what the study also predicted was that the jobs will come only through increased consumer spending, primarily in the service sector. It is also well known that that is the lowest paying sector of the economy. It is a sector where there are far higher incidents of temporary and part-time work. The question of what the service sector will do under free trade has never been studied, itself. So we are really flying blind. We are being asked to accept a set of economic forecasts in which the analysis has not been done, and the large macro studies have a marginal Mickey Mouse interpretation to them.

That study, that was highly cited by the Parliamentary Secretary, did not include the increased tax costs the Canadian people will have to bear. They will have to pay $450 million in the next year, an extra cent on every litre of gas they buy, adding up to a $2 billion additional tax grab in the fifth year of the agreement. That was not put into the computation, nor was the question of additional adjustment costs that someone will have to pay. We know the stingy federal Government is not going to pay them, so that means it will fall upon the private sector or the provincial Governments to pay.

It is even more ironic when the Government talks about the new jobs and new skills training when in fact its own job strategy is in absolute shambles. It is in total disarray. The community colleges across Canada are having to close down their courses because they are not receiving sufficient funding. The money that is supposed to be going for training in the private sector is not being monitored, so that the money can be used to train someone to push a broom, instead of to train them on the computer. No one knows because they are not being monitored properly.

There is no money to deal with the problem of illiteracy, to bring Canadians who have low job skills and lack of basic English and mathematics to the point where they can get into a training position, because the Canadian Jobs Strategy has cancelled all these programs. The Canadian Jobs Strategy has abandoned hundreds of thousands of Canadians, forcing cancellation of community college programs, supporting unmonitored, unevaluated programs in the private sector where the quality of training is questionable. Yet the Parliamentary Secretary has the nerve to say, "We are going to be training skilled workers for the future". The National Training Act, which was one of the best training programs in the world, has been turned into one of the worst, all in a matter of three and one-half years. That is a great accomplishment.

I challenge any Conservative Member of Parliament to stand up and argue the case for the Canadian Job Strategy, to put facts and figures on the table as to what it is doing. They can challenge what I have just said if they think it is wrong, but I have the evidence right here as to how it is working. I have taken some time to study it, something I am sure Tory Members have not because they refuse to face that kind of calamity.

In the Province of Manitoba, in the next year alone, the amount of money going into job training and Jobs employment will go from $75 million to $48 million, an almost 30 per cent cut in one year.

Mr. Hardey: Look at the results, though.

Mr. Axworthy: Some unknown voice opposite tells me to look at the results. I can tell him the results in terms of some of the private business sectors where they are training people to push a broom. I met last weekend with people at Rossbrook House, which used to have training programs for young native kids so they could get into the job force, and those programs have been cancelled. Those are the results. I tell the Hon. Member that it is a national tragedy what the Government is perpetrating upon Canadians. If it had any guts or courage it would start admitting it and change the program or throw the Minister of Employment and Immigration (Mr. Bouchard) out of his job. He is not only fumbling on the immigration side but he is fumbling badly on the job creation and employment side.

It is terrible what is going on. The Government says, "Oh, we are going to prepare for the bright new future. We will have highly skilled Canadians", but we have a job training program which is in shambles, where the whole foundation is dissolving around us. Yet the Government tries to defend that kind of program.

• (1210)

Another area where sophistry has become the order of the day as opposed to results is in the area of regional development. I could think of no more important priority for a federal government than to ensure equity in the country. Because of our geography and the nature of the population being spread across 8,000 kilometres and a large northern span of territory, a primary responsibility of any federal government is to ensure that people are treated the same, that there is a sense of equality and fairness. The expectation should be that the federal Government will have standards in which all receive a fair meting out of resources.

In the early 1980s we brought in a new economic regional development program. It was designed to work in co-operation with the provinces. We would sit down and work out priorities with each of the provinces and then use federal funds to invest in those regions. It was not based solely on indexes of poverty, but also on what would be the primary focal points of growth and development, region by region.

In my own region we sat down with the provincial Government and the City of Winnipeg, invested in downtown development where we felt that the improvement and enhancement of the urban environment would be a major incentive to private capital investment. For an investment of $30 million in the north of Portage, the result has been that we generated $450 million of additional private capital. That is good leverage by any judgment; the major renewal of the downtown area.

We sat down with the province and felt that transportation would be a major focal point of growth. It is the largest supplier of jobs in my home province. We began to invest in the infrastructure, development of the Port of Churchill, new research facilities at the university, proposed new maintenance base for VIA Rail, a computer centre for CNR, the development of new hopper cars to deal with the prairie grain trade in the Transcona Shops, and improvement of the airports to provide for international trade.

We also concentrated on the cultural communications area, in an attempt to build up in the City of Winnipeg and the Province of Manitoba an increased capacity for growth in the cultural areas. We then added supplementary programs in agriculture and minerals. All of those were designed in full co-operation with the Province of Manitoba and with the municipalities and the groups involved.

Those agreements were signed and they amounted to half a billion dollars' worth. I am not saying that they were perfect, but it was the beginning of a co-operative approach to economic development, and an attempt to bring all the parties together to ensure that the federal Government was a major player on plans that were developed and blueprints organized in the local region.

After the 1984 election what happened? The new Government cancelled many of the transportation projects. It cancelled the development of the major robotic research centre which would have given the country, not only western Canada, a major, first-class, world-class research centre for robotic technology. In this area we lag far behind. The Japanese outgun us 10 to 1 in the development of robotic technology, but we cancelled a research centre which would have provided the private sector with an inducement or incentive to develop in that area.

In the Port of Churchill there was a slow-down. The projects are still waiting to be funded. There was cancellation of a major renewable energy resource corporation. We also had the famous incident of the CF-18, and withdrawal of that major opportunity for western Canada to get into the new frontiers of the aerospace business. Those actions were undertaken unilaterally, without consultation, and in contradiction to the economic development plans that had already been developed.

That runs against the spirit of federalism. It also shows that there is no economic development priority based upon equity or fairness. We are now told that there will be a new Western Diversification Fund. In looking at the estimates of that and the projects, what do we find? Of the projects already announced, not one includes any major project in the Province of Manitoba.

Is that because the Province of Manitoba does not support the Government on its trade proposals? Is it because it has an NDP Government? Whatever the reason, how does one explain a pattern where there was very clear, very significant co-operation between federal-provincial governments in 1984, and since 1984 nothing but warfare, confrontation, withdrawal and subtraction of federal assistance?

Is that what one would call a fair system? Is that what one would call a system in which the federal government is seen to be an equal provider of its own investment? Is that seen as a way of ensuring that one million people who live in a significant province in this country in terms of opportunities that it can provide are being totally ignored by the Government? Does it suggest a weakness around the Cabinet table of the Manitoba representatives? Does it simply say that one of the provinces of Canada is being frozen out, is deliberately and politically being isolated? That is what I suggest is the reason.

When we are asked to talk about a borrowing authority, one goes on the basis that there will be some level of fairness applied to it. If the Manitoba taxpayers are asked to support further expenditures by their own Government in Canada, one would assume and expect that perhaps they would want some return and that they would feel they were part of the system and going to be calculated in in the same way.

In the last two or three weeks, what do we find? In total contradiction to a signed agreement, the Minister of Transport (Mr. Crosbie) is breaking that agreement by withdrawal of 300 senior employees in the CN headquarters in western Canada, particularly in Winnipeg. The agreement itself clearly states that the Crown corporations of Canada involved in the field of transportation will make every effort to enhance and augment their employment and their research and development. This Government is acknowledging its withdrawal.

Let us look at a very crucial area of rail line improvement. One of the most important areas that we have known in western Canada to maintain our smaller communities is the maintenance of the rail line network. In 1984 when I was Minister of Transport we signed a major agreement with the railroads which required that each year they would follow a clear program of rehabilitation. This is the last year of the program, and the Minister of Transport is committing $25 million, leaving $125 million still in the bag.

Do you know how many communities that will affect, Madam Speaker, how many smaller places in western Canada will find that they will no longer have a rail line in two or three years?

I find it difficult to believe that a Government that states that it wants national reconciliation, which in 1984 based its election mandate on there being an end to confrontation, is engaging in the very same and more extreme forms of anti-federal initiatives. It is clearly discriminating against certain provinces of this country. It is withdrawing federal presence, federal investment, and federal activity. That has connotations and repercussions far beyond the immediate area of economic growth or jobs. It will weaken the linkages of this country. It will undermine the connecting links across Canada in a very fundamental manner.

• (1220)

Let us look at what disturbs those of us from western Canada who are Members of Parliament. When we look at political surveys from that part of the country—and they may not be printed in the central Canadian or eastern press—we see western Canadians being asked whether they would support a legitimate western Party and some 30 per cent to 40 per cent saying that they would. The reason is that in the last three or four years, rather than foster a greater sense of participation in Canada, the Government has succeeded in pushing western Canadians further away with the kinds of actions that I have outlined so far.

This brings me back to the topic with which I opened, that is, the proposed trade agreement. There is an implicit assumption that somehow—and I think the Prime Minister spoke about it in Calgary before Christmas—this will be a bonanza for western Canada, when in fact the hard figures show no such thing. In fact, a number of very essential western Canadian industries will be put in jeopardy. The food processing industry, one of the largest industries in my own province, will be forced to shut down, or the supply management system will be forced to shut down. This is the dilemma faced by the Campbell Soups, the McCains, and the other major food processors in my province. That could be repeated for many of the smaller industries. The trade agreement will not mean alternate growth; in many cases it will pull away the growth. However, the Parliamentary Secretary says that we do not need adjustment or any help for the workers and communities affected, that it will take care of itself in the market-place.

We in western Canada know better. We know that the way to develop is through a partnership of the public and private sectors. It is a partnership which has made western Canada grow, and the Government is withdrawing from that partnership. For that reason this request for a borrowing authority is really the height of sophistry.

Mr. Hawkes: Madam Speaker, the Hon. Member opposite said that I said that we would not need adjustment. I have never said that in my life, nor would I ever say it. The labour force constantly needs adjustment, and when we have a major positive initiative, such as free trade, we will need more adjustment than at other times. I very much resent people trying to put words in my mouth that I have never uttered. I want to make crystal clear that the pattern of the Hon. Member opposite in doing that kind of thing is well known in the House, but perhaps not well known to Canadians, so I simply wanted to point it out to them.

He began with an attack on the Canadian Jobs Strategy, which took a great deal of courage from that particular Hon. Member. Canadians may have forgotten the Liberal approach to unemployment problems in Canada. I stood in the House, when he was Minister and I was critic on the other side, and asked repeatedly in Question Period for an explanation of why a Liberal cabinet Minister would be receiving government employment creation grants which averaged out at $586 for every unemployed person in his or her riding, while unemployed people in my riding of Calgary West received employment creation funds at the rate of $12 per unemployed person.

It was a policy approach, his policy approach, that consistently created first-class unemployed Canadians and second-class unemployed Canadians. Year after year there was no fairness to the system. This unfairness was clearest in western Canada, and he was the Minister for western Canada. He talked about adjustment. Well, the National Energy Program was a program that required adjustment in my region. We moved from a 4 per cent unemployment rate to 13 per cent and

14 per cent unemployment rates. That was the adjustment. They took 4 per cent unemployment and made it into 13 per cent or 14 per cent unemployment through one simple policy initiative which he supported and promoted. It threw people out of work. We must couple that with the use of employment creation grants of $12 per year per unemployed person. They create the problem, and then they take the money and put it in another part of the country, not where the unemployment was created. That is the Liberal idea of adjustment.

Let us refer to what our Government did. I see the Minister of Communications (Miss MacDonald) is here. She replaced that Hon. Member as Minister of Employment and Immigration and very quickly looked at the 50 some odd programs which he had created to parcel money to Liberal partisans and constituency organizations. One had to be a Liberal to get help under that Government. It was not enough to be a Canadian; one had to be a Liberal Canadian. Our Minister reduced them down to six programs. She restored some sense of local choice in terms of local unemployed people and local labour markets. She devoted all the money, not to partisans of a political Party but to the recipients to help them gain more skills, and started working on the adjustment concern right from the start of the life of this Government. With all that money that was parcelled out for cleaning river banks, or doing things which sometimes did not even exist—*la table de pique-nique dans la province de Québec*—we must never forget the Liberal approach to this problem. It has been replaced by an educational approach. Taxpayers' dollars go to individuals to help them gain more skills for their future, and if their future as Canadians improves, the country's economy improves. It is working.

The unemployment rate for young people, the most difficult group, in three short years has dropped from nearly 19 per cent to 12 per cent. We have solved one-third of the problem in three years, and if we get four more years we will halve the problem. That is what will happen, because we have a philosophy of investing in Canadians, taking the skills and drives which already exist, and helping them to improve their skills and to retain the drive to succeed. When individual Canadians work together to look at economic opportunities and to be productive, the economy improves and improves. It is a combination of policies which has provided those one million, one hundred and some odd thousand Canadians with jobs today who did not have jobs three years ago.

The Hon. Member talked about hard figures. The hard evidence is the capacity of Canadians to produce, to sell, and to prosper if government stays out of their road and provides assistance in the background where needed.

I simply say to the Hon. Member opposite that Canadians do not want the Liberal approach to employment creation where one must be a Liberal to get money. They want a fair program for all Canadians dedicated to the adjustment skills issue.

Mr. Axworthy: Madam Speaker, the Hon. Member talks about what Canadians want. I just cite the recent poll in the Province of Manitoba where we are 14 points ahead of the Tory Party federally. It seems to me that they know what they want an awful lot more than what the Hon. Member seems to know. I would only remind him that they know what happens when they have a Liberal Government. They know how federal investment can be used to generate growth.

Let me give the Hon. Member an example. I am glad that he is practising to be the employment and immigration critic again, because he will have to employ those skills in a very short time. Let me tell him about something that happened last Friday. I visited a place called Rossbrook House, a drop-in centre for young people. It primarily services native youth and is located in the downtown area of Winnipeg. It is run by a group of Catholic nuns. They were recipients of community employment programs when I was Minister. They used those programs to hire young native kids who did not have any job skills and who had left school in grade seven or eight. They brought them into the job market and gave them some employment as counsellors. This enabled them to develop some rudimentary skills. This was used as a way to develop a transition between that and going on to future training.

• (1230)

Under the vaunted Canadian Jobs Strategy, about which the Hon. Member talks, there are not those programs any longer. They have been cut off. The group of young Canadians about which he talked are being told that they do not rate anymore. That is an example of what is being duplicated right across the country. If one is in a low income bracket, out of the market or suffers from illiteracy then the Government does not care. Its jobs strategy is not designed for this person.

I would now like to deal with the fact that we are short of several thousand job training places in the western Canadian provinces because under the vaunted Canadian Jobs Strategy the Government has not put money into this area. It has not created a single new training space in the country. Under the Canadian Skills Growth Program we were investing in the community colleges, including those in the province of the Hon. Member, to provide new spaces, new equipment and new opportunities. The Canadian Jobs Strategy does not provide any investment of that type whatsoever.

Let us talk about the question of the special needs groups in our society. There is no doubt that one of the important reasons for our job creation programs was to support the social service system of the country since it was being clobbered by provincial Governments and municipal Governments. They could not afford the extra programs to provide the extra services to battered women, displaced kids or homeless families. Our job creation programs went to those groups directly so that they could hire people and provide services. Those programs have been cut off. They have been withdrawn.

Is the Hon. Member saying that, yes, the strategy is designed to support the friends of the Government in the business community who are receiving all types of grants which are not being monitored or evaluated and which are certainly not being used for training? They are being used as a way of subsidy back into some of those businesses. The quality of the training is so pathetic that it makes one weep.

That is the Tory way of doing it. That is fine. I am glad that that is the approach that they take. I think that Canadians know that there is an alternative. There is the skilful use of the public sector.

It is interesting to note that in the provinces of western Canada, about which the Hon. Member talked, in 1987-88 in Manitoba in particular job funds dropped from $75 million to $48 million. In Saskatchewan the funds went from $58 million down to $39 million. Even in the Province of Alberta the figure went from $141 million down to $103 million. Who is talking about increases when those provinces are experiencing cuts of 30 per cent? I think that the Hon. Member had better start to look at the Estimates of the Department of Employment to find out who is trying to serve the people of western Canada. He might start to look at the figures rather than to continue on in the fantasy in which he lives perpetually.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The period provided for questions and comments has now expired. Resuming debate. The Hon. Member for Humboldt—Lake Centre (Mr. Althouse).

[*English*]

Mr. Vic Althouse (Humboldt—Lake Centre): Madam Speaker, I am surprised that none of the government Members wish to defend their application to the House for some $25,300 million. Perhaps the proposition is so hard to defend that they find it easier to sit in their seats.

These funds apparently are to be used, as the Bill states, as may be required for public works and general purposes and shall expire March 31, 1989, to the extent that the unused authority exceeds $3 billion. In other words, once again we will carry into the next fiscal year some $3 billion. This means that something in the order of $28,300 million or thereabouts is being carried by the Government as a borrowing authority. We presume that this will be used basically to cover the deficit that is being projected at slightly higher than that amount of money.

This is the type of measure that a great many small businesses and farmers undertake at the beginning of every year. They go into the bank to obtain a lending authority from the bank. They establish a line of credit. Essentially, that is what the Government is attempting to do with this particular Bill. It is attempting to get that authority from the House of Commons, the body which is supposed to monitor Government expenditures and without whose consent Government could not spend the money. The Government comes to us and asks for the right to borrow money to the extent that I have just noted when tax revenues fall short of meeting the current expenditures.

Habitually, we find that there is usually a big lending authority requested early in the year, as is this one, and then there will be a series of smaller ones made later on. We will not know until later on just how large the next series of expenditures will be. However, I do note that in reviewing the Estimates for 1988-89 that expenditures will continue to climb. In the fiscal year that we are about to finish I note that budgetary expenditures went up 7.7 per cent at a time when the Minister of Finance (Mr. Wilson) was telling us how carefully he had reduced expenditures and how he had control of the Budget and how he had the deficit in hand.

In going through the Budget papers that were presented a couple of weeks ago, I wanted to find out just how much in hand this budgetary deficit was. I found that it is not quite as well in hand as the Minister leads us to believe.

When he became Minister of Finance in mid-1984-85 we had a gross accumulated deficit of about $200 billion, according to the papers that he presented with his Budget. It is listed as $199,092 million. Today, in the 1986-87 year, we have a net public debt of $264 billion. This means that in the period of time that the Minister of Finance has been in charge of the finances of the country the deficit has increased more than 30 percentage points. In fact, more than 30 per cent of the accumulated debt of the country since 1867 has been accumulated in the three and one-half years that the Minister has been the Minister of Finance. He says that we have the deficit in hand. He says that he is staying the course. He leaves the impression that the course is to get us out of debt and to get the public finances in some order.

I mentioned the extra billions of dollars, some $165 billion, that he has left future generations to carry. Some people say that it does not really matter. They say that what is really important is how large the deficit is in relation to the Gross National Product. So let us look at how he has managed under that set of rules.

When he became the Minister of Finance we had just shifted from 39.6 per cent of our national debt to Gross National Product. In other words our national debt was accumulated debt and equalled 39.6 per cent of that year's Gross National Product. At the end of 1986-87, which is included in the Budget papers, we find that our net public debt accumulated over all the years is now 51.8 per cent of our Gross National Product instead of the 39.6 per cent. I am afraid that staying the course will not solve the problem the Minister has defined as being one of the main problems the country faces.

• (1240)

We note that the Government has reduced the Public Service by a considerable amount. There are many fewer employees now than there were before, yet expenditures have not dropped as a result of this tactic. The first Budget of the Minister of Finance (Mr. Wilson) had budgetary expenditures in the neighbourhood of $111 billion. This year's expenditures are expected to be $132.25 billion, some 20 per cent higher than they were when this Minister became the Minister of Finance.

Staying the course has not really changed the direction taken by previous administrations. Expenditure are still up and they are rising more rapidly than inflation. In fact, last year the forecasted percentage increase in expenditures was 7.7 per cent while inflation was at about 4.7 per cent or 4.8 per cent. This Minister who was so critical of previous expenditure programs is continuing to follow the same route as the much-maligned Liberals who preceded him.

I would like to comment on some of the Government's expenditure policies which affect western Canadians and farmers across Canada. Other speakers have noted the job-creation plans of the Government. I wonder if there were plans. How can there be plans for job creation by a Government that claims to be opting out of all economic activity and leaving it to the private sector? I do not understand that, but perhaps the argument that is being made is that the private sector, thanks to being unleashed through less onerous taxes, has created jobs. I suppose that is the rationale the Minister is proposing to use for the job creation of which he boasts.

I note that most of the jobs that have been created have in fact been created in the Province of Ontario and most of those in the vicinity of Toronto, a very hot market at the moment. Those in the regions where most of the farmers for whom I speak live have not noticed that things have improved greatly.

Those who incurred debts during the time when interest rates were very high have not seen interest rates drop markedly under this Government. In fact, over the last six or eight months they have risen. This past year they were 1 per cent to 1.25 per cent higher than they were before. The farmers and small business people who make up most of the population of my riding are finding things actually worse than they were a year ago at Budget time.

A great many of the producers in my riding are in the export business. They export grain, beef, pork and light farm machinery. They find that the amount of money they receive for their product is down as well. At the same time as the Government has allegedly been fighting high interest rates by allowing them to rise another 1.25 per cent, it has also permitted the dollar to float higher.

Last year at Budget time the dollar was worth 72 or 73 cents. It is now floating at around 78 or 79 cents. This is bad news for the export industries in my riding. It means that they receive about 10 to 12 per cent less from their exports, in American dollars which are now bringing in fewer Canadian dollars. The Government's policies on interest rates and the dollar have not been good for the farmers and small businessmen of my riding.

Those people who have had problems carrying old debts have been attempting to refinance through the Farm Credit Corporation. They have found that it is even more difficult to get an FCC loan than ever before. The amount of business FCC has generated over the past year is down considerably. The Government has instructed the corporation to limit loans to the amount of repayments. In other words, it is not proposing to give the FCC any new money. The only money it has to loan out is money from recycled loans that were paid off.

The interest rates that the Government has insisted the FCC use have been so high that very few people have used the services of the corporation. It has actually built up a small surplus of repayments over new loans. FCC interest rates rose a few months ago from 11.75 per cent on long-term loans to 12.25 per cent at this time. This was in the face of a policy goal presented to the corporation at a federal-provincial conference some time ago of having long-term credit rates to farmers at 9 per cent. After setting that goal, interest rates went from 11.75 per cent up to 12.25, not exactly a move toward the goal.

I note that the rail line rehabilitation program is away behind schedule. The program is due to end at the end of this year. Hon. Members know that some $125 million should have been expended in previous years on that program but that money is still left uncommitted. In fact, the Minister of Transport (Mr. Crosbie) apparently has no intention of committing those funds to comply with the agreement that was supposed to exist between the people in my part of the country and the Government of Canada to bring branch lines up to permanent standards so farmers could move their products to market.

There seems to be a real distaste on the part of the Government to complete its commitment. There are a number of lines in my own riding which very clearly meet the criteria. Lines are ranked on the basis of cost-to-benefit, and the ones that would provide the most benefit to the whole economy, not just locally, at the least cost are the ones that meet the criteria. However, some of those lines which meet the criteria are having difficulty getting funds. Civil servants have clearly stated that those are priority lines and have ranked them accordingly, but the final decision which is made at the ministerial level has been delayed, and why there should be disputes from the Ministers, I do not know.

We find these decisions delayed because the Ministers involved apparently have some plans for the funds to go to other lines which happen to be in ridings held by very prominent members of the Government side. However, the return ratio of these lines is less than half of that of the lines that have been designated priority by the civil servants, some of which are in my riding.

I find it very strange that the Government would not move to improve the high-priority lines. If the lines were improved, costs to the producers in the area would be reduced. It would reduce costs by freeing up more than 500 hopper cars annually. That is the extra number of cars that will be available to the whole system if these lines are upgraded. Yet the Government has been dragging its feet on the matter. Instead of putting in the funds it talks about freedom to move and all the benefits that can accrue to a local community and economy if there is freedom of choice, to use the Government's words.

• (1250)

The Government seems to think this will somehow be a job-creating kind of scheme. I suppose it would be if it did not upgrade the line which of itself would be a job-creating scheme. Some Conservatives seem to think if they do not upgrade these lines what we will have instead is a lot of local employment with truckers moving grain 30 and 40 miles to the new railway points. This will employ more people driving trucks and maintaining and building roads. Unfortunately, it will also create a much higher cost system for local farmers and local communities. They will have to pay higher local taxes to maintain the road system. Local farmers will have to pay more for getting the grain trucked to the railway. It is a very shoddy type of economics and the worst kind of attempted political patronage I think I have witnessed in my eight years in politics. Yet this seems to be the direction the Conservatives wish to take this country.

Perhaps it also explains the manipulation of expenditures, with an attempt to create jobs, and may also explain why we have forecasted increases in expenditures in the last two years of the mandate of some 7.7 per cent and 5.5 per cent, while at the beginning of the mandate the actual increase in expenditures was 1.9 per cent. The Minister attempted to establish his credibility as a cost cutter in the first years. While he still believes in laying off the Public Service he continues to spend more money. I think that is in part caused by replacing civil servants with contracts to private corporations or individuals who in fact provide the same service at higher cost.

That seems to be the case with respect to public research, particularly in the Department of Agriculture. Since the Government took over there has been a cut-back of some 500 person-years in the research capacity of that department. Many of those positions are for professionals, some are technicians and other back-up services.

This I suppose represents the philosophical approach the current Government seems to have that research should be conducted by private rather than public entities. I think that is a grave mistake. I know of a number of instances where public research has resulted in great savings for individual farmers and consumers. This kind of research would never be conducted by private firms because there would be no reason to engage in research that would find ways of avoiding buying their products, for example. I think public research has to continue. It has a very good role to play and I hope the expenditures in future Budgets take that into account.

I see you are signalling that my time is up. I will close by remarking that I find it very difficult to understand how we can continue to have these very high debt loads going into our fiscal year, $25.3 billion being borrowed up front, knowing we will have to come back to the House for more, at a time when the Minister says he is reducing the deficit. Yet, as I pointed out, it has gone up phenomenally during the course of this Minister's tenure in office.

Mr. Hawkes: Madam Speaker, I have listened with great interest to the Hon. Member opposite. I have two very critical questions to ask him.

He was not in the House, nor was I, during the last minority Government of 1972, 1973, and 1974. However, we know that the current Right Hon. Leader of the Opposition (Mr. Turner) was then the Minister of Finance. As such he raised expenditures in two successive budget years by 30 per cent and more. His Government put in place policies that reduced the growth of income. The debt problems we are talking about today are a direct consequence of the NDP support for that minority Liberal Government which tried to bribe the voters through increased expenditures without any sense of fiscal responsibility concerning raising offsetting revenue.

My first question is this. If faced with a similar situation in the future, will he and his Party behave in the same way? His Party argued consistently for spending and we hear very little about revenue raising. He did not mention in his speech that the recent Budget would require no borrowing, we would not be standing in this House today asking to borrow $25.3 billion if we did not have to pay interest on money borrowed because of policies supported by the NDP in partnership, as usual, with the Liberal Party. We would have a surplus of well over $3 billion this year which we could use to reduce the debt Canadian taxpayers owe. We are just borrowing money to pay interest on the debt that was created, starting back in 1972, 1973, and 1974. That is my first question. Will they in future act in the same fiscally irresponsible fashion?

My second question is this. In 1979 the NDP moved a motion of non-confidence in the Conservative Government. The Hon. Member for St. John's West (Mr. Crosbie) was the Minister of Finance. Every reputable economic group in the country said that his 1979 Budget was the fairest Budget to the poor people of Canada in the entire decade. When the NDP had clout in a minority Government they did not produce Budgets that were fair to poor people. This Party produced one in 1979 and they threw us out of office. We have a right to know, as do Canadian taxpayers, whether they will act in that fashion in the future to punish the poor of the country? Will they act in a fashion designed to increase the debt load for future generations instead of being fiscally responsible?

The Acting Speaker (Mrs. Champagne): The Chair realizes that the Hon. Member for Humboldt—Lake Centre (Mr. Althouse) would very much like to reply to the comments made by the Parliamentary Secretary. To make sure that he does get equal time, I think the best way to do it would be after Question Period.

Mr. Althouse: Madam Speaker, I have a plane to catch at three o'clock. If I am going to be able to answer it, it will have to be now, and I can be very brief.

The Acting Speaker (Mrs. Champagne): It being one o'clock I need unanimous consent. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Riis: They do not want to hear the answer.

[*Translation*]

The Acting Speaker (Mrs. Champagne): Order. It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

OFFICIAL LANGUAGES

POSITION OF ENGLISH MINORITY IN PROVINCE OF QUÉBEC

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I find it totally and completely objectionable when Premier Bourassa of Québec suggests that Québec Anglophones prefer what he calls social peace to language justice. In effect, what Mr. Bourassa is saying is that if a minority demands justice and the majority resists, then the minority should hold back to pacify the insensitive and inflexible majority.

By that logic South African blacks should peacefully accept apartheid because their demand for justice upsets the white racist Government, or perhaps we in Parliament should back down on Bill C-72 because it upsets some Neanderthal Tories.

The Quebec Superior Court and the Quebec Court of Appeal have unanimously rejected those provisions of Bill 101 which ban English on signs, and Mr. Bourassa himself promised to remove that prohibition. Let Mr. Bourassa act to provide linguistic justice and then he will have social peace in Quebec.

ABORTION

SUPREME COURT DECISION—CALL FOR LEGISLATION TO PROTECT LIFE

Mr. John Oostrom (Willowdale): Mr. Speaker, "Thou shalt not kill" is a universal law adhered to by all societies since the dawn of civilization. In the aftermath of the Supreme Court decision Canada has been left without a law on abortion. However, we now have the opportunity to enact a law which will define life as beginning at conception.

For a long time our religious and moral teachings have been questioned by the scientific community. However, science is now confirming the religious teachings on when life begins. Fred Byfield writes:

> When is a life defined? The answer of all genetic science is now unchallenged: It is decided at the instant of conception. The fertilized egg is like a computer chip. The genetic "program" to produce the person is already there.

Our decision on abortion will have an impact on Canada's future. Respect for life is the only choice.

* * *

[*Translation*]

ENVIRONMENTAL AFFAIRS

REQUEST FOR IMPLEMENTATION OF MEASURES MENTIONED IN REPORT

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I congratulate the task force for their report to the effect that public scrutiny is neither a judiciary nor a political process, but a forum which is vital to the future of our environment. Well done!

The task force endorsed the approach advocated by Canadian ecological interest groups, namely public hearings held in informal and flexible proceedings fully consistent with the principles of fairness.

A recommendation that ecological groups be eligible for public financing was approved in the body of the report, but strangely enough it was omitted from the conclusions at the end of the report. It so happens that implementing this recommendation is essential if volunteer groups are to participate fully. If the Government wants active participation and an adequate process it has to provide the funds required.

I urge the Minister of the Environment (Mr. McMillan) to begin without delay to implement the measures proposed in this important report.

[*English*]

POLITICAL PARTIES

NEW DEMOCRATIC PARTY'S FUND RAISING CAMPAIGN—OFFER OF FREE VACATION

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, "free beer for all the workers" is passé. Today's NDP is much more sophisticated. The latest gimmick is to offer Party supporters the chance for an all-expenses paid vacation to—you guessed it—that socialist paradise, Hawaii, U.S.A. Thence the lucky winners will travel to Australia and New Zealand where they will be able to study the prosperity brought about by the free trade agreement between those two countries.

New Zealand's burgeoning economic health due to deficit cutting, tax reform, privatization, grant and subsidy elimination, and public service reduction—exactly the opposite of NDP policy—will round out the education.

The NDP should be careful. Any socialist taking this trip is likely to come back a committed free enterprise Conservative.

* * *

AGRICULTURE

POTATO STABILIZATION PROGRAM—CHANGE IN PAYMENTS FORMULA URGED

Mr. George Henderson (Egmont): Mr. Speaker, I rise today to bring an important issue to the attention of the House. The federal Government's potato stabilization formula for calculating payments to Prince Edward Island farmers is unacceptable to small and medium-sized potato producers.

I speak on behalf of the many potato producers in Prince Edward Island who have contacted me regarding their opposition to the federal Government's decision to deduct the 1985 diversion payments from the recently announced stabilization payments.

When world over-production resulted in rock-bottom prices these farmers participated in the diversion program to take their potatoes off the market to enhance the return for potato producers in all of eastern Canada. They had no idea at that time that they would later be subject to penalties under a future stabilization program.

Because of the formula in place the small producers will be hit the hardest because they diverted all or most of their potatoes off the market. Some will not receive any stabilization payments at all.

I now urge the Minister of Agriculture (Mr. Wise) to listen to the voice of Island farmers and change the stabilization formula to ensure that the most disadvantaged farmers get their fair share.

S. O. 21

SPECIAL CANADIAN GRAINS PROGRAM

ASSISTANCE FOR FARMERS ACROSS COUNTRY

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, the first cheques for the 1987 Special Canadian Grains Program are now on their way to western grain producers. This marks the second year the Government has put this program in place to assist hard-pressed producers.

The program for 1987 has been improved substantially by recognizing summer fallow and the additional costs of production for farmers who irrigate. Specialty crop production, processed alfalfa, and honey producers are also recognized as suffering as a result of the depressed prices in the international market-place.

What a change from the previous Liberal Government whose Leader pitted one region of Canada against the other. The Government has provided assistance through the Special Canadian Grains Program regardless of whether the grain is produced on the Prairies, in the Okanagan Valley, the Maritimes, or any other region of Canada. That's performance, Mr. Speaker; that's performance.

* * *

SIKH ORGANIZATIONS

CRITICISM OF MINISTER'S LETTER

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, Canadians have been surprised in recent days to see the Secretary of State for External Affairs (Mr. Clark) advising the provincial Premiers not to meet with three Sikh organizations. They have been told that the activities of these organizations have been a significant irritant in our relations with India. The Indian High Commission, however, denies having complained about officials meeting with these organizations.

Canadians have reason to be concerned about the Minister's action. Are there precedents for such a request to discriminate among organizations? Has the Canadian Government responded before to the concerns of foreign Governments and asked provincial Premiers to boycott certain Canadian organizations? Have other organizations, regarded by foreign Governments as being hostile but never found guilty of any seditious activities, been subjected to such actions by any Canadian Government?

It is one thing for governmental agencies to ensure that the laws are not broken, that violence is not encouraged, and that Canadian resources are not used to foster terrorism anywhere. It is quite another for Premiers and provincial Ministers to be discouraged from meeting with organizations of Canadians linked to and supporting a minority in another country.

If the Department of External Affairs were as sensitive to the Canadian policy of multiculturalism as it is to the representations of foreign Governments, this would be a

stronger and more united country. I would urge the Secretary of State for External Affairs to reconsider his discriminatory and divisive action and withdraw his letter to the Premiers.

* * *

WINTER OLYMPIC GAMES

TRIBUTE TO ELIZABETH MANLEY, GLOUCESTER'S PRIDE AND JOY

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, on Saturday night, February 27, 1988, at the Saddledome in Calgary, during the magnificent Fifteenth Winter Games, a small part of Canada and a major part of Gloucester took a giant step forward on a silver podium.

Katarina Witt of East Germany and Debi Thomas of the U.S.A. shared opposite interpretations of *Carmen*, but the bubbly little bouncer from Gloucester, our Elizabeth Manley, stole the show. From the first flick of her blades to her last triple jump she was bold, brave, and beautiful. She whittled down from fourth, to third, to second for Canada's second silver medal of the games.

I am certain that not only this House of Parliament but millions of homes in Canada share my pride and pleasure in saying "Liz, you were sterling". Congratulations!

* * *

ABORIGINAL PEOPLES

STATUS OF JAMES BAY AND NORTHERN QUÉBEC AGREEMENT

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, the Government of Canada's efforts to block approval by the United Nations Human Rights Commission of certain resolutions regarding indigenous rights and indigenous peoples have taken a rather astonishing turn. In a statement delivered by the Canadian observer delegation last Friday, Canada asserts that the James Bay and Northern Québec Agreement is not a treaty.

Incredibly the Government of Canada appears to have forgotten the provisions of its own Constitution. The Constitution says:

> The existing aboriginal and treaty rights of the aboriginal peoples of Canada are hereby recognized and affirmed.

The Constitution goes on to say:

> For greater certainty—treaty rights includes rights that now exist by way of land claims agreements or may be so acquired.

The James Bay and Northern Québec agreement is a land claims agreement constitutionally recognized and confirmed. It is a modern treaty. Canada's attempts to deny the treaty status of this agreement are unacceptable and misleading.

[*Translation*]

WINTER OLYMPIC GAMES

THANKS, CALGARY!

Mr. Gilles Bernier (Beauce): Mr. Speaker, as a Canadian, I am filled with pride in the dazzling success of the Fifteenth Winter Olympic Games in Calgary.

During 16 days of sports feats and festivities, the whole world met in Canada. The City of Calgary, the Province of Alberta and Canada gave the world an exceptionally warm welcome. The athletes have performed superbly. The incredible facilities built in Alberta will be used by our future Olympic champions and are at the disposal of all Canadians.

Everyone will share in the grandiose success of the Olympics. We can only expect positive fall-outs.

Millions of Canadian men and women were moved as I was myself yesterday evening while watching on television the extinguishing of the Olympic Flame in Calgary.

What wonderful moments we have lived during these 16 days! Thousands of cheers to the athletes and to all those who have, directly or indirectly, contributed to that fantastic celebration.

In Canada, we have achieved national reconciliation. Now, it is to all peoples of the world to search for international reconciliation.

Thanks, Calgary!

* * *

• (1410)

[*English*]

WINTER OLYMPIC GAMES

CONGRATULATIONS TO COMPETITORS, VOLUNTEERS, AND PEOPLE OF CALGARY

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, Canadians can be proud of the Olympic Games which have just ended in Calgary. We say farewell to 16 days of exquisite athletic competition and achievement at the Fifteenth Winter Olympic Games. I believe Canadians can be particularly proud of the performances of Karen Percy, Brian Orser, Tracy Wilson, Robert McCall and the many other competitors who, whether their participation results were big or small, conducted themselves with grace and style and so often achieved their personal best.

As a native of Ottawa I am especially proud of the achievement of Ottawa's own figure skater, Elizabeth Manley, who captured all our hearts when she won the silver medal in a dazzling effort this past Saturday evening.

On behalf of the federal New Democrats, I would like to say congratulations and thanks to all the Canadian Olympic competitors, to the people of Calgary, and to the many staff and volunteers without whom the 1988 games would not have been possible.

[*Translation*]

Mr. Speaker, Canadians are proud of the Fifteenth Olympic Winter Games which have just ended in Calgary.

As spokesman for the Ottawa area, I am especially proud of our—

[*English*]

Some Hon. Members: Time! Time!

[*Translation*]

Mr. Cassidy: —of the performance of our skater, Elizabeth Manley, winner of the silver medal, as well as of the success of all the athletes. Thank you, Calgary! It was a great success.

* * *

NEW DEMOCRATIC PARTY

METHOD OF FINANCING

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, allow me to make a short commercial. It is aimed at those . . .

Some Hon. Members: Timing!

[*English*]

Some Hon. Members: Time, time!

Mr. Speaker: There are some instances, one, I suppose, would be in the interests of the Olympic movement and expressing thanks to Calgary, in which the Speaker can overlook the clock. If there is some call that I exercise the strict rules, I will, of course, do so. However, the Hon. Member for Lévis (Mr. Fontaine) had only just got started.

[*Translation*]

Mr. Fontaine: Thank you, Mr. Speaker, and I hope you will allow me to make a short commercial. It is aimed at those who would like to go on a trip to sunny climes at the expense of the socialist party. This party has set up a contest combining the pleasant with the useful. Your financial contribution to the socialist party could allow you to win a trip and even to meet socialist authorities in a few countries.

Thus, the socialists will perhaps be in position to pay their long distance phone calls, because since Wednesday last, the telephone code number of the Hon. Member for Oshawa, Mr. Broadbent that is No. 22843864, is cancelled. They perhaps need money to pay their long distance calls to Quebec?

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—EFFECT ON SOUND RECORDING INDUSTRY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, sound recordings reflect the cultural life of Canada. We rank among the world's largest consumers. Listening to recorded music ranks third as the most popular leisure time activity following watching television and reading newspapers. In the international market, recorded music is Canada's most widely rated cultural product.

Last Thursday I was privileged to participate with the "who's who" of Canadian music in the first forum on free trade and its effect on the recording industry. CITY-T.V. is to be congratulated on this outstanding initiative. This industry was unanimous in its concerns. It is upset that it was never consulted about the devastating effects the removal of the 13.5 per cent tariff will have on imported records and tapes and the positively nefarious "notwithstanding" clause impact on the $700 million recording industry.

These measures will place our recording artists on the fringes of their own domestic market, with Canadians singing *Born in the U.S.A.* rather than *Alberta Bound*. Liberals know Canadian songs have something to say and want to promote Canadian music to reflect Canadian values and experiences.

* * *

ENVIRONMENTAL AFFAIRS

CALL FOR LEGISLATION TO ENSURE CORRECTIVE ACTION BY POLLUTERS

Mr. Alan Redway (York East): Mr. Speaker, for years the drinking water of 5 million Canadians has been threatened by chemicals leaking from dump sites along the American side of the Niagara River. Last week a United States court ordered the Occidental Chemical Corporation to pay the costs of cleaning up one of those dump sites, the notorious Love Canal. This decision was made under the provisions of the U.S. Comprehensive Environmental Response, Compensation and Liability Act of 1980, legislation that compels American polluters to correct their past mistakes.

To the great credit of our Government, Parliament is presently studying the new Canadian Environmental Protection Act aimed at preventing future pollution. What we need now is our own version of the U.S. Comprehensive Environmental Response Compensation and Liability Act to compel Canadian polluters to correct their past mistakes as well.

Oral Questions

EXTERNAL AFFAIRS

TRANSFER OF CANADIAN FROM NEW JERSEY JAIL TO CANADIAN PENITENTIARY

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the nightmare for Bruce Curtis, the young Nova Scotian, and his family, is beginning to come to an end. I rise today to congratulate all Members of this House who supported the efforts of Jim and Alice Curtis to have their son Bruce transferred from a prison in New Jersey to a Canadian penitentiary. Last Friday, Governor Kean of New Jersey announced that Bruce Curtis would be transferred to a Canadian penal institution as a humanitarian gesture.

I would also like to acknowledge the excellent work of Serge Boudreau, from the Department of the Solicitor General, and Murio Lapointe, from the Department of External Affairs. Both of these government employees were very helpful in expediting this particular matter.

Unusual as it may seem, Mr. Speaker, I wish to congratulate the Secretary of State for External Affairs (Mr. Clark) as well as the Solicitor General of Canada (Mr. Kelleher). Their efforts, and the pressure they were able to put upon the Government of the United States, particularly the U.S. administration as well as the State Government in New Jersey, have made this possible. To them and to all Members who assisted in this particular plight, I say thank you most sincerely.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

ENERGY

BEAUFORT SEA DRILLING ACTIVITY—UNITED STATES SALE OF LEASES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Prime Minister. Late last week the U.S. Department of the Interior issued a final notice of sale for leases in the Beaufort Sea. Bids will be received up until March 15 of this year. Included in this notice of sale are 22 blocks within the Canadian jurisdiction. In other words, a United States agency is now putting up for bid, drilling on Canadian territory, in a unilateral fashion. Does the Government of Canada not consider this to be a serious encroachment on Canada's sovereignty?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, without accepting the premise of the question, I will certainly take this matter under advisement and raise it with the Minister of Energy, Mines and Resources. It has not been drawn to my attention, but I will certainly refer it to the Minister and get back to the Member as soon as I can.

Mr. Axworthy: May I just say in response, Mr. Speaker, that I am a little surprised that neither the Prime Minister nor the Deputy Prime Minister would be advised about a fairly serious action on behalf of the U.S. Government on Canadian territory.

REQUEST THAT GOVERNMENT PROTEST TO UNITED STATES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I will direct my question to either of the two gentlemen. Several months ago when I raised a similar question with the Secretary of State for External Affairs, he said there would be no action taken by the U.S. Government until the dispute over that territory was resolved. We now have a U.S. order stating that the bids will be open until March 15 and that the United States will determine when it is in its own best interests to do so, to accept those bids.

Will the Government ask the United States administration for a clear statement on what its policy intends to be? And will it not issue immediately a notice of protest that this is a very clear infringement on our sovereignty in a place where we thought we had some agreement that the United States would not continue this kind of action?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, it was for that very purpose I took the question as notice, because this matter has come up before and there was a clear understanding that there would be no such action, as outlined by the Member, taking place in the disputed area. That has been the situation. That was outlined by the Secretary of State for External Affairs and confirmed by the Minister of Indian Affairs and Northern Development.

The reason I said I would undertake to look into this matter is simply the fact that very rarely has the Member his facts straight, so I would not want to accept the premise upon which the question is based.

• (1420)

CANADIAN POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I am not asking the Minister to accept my facts. I have here the statement of a bid of order from the U.S. Department of the Interior. The Minister may want to have his officials examine that document.

The question I raise is the following. In December, 1986 I raised a question with the Secretary of State and was given some assurances. Last September, my colleague, the Hon. Member for Cape Breton—The Sydneys, raised a similar question. The Secretary of State also gave assurances that time. After each assurance the United States proceeds to go ahead and unilaterally act as if that territory is its own.

When do we stop getting assurances, and when do we start getting some action on behalf of the Government to defend a very valuable part of Canadian territory? When can we expect Government to start standing up for the country?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, not only is the Government standing up for the sovereignty of the nation, but indeed northern Canada as well, much to the chagrin of the Hon. Member.

The fact of the matter is that it is a disputed area. My understanding is that the position of the United States has been that there would be no such drilling activity, as is suggested by the Hon. Member, until the issue is resolved. That position remains the same.

* * *

[*Translation*]

EXTERNAL AFFAIRS

REQUEST THAT DIPLOMATIC RELATIONS WITH SOUTH AFRICA BE SEVERED

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Prime Minister. Would he agree that the most flagrant attacks on human rights take place in South Africa? On the weekend, Archbishop Desmond Tutu and other church leaders were temporarily detained by government authorities. Some time ago, the Prime Minister stated that if necessary, he would not hesitate to break off diplomatic relations with this country. Considering recent events, does he not think the time has come to take that action?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, of course we earnestly deplore the deterioration of an already unacceptable situation in South Africa. The action taken against church leaders over the weekend was particularly reprehensible. The Canadian Government, through the Secretary of State for External Affairs, has already made known its feelings of profound indignation regarding this development. The South African Ambassador has been called to the Department of External Affairs for a meeting that will take place within the next few hours, and the Secretary of State for External Affairs will probably have some new statements to make upon his return to the House. I must say I fully share the views expressed by the Hon. Member and speaking for all Members, I must say I deplore a situation that becoming increasingly unacceptable and intolerable for all those who believe in democracy for South Africa.

[*English*]

SOUTH AFRICAN GOVERNMENT'S BAN ON ACTIVITIES OF OPPOSITION GROUPS

Hon. André Ouellet (Papineau): Mr. Speaker, my supplementary question is directed to the Prime Minister. Does the Prime Minister realize that the South African Government, by banning the political activities of 18 opposition groups, has literally made a declaration of war on peace, justice, and human rights? How far does the situation have to deteriorate before the Canadian Government takes the appropriate action?

In answer to my first question, the Prime Minister stated that he is calling in the South African Ambassador and that he will wait for the Secretary of State for External Affairs to make a statement. Does the Prime Minister not have this responsibility, and should he not make the statement right away in the House?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that few people would accuse the Government of Canada of not having provided leadership in regard to the reprehensible situation which exists in South Africa. In fact, if there is an element of tragedy that enters into this, it is the general regret of all Canadians that the actions taken by the Government in this House were not taken some years ago so as to provide more pronounced and dramatic leadership.

I indicated that the Secretary of State for External Affairs, who was instrumental in providing this leadership, is unfortunately out of the House for the day. He has instructed that the South African Ambassador be called in, in order that the Government of Canada may convey to him directly the profound regret, dissatisfaction, and dismay of all Canadians at this progressive deterioration in an already explosive situation.

We are following it. We are monitoring it hour by hour. We have excluded no options. We have excluded no alternatives. We will act in the interests of those of our allies, and the people of South Africa, at the most appropriate moment.

REQUEST THAT GOVERNMENT SEVER ALL ECONOMIC RELATIONS WITH SOUTH AFRICA

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. I am sure the Prime Minister would have to agree that the events that have been occurring over the last few days in South Africa constitute a reiteration of the events before the rise of Nazism in Germany.

There are neo-Nazis demonstrating in the street with the sympathy of the Government, clerics are being arrested, all political activity by every significant black organization is banned, and we hear words like "remorse", "regret", and "dissatisfaction" being used.

Is it not time that the Prime Minister lived up to his commitment given at the United Nations that, if there was not progress made toward the dismantling of apartheid, the Government would sever all economic relations with South Africa?

The Secretary of State has stated that he has in his vest pocket additional sanctions to be imposed. Will the Government not impose them now? Will the Government not bring home the Canadian Ambassador to South Africa to discuss with him the status that should continue with respect to the Canadian Embassy in that country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, surely my hon. friend will recall the events that led up to the Commonwealth meeting in Vancouver, and the leadership that the Government of Canada and the people of Canada provided, notwithstanding some ferocious attacks from other quarters. We stood firm in the view that I enunciated on behalf of the Government many years ago, that apartheid was an evil and would be resisted and fought by the Government of Canada at every opportunity and in every circumstance.

This was followed up by a tangible accomplishment. It was not a perfect one, but a tangible one, when the Secretary of State for External Affairs went to southern Africa and met with the leaders of the Front Line States. He is now the Chairman of the Front Line States Foreign Ministers Conference in regard to dealing with apartheid and the tangible measures that can emerge in order that we may be helpful to those suffering under apartheid.

We have retained clearly as an option the severance of all relationships with the Government of South Africa. The Secretary of State for External Affairs, I, and my colleagues continue to believe that, at the moment, we can be of more and greater help to those being oppressed in South Africa, namely, the black majority, by retaining the types of initiatives that we are implementing. Once we sever relations, we cease to be a player.

For example, I point out to my hon. friend that the Secretary of State for External Affairs was capable of indicating Canada's unique and helpful role by, within 24 hours, meeting in southern Africa with the leaders of the Front Line States and in Pretoria with the Foreign Minister of the Government of South Africa.

While dialogue remains possible, we believe it can be helpful to the black majority. We will continue to fight for black majority rights in South Africa.

REQUEST FOR IMPOSITION OF TOTAL SANCTIONS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the Prime Minister describes reactions that were appropriate to a different time and a different set of circumstances, a set of actions premised on the notion that it was possible to bring the South African Government to the table to talk to the representatives of the black population.

Does the Prime Minister not recognize that those days are ended, that the South African Government has pronounced to the entire world that it will not speak to the legitimate representatives of the black population there, and that no further progress can be made unless a clear message is given by this Government that this type of refusal to deal with the appropriate representatives of the majority will not be tolerated by the imposition of those economic sanctions that the Prime Minister stood before the UN and said that he would impose if there was no progress? It is about time.

• (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend says: "It is about time". He may be right. He is making a value judgment on a very complicated, explosive situation.

If he cares to go back even further than the Vancouver conference in regard to Canada's role, Canada was instrumental at the Nassau First Ministers' Conference in constituting the Eminent Persons Group and causing that group to initiate dialogue, very hopeful dialogue in the view of most world leaders, in southern Africa.

I agree that the actions taken at that time, arbitrary and pernicious actions by the Government of South Africa, undermined this, I think quite noble, attempt at dialogue to bring about peaceful change in South Africa.

We have encountered, it is true, more obstacles than I would care to count, and we have had more disappointments than most people should be asked to bear, particularly the majority in South Africa. However, I think the signal which is coming from many of them to Canada is to continue this initiative to see if we cannot engage in that dialogue. If we cannot be helpful in a definitive way, then of course we will not hesitate to take what we believe to be the solution at that time, namely, the severance of relations.

We are receiving counsel and advice from people friendly to this proposition in South Africa to attempt to maintain dialogue at this time. We always reserve the right for the Parliament and the Government of Canada to sever relationships if required.

* * *

[*Translation*]

OFFICIAL LANGUAGES

FRENCH IN THE WEST—OPPORTUNITY FOR A REFERRAL TO SUPREME COURT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Minister of Justice. In fact, he was expecting it. I waited for him Thursday and Friday, so today's the day. My question is about the Supreme Court decision concerning the Province of Saskatchewan which, as we all know, will have to translate all the province's statutes passed since 1905. The Minister is also aware that I asked a question Friday about an alternative, namely, the province could proclaim itself bilingual by adopting a statute that would make it unilingual.

My question to the Minister is this: To avoid any misunderstanding or situations that might be very difficult indeed, and considering the Supreme Court's decision affecting Saskatchewan, is the Minister prepared to make a reference, asking the court to make a similar decision with respect to Alberta, which, as we know, was carved out of the same Northwest Territories and is the subject of an identical or almost identical Act?

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I was absent from the House last week, but the responses given by my colleagues, the Minister of Transport and the Minister of Communications, essentially set out the parameters of the position of the federal Government.

As the Hon. Member will understand, these are essentially provincial matters of jurisdiction. I understand as well that the Province of Saskatchewan in particular is reviewing its options, and we are very much interested in the decisions that will be made by the Province of Saskatchewan. We are in ongoing communications with the provincial Governments on such matters and will continue to observe what is happening there. The offer of assistance has been made and is in fact there, should the province decide to solicit our assistance.

With regard to the Province of Alberta, the Hon. Member will know that there are other matters of litigation in respect of similar questions dealing with Alberta. My officials are looking at those pieces of legislation as well to see what is involved in that matter, and we are considering the implications of the judgment in the Mercure case in the Supreme Court of Canada.

APPLICATION OF SUPREME COURT DECISION TO ALBERTA

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the Minister will concede that these legal procedures are costly and that in terms of human resources they can be exhausting for minority groups.

Given that the federal Government can answer a question which begs to be answered, that is, does the judgment on Saskatchewan apply to Alberta, and therefore avoid a long delay through the court system by asking the Supreme Court to state clearly that Alberta is subject to the same judgment given on February 25, would it not be in the interest of all Canadians for the Government to take that initiative now and ask the Supreme Court to make a decision by reference?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, without getting into the legal niceties of the matter, with respect to matters which are essentially in provincial jurisdiction—and I think that is an important consideration the Hon. Member will appreciate in respect of references—our position respecting the official languages of Canada is quite clear in our federal domain. I think the Prime Minister and the Government have shown outstanding leadership in respect of this position across the country.

I reiterate the fact that we remain ready, willing, and able to render any assistance whatsoever in the furtherance of the equality of languages across the country which may in fact be solicited by the provinces. In terms of the Province of Alberta, the same offer goes to that province as goes to the Province of Saskatchewan.

* * *

[*Translation*]

FINANCE

FLOW-THROUGH SHARES—REQUEST THAT MINISTER NOT CHANGE SYSTEM

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance. The Minister knows perfectly well that the Government's proposed changes in the flow-through shares program may, directly or indirectly, threaten the existence of from 30,000 to 40,000 jobs. Will the Minister now respond positively to requests by municipal councils, business people and workers whose jobs are threatened, and say that the Government wil not reduce the benefits created under this program?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if this is not the clearest example of the Leader of the NDP talking out of both sides of his mouth, I do not know what is.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): On the one hand the NDP says: "Get rid of all these tax gimmicks"—

Mr. Broadbent: No, no.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the Hon. Member should read his own Party literature which says: "Get rid of all these tax gimmicks". His colleague sitting right next to him is the one who is leading the battle, and the one who is just between the two of them, and behind, is the third man. All three of them are saying: "Get rid of these tax gimmicks because they are things that help the rich and we have got to avoid all these tax gimmicks"—

Mr. Boudria: That's before they became rich.

Mr. Wilson (Etobicoke Centre): That is right. The Hon. Member for Glengarry—Prescott—Russell—

Mr. Broadbent: Agreeing with the Liberals.

Mr. Wilson (Etobicoke Centre): —is saying that before the NDP got ahead of the Liberals in the polls they were not in favour of all these things.

Mr. Broadbent: Mr. Speaker, I would be happy to send a speech going back to 1984 to the Minister and a letter that he received from our finance critic last year, which made it clear that the NDP is opposed to tax exemptions that do not have a net benefit to the community and that we favour those that do. If he does not understand that, we do.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Just because it requires a little subtlety in thinking, maybe the Tories could try it just for once—

Mr. Speaker: We seem to be getting into a bit of an argument here. I wonder if the Hon. Leader of the New Democratic Party could put his question.

Mr. Broadbent: Your Honour knows that there is no place for arguments in the House of Commons.

REQUEST FOR RETENTION OF BENEFITS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to ask the Minister if, instead of dealing with rhetoric, he would deal with the question. Since these benefits are among those which have had a net community benefit—and this has been recognized by business people—

Some Hon. Members: Oh, oh!

Mr. Broadbent: —municipalities, and workers—I want to ask the Minister if, instead of taking steps that will cut them in half and ultimately reduce them, he will now give assurance to those communities that those benefits which have produced jobs will be kept in place.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, give the NDP a little sniff of power and their principles go right out the window.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Broadbent: You are still in third place, Michael.

• (1440)

Mr. Wilson (Etobicoke Centre): The Leader of the New Democratic Party should understand that Canadians are not stupid about these things. Canadians understand consistency. Canadians understand when the NDP is going totally against gimmicks in the tax system.

I have something here in my hand which states: "Tax system is a poor means of assisting economic development in regions of high unemployment".

Mr. Epp (Provencher): Who said that?

Mr. Wilson (Etobicoke Centre): Who said that? That is from the NDP Tax Probe dated September, 1986.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): Let me, if I may, Mr. Speaker, address the issue, now that we know where the NDP stands on all of these different matters.

We have seen a major drop in equity financing of all sorts. Prior to October 19 of last year we had $7 billion of equity financing. Since that time that amount has dropped to about $450 million. So there has been a major change in stock markets which affect flow-through shares and all other forms of equity financing.

In December of 1987 we made some changes to the proposal that we put forward in June of 1987 on tax reform which improved the provisions for flow-through shares and put flow-through shares in the position in which they are the best one of the few tax motivated investments of the federal Government.

Mr. Broadbent: That has worked.

Mr. Wilson (Etobicoke Centre): The Hon. Member says that it has worked. I am just saying that we made some changes, if he will listen to the answer.

We made some changes in December of 1987 which improved the quality and the tax motivated status of flow-through shares. I think that is an important change.

In addition, I have said that I will meet with representatives of the industry—

Some Hon. Members: Order!

Mr. Speaker: The Hon. Member for Oshawa.

TERMS OF CANADA-UNITED STATES FREE TRADE AGREEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I hope the Minister will read the rest of the tax document produced by the NDP from which he quoted. He will find that it is quite consistent with what I have had to say.

I would like to ask the Minister if he will now deal with the question. He evaded it in replying to two of the questions that I asked. I would now like to ask him this.

Is the reason that he has not replied, and is the reason that this beneficial proposal will be phased out in the first year of the proposed trade agreement between Canada and the United States entirely related to the absence of such a program in the United States? Once again, is the American tax system as it relates to its regional development programs being given priority by the Conservative Government over real Canadian needs? Is that the issue?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that is absolute garbage—absolute garbage.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): We made the decision. We announced the decision on flow-through shares in June of 1987, before the trade agreement was entered into. After the

trade agreement was entered into we improved the provisions for flow-through shares. We improved the provisions for flow-through shares in December of 1987, after the trade agreement was entered into, compared to June of 1987. How the Hon. Member in his warped thinking could come to that conclusion I do not know.

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CONFLICT OF INTEREST ACT

COMPLIANCE WITH CHARTER OF RIGHTS

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, my question is for the Minister of Justice. I have given him notice of it.

Has the Minister sought an opinion from the law officers of the Crown to ascertain if those clauses of Bill C-114, the conflict of interest Bill, relating to spouses are in violation of the Charter of Rights? If not, is he prepared to refer the matter to the Supreme Court for a ruling?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate the notice that the Hon. Member gave me with respect to his question.

The fact is that the Hon. Member will know that as Minister of Justice I am mandated to review all legislation that comes before the House with respect to compliance with the Charter of Rights and Freedoms. We certainly understand that this particular provision is one of sensitivity. However, I think that we have addressed it in a way which protects the right of privacy of spouses. In cases where there is some relationship to the duties performed by a Member of Parliament, the performance of their duties which may be implicated by the interests of a spouse, then they have become legitimately matters of concern to the commission.

We have tried to deal with this matter in a sensitive way, understanding that spouses have the right to carry on independent lives and professions. I think that the approach we have taken in the legislation is an appropriate one which will meet the standards and tests of the Charter of Rights and Freedoms.

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FINANCIAL INSTITUTIONS

INTERNATIONAL BANKING CENTRES—MINISTER'S POSITION

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Finance. It concerns a resolution adopted by the City of Toronto on January 11 condemning him and two other Toronto Ministers for their failure to ensure that the international banking centre legislation was national in scope instead of being restricted to two locations.

Today, seven weeks after the City of Toronto reminded the Minister of his duty, will he tell the House what he proposes to do?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not quite sure that I follow the Hon. Member's question. The legislation was passed at the end of last year and it is law.

What I will point out, and I am sure she is very much aware of this, is that there have been a number of initiatives taken by the Government relating to financial institutions.

The international banking centres are one. The financial institution reform is another. Toronto has been a great beneficiary of that. Warburg's has come to Toronto. Deutsche Bank has bought an interest in a Toronto-based firm. Goldman Sachs is coming to Toronto. Three of the largest investment banking firms in Japan are joining the Toronto Stock Exchange. Security Pacific, a major bank in California, has invested in a major way into Burns Fry of Toronto. So Toronto has been a major beneficiary of the policies of the Government relating to financial institutions.

TORONTO CITY COUNCIL RESOLUTION

Miss Aideen Nicholson (Trinity): Mr. Speaker, apparently the Toronto Council is less enchanted than is the Minister. On February 17 the Council voted to launch a constitutional challenge to the Minister's legislation, an absolutely unheard of situation.

Further, the Minister is locked in battle with both the Province of Ontario and the Province of Quebec about financial institutions which is why the legislation has been delayed. I ask the Minister again if he intends to do anything to stop this process whereby he has been pitting region against region?

Some Hon. Members: Oh, oh!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that out of the mouths of the Liberal Party is quite outstanding. The Liberal Party was the Party that divided the country in a way that has never been seen before since Confederation.

The Hon. Member has to stand up to say where she stands and where her Party stands. Is she in favour of cancelling this? Is she going out to Vancouver and telling the people of Vancouver? Is she going to Montreal and telling the people of Montreal? Or is she wearing a downtown Toronto hat?

Miss Nicholson: National in scope is what I said.

Mr. Wilson (Etobicoke Centre): I know that she is very much in the pockets of the people of Bay Street—

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Kamloops—Shuswap.

Oral Questions

PETRO-CANADA

PRIVATIZATION—GOVERNMENT POSITION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Right Hon. Prime Minister who will know from his recent trip to the West just how popular Petro-Canada is in Canada these days, especially in western Canada. Last week the Minister of Energy, when he was asked about the privatization of Petro-Canada, said that it is not a question of should we, it is really a question of timing. Yet the Deputy Prime Minister indicated in the House last week that in fact that is not the case.

Will the Prime Minister take the time to explain and clarify just what the Government's position is in terms of the privatization of Petro-Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend is quite right. When I was in western Canada again recently I was able to see both the popularity of Petro-Canada and the popularity of the federal Government.

Some Hon. Members: Hear, hear!

• (1450)

Mr. Broadbent: Half of that is believable.

Mr. Mulroney: Everywhere I went, people said: "There is the shareholder of Petro-Canada".

I think this indeed provides me with an opportunity, on behalf of all Members of the House, to congratulate the Canadian athletes and all associated with the Olympics in Calgary.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Why are the NDP not applauding?

With regard to Petro-Canada, it has been made clear that no decisions have been taken in respect of this matter. When a decision is made, it will be announced in an appropriate manner. I suspect that my hon. friend will be one of the first to know.

REQUEST THAT GOVERNMENT GIVE NON-PRIVATIZATION ASSURANCE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, there is obviously some confusion surrounding this issue with the contradiction presented by the two senior Ministers. The Prime Minister knows how Canadians feel about this issue since an election campaign not many years ago in which Canadians made a very clear statement as to their feelings.

Would the Prime Minister be prepared to rise in his place to say that the Government of Canada is not prepared to privatize Petro-Canada? In other words, would he say that the Government is not prepared "to sell the flame"?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will not comment on that last point, but I should in fairness ask my hon. friend to look at *Hansard* of February 24, 1988, where the Minister of Energy said:

> That is why, although the Cabinet has yet to make a decision at this time, the question of Petro-Canada is still being examined, both in my Department and in other government agencies.

He went on to say:

> —I would like to point out that the present Government will make a decision about privatizing Petro-Canada when it believes it is in the interests of Canada and Canadians to do so.

Surely my hon. friend will not quarrel with the logic of that premise.

* * *

INCOME TAX ACT

NEW DEMOCRATIC PARTY FUND RAISING CAMPAIGN—OFFER OF FREE VACATION—REQUEST FOR INVESTIGATION

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of National Revenue. The NDP is offering its contributors an opportunity to win a free trip to Australia and New Zealand.

Mr. Broadbent: Want to buy a ticket?

Mr. Redway: I would ask the Minister to launch an immediate investigation to ensure that the NDP is not ripping off Canadians by using tax deductible political contributions to fund this NDP vacation lottery.

Mr. Broadbent: Get CSIS to do it.

Mr. Mazankowski: Better have a commission of inquiry.

Some Hon. Members: Oh, oh!

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I thank the Hon. Member for his question. This initiative sounded so attractive to me that I briefly considered sending some money myself. However, I thought it might be misinterpreted under the circumstances.

Seriously, the Income Tax Act does not require any restrictions on how political Parties deal with their funds in terms of contributions. The Chief Electoral Officer has some jurisdiction when it comes to how funds are disbursed, but where a political Party would run into difficulty would be if it simply received and redirected funds for the benefit of a specific person. I take the question seriously—

Some Hon. Members: Oh, oh!

Mr. MacKay: Perhaps I should say to my friend, the Leader of the New Democratic Party, for the benefit of a named individual. It is a serious question and I will take it as representation.

SIKH ORGANIZATIONS

MINISTER'S LETTER TO PREMIERS

Mr. Sergio Marchi (York West): Mr. Speaker, in the absence of the Secretary of State for External Affairs my question is for the Prime Minister and it concerns the letter of the Secretary of State to some Premiers advocating the boycotting of three Canadian Sikh organizations.

Given that the Government is arguing that Canadian citizens belonging to these three Canadian groups be ignored by our political institutions and given that this action has seriously tarnished the community's reputation, I ask the Prime Minister how the Government can blanket the entire Sikh community with collective guilt? Will the Prime Minister now justify under what authority and for what reasons the Government is promoting the denial to certain Canadians of the enjoyment of the full right of citizenship in this country?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I should point out that the letter sent by the Secretary of State for External Affairs made it very clear that most Sikhs, by far, are good Canadian citizens and do not engage in this kind of activity, but he felt it necessary, in his role as Secretary of State for External Affairs, to bring to the Premiers' attention activities by three groups which he felt were not in the national interest. That was his role and that is how he executed it.

REQUEST THAT MINISTER'S LETTER BE TABLED

Mr. Sergio Marchi (York West): Mr. Speaker, the Minister surely knows the burden of stigma that this community will have to carry and must overcome as a result of this questionable government action. She now has the opportunity and indeed the obligation to clarify and set the record straight.

If it is not the Prime Minister who will answer, I ask the Minister again, will she explain on behalf of her colleague, the Secretary of State for External Affairs, the precise rationale for the Government's position which was communicated only to some Premiers? Will she table the letter and all relevant information so that this House, which has been kept in the dark to date, may come to understand fully both the domestic and the foreign reasons underlying the Government's action?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, this Government does not agree with the promotion of violence within this country. The Secretary of State made that clear in the letter he sent the Premiers. I would be glad to table the letters to the Premiers at the first opportunity.

SPORTS

BEST EVER PROGRAM—FUNDING OF OLYMPIC SPORTS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is directed to the Minister of National Health and Welfare in the absence of the Minister of State for Fitness and Amateur Sport. As Canadians celebrate in the afterglow of the Calgary Olympics, they are asking themselves how we are preparing for 1992 and beyond. Will the Government continue to fund the existing Winter Olympic sports at the same or greater levels as the Best Ever Program so that our Canadian team can build on the momentum of our growth at the 1988 Calgary Olympics?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I think everyone in the House would want to commend not only the City of Calgary and the many volunteers who contributed to the XV Winter Olympic Games, but I think people would especially like to congratulate the Minister of State for Fitness and Amateur Sport for the role he has played.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): I am sure the—does the Hon. Member disagree with that?

Mr. Marchi: A gold medal for the number of press conferences.

Mr. Epp (Provencher): He should have received a gold medal, and I am sure the House would like to present him with one at the appropriate time.

The Hon. Member will know that the Minister has indicated that he will be making a statement in respect to the Best Ever Program for the 1992 Winter Games. I cannot add any more to that. The Minister will make the statement at the appropriate time.

REQUEST FOR ADDITIONAL MONEY FOR ATHLETES

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, given that 40 per cent of the members of the current Canadian team list their occupations as full-time athletes, will the Minister speak to his colleague to ensure that Canadian athletes receive much more than the $650 per month athletes like Karen Percy, Elizabeth Manley and Gaetan Boucher currently receive for their cost of living? I think it is a shame that Canadians are only paid that much to compete for our country.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I think the Hon. Member should be reminded of the words the Minister of State for Fitness and Amateur Sport has used. The Government has contributed and will continue to contribute, but it is not a system whereby the Government fully pays the athletes. Their families have made sacrifices as well, and I think that will continue. For the Hon. Member, one

day after the closing of the Olympics, to try to put a value on that kind of contribution does not serve him or his Party well. The Minister will make a statement at the right time.

[*Translation*]

Mr. Speaker: I will recognize the Hon. Member for Outremont, for one question, please.

* * *

CRIMINAL CODE

FAMILY VIOLENCE—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): My question is directed to the Minister of Justice.

Recently, we had several instances of family violence that could have been prevented. Three women were killed by their husbands during the past six months. In Montreal, on the weekend, a woman was stabbed and beaten by her husband.

These women had asked the authorities several times for protection against their husbands or ex-husbands but failed to obtain that protection.

Could the Minister inform the House whether he is prepared to make changes or amend the present legislation to make threats by husbands or ex-husbands a criminal offence of the same magnitude as threats by others? It seems that under our present legislation, everyone is protected except women who are killed by their husbands.

What does the Minister intend to do in the way of immediate action? Is he prepared to call a conference of provincial Justice Ministers or set up a program like Ontario's Spouses' Assault Program?

What is the Minister going to do in the way of immediate action?

• (1500)

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate the question by the Hon. Member because it is a serious question about a serious social issue. This Government, through my colleague, the Minister of National Health and Welfare, and my Department, is working actively on the whole question of family violence as it relates to federal responsibility and jurisdiction. As the Hon. Member pointed out, there is a very significant provincial jurisdiction in this matter and we are attempting to co-ordinate our actions with provincial jurisdictions.

This is a complex issue which is not capable of simplistic resolution. I take the suggestion concerning Criminal Code amendments as a representation and we will give serious consideration to the Hon. Member's proposals.

Mr. Speaker: I regret that the time for Question Period has expired. Did the Hon. Minister of Finance want to rise?

* * *

POINT OF ORDER

CLARIFICATION OF REMARK

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, during the course of Question Period I responded in a somewhat offhand way to my colleague from Trinity. If she took exception to any allusions which might have been expressed in that offhand comment I would point out I simply wished to poke a little fun her way. I am sure she will understand that I did not mean anything in any way derogatory.

Some Hon. Members: Hear, hear!

Mr. Speaker: I should advise the House that under the circumstances I might ask the Hon. Member for Trinity (Miss Nicholson) if she feels that was sufficient.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I of course accept the Minister's withdrawal.

* * *

Mr. Lewis: Mr. Speaker, this morning during Routine Proceedings the suggestion was made that we would ask for unanimous consent to revert to tabling of committee reports to allow the Hon. Member for Sarnia—Lambton (Mr. James), who was unfortunately delayed, to present a legislative committee report. I ask for such unanimous consent at this time.

Mr. Speaker: Is the House in agreement?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

NON-SMOKERS' HEALTH ACT

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE ON BILL C-204

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, as chairman of the legislative committee on Bill C-204, an Act to regulate smoking in the federal workplace and on common carriers and to amend the Hazardous Products Act in relation to cigarette advertising, I have the honour to present Bill C-204 to the House with amendments.

I want to take a brief moment to thank all of those who assisted in the study of this Bill. The Bill establishes a

precedent in our long history of parliamentary traditions. Under House reform, Private Members' Bills, as indicated by this Bill, now have a very healthy chance at passage. This is a welcome situation and I applaud the Government for its interest and efforts to assist Private Members.

Portions of the committee's hearings were a little contentious and emotional but I thank all Members for their co-operation and diligence in the study of this Bill. Over 100 witnesses were heard and over 100 written briefs presented. I want to thank the Library of Parliament research staff for their able assistance throughout our deliberations. Additionally, the assistance of the office of the Law Clerk and the Public Bills office was greatly appreciated.

All committee members and support staff have put in exhaustive and demanding hours on the study of this Bill. I am proud to present it to you and the House today as the fruits of our labour.

[*Editor's Note: See today's Votes and Proceedings.*]

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POINT OF ORDER

STATEMENTS PURSUANT TO S. O. 21—TIME LIMITATION

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, my point of order relates to the period set aside in our daily agenda for statements and, in particular, to what happened this afternoon.

Members will recall that under Standing Order 21 they may be recognized under the provisions of Standing Order 19(4) to make a statement for not more than one minute. We have set aside 15 minutes in our daily proceedings for that exercise. There is a growing trend, which is perhaps exemplified by behaviour in today's statement period, of exceeding that time. I bring to your attention the fact that eight opposition Members made statements to the House and seven of them exceeded the one minute length. In fact, two of them exceeded one minute and 20 seconds, which is really quite long. On the government side, however, only one Member exceeded the time limit and some were down to as low as 41 seconds.

I think that the pattern of recognizing government Members and opposition Members alternately is probably a good one given our traditions. However, I suggest that either we have to initiate some self-discipline to keep it under one minute or, if opposition Members are going to consistently exceed the time limit, then fewer of their Members should be recognized. If government Members stay disciplined we should not be penalized by being denied the opportunity to make our statements simply because opposition Members exceed the time limits and eat into the time ordinarily available for government Members.

Alternatively, we might want to begin to recognize Members according to the number of Members in the House of Commons from each Party. That would result in three-quarters of the time going to the government side and one-quarter to the Opposition.

I hope you will take this under due consideration. Perhaps Members opposite would like to reflect upon it. However, I think the situation is such that Members on this side would have to fight to maintain the rule of 60 seconds. It is an important issue with respect to government Members having access to that statement period.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to respond to the Parliamentary Secretary for nit-picking. We do not have one minute timers built into our bodies. When we make our statements we share with the Chair the expectation that someone at the Clerks' Table will tell us when our time is up. That has been the practice over the last three and a half years. What the Hon. Parliamentary Secretary has said is to me a vote of non-confidence in the ability of the Chair or the Table to maintain the time constraints.

I can understand why the Hon. Parliamentary Secretary had his time-clock today. I saw him keeping time and doing the work of one of our clerks.

Mr. Guilbault (Saint-Jacques): He has to keep busy somehow.

Mr. Gauthier: Yes, but I really do not see why he would be nit-picking to the extreme of complaining about this to the Speaker of the House who has responsibility for everything concerning those statements. I think it is wrong for him to raise it at this time. If he has nothing else to do, I recommend that he get up and make a statement some time as to what he feels is important in his constituency. Maybe we can listen to him and if he has a good point we will give him an extra five seconds.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I, too, want to rise for a moment to react to this rather trivial point raised by the Parliamentary Secretary.

Mr. Winegard: It is not trivial.

• (1510)

Mr. Riis: We do have a procedure to deal with these, if you like, nit-picking issues. House Leaders meet regularly and the board meets regularly. There are ongoing discussions. I do not consider this a normal point of order but, rather, a challenge to the Chair.

The Parliamentary Secretary is saying that the Speaker has been unable to determine the appropriate length of statements and that the Speaker ought not to have the right, on occasion, not to see the clock. It has been a long-standing practice of this House that on occasion, whether in a speech or some other intervention by an Hon. Member, the Speaker decides whether

or not a Member is permitted to take somewhat longer than the traditional time. However, to be arguing here whether a statement should be 53 seconds or 65 seconds is insanity. If that is the kind of priority which the Parliamentary Secretary brings to his office, perhaps he should reconsider his position.

Hon. Herb Gray (Windsor West): Mr. Speaker, if you are going to give consideration to the point raised by the Parliamentary Secretary with regard to the length of time taken for statements under the relevant Standing Order, I would also respectfully invite you to consider the length of time taken by Ministers in answering questions during Question Period. I recognize that there is no specific length of time provided for in the rules with regard to answers, nor is there, I admit, with regard to questions. However, it seems to many of us that Ministers answering questions are taking more and more time than has been the case in the past and are, therefore, leaving less and less time for questions

Another matter which I would like you to take into account is the length of time being taken by government Members in applauding the answers given by Ministers. I will leave it to the judgment of others whether the answers really deserve the lengthy applause they often get, but the time taken for this applause also takes away from the time for asking questions.

There is a limitation in the rules on the length of time of Question Period. I realize that you try to look upon what the rules say in that regard in a constructive way, Mr. Speaker, and we all appreciate that. If you feel it is necessary to deal with the point raised by the Parliamentary Secretary, then I respectfully say that the points I raised are much more important.

Mr. Hawkes: Mr. Speaker, I have enjoyed this exchange. As usual, there was wisdom from the Member for Windsor West (Mr. Gray) in his capacity as House Leader. I think that through this brief exchange we have identified that there are concerns about the use of that 60-minute period. The Government has historically raised questions with regard to the length of preambles, as another example. The purpose of the 60 minutes is to allow a maximum amount of input including questions, answers, and statements made on behalf of constituents.

I believe I detected a consensus of willingness of all three Parties of the House to support you, Mr. Speaker, in an attempt to bring a little brevity into all aspects of the 60 minutes in order that more Members may make statements, ask questions, and receive answers. Certainly the Government would be pleased to join such a consensus.

Mr. Speaker: I, of course, want to thank all Hon. Members for their interventions. The rule does, of course, call for 60 seconds. If one looks back over an extended period of time one will see that while there have certainly been occasions when the Chair has allowed an Hon. Member to extend that time, especially if, at least in the opinion of the Chair, the issue was of some considerably importance, at other times, of course, the Chair has been more exacting.

However, with regard to the intervention of the Hon. Parliamentary Secretary, I would hope that all Hon. Members on both sides would do as much as they can to constrain themselves to a minute or less in the interests of their colleagues who, of course, will be prevented from making their statements if a number of Hon. Members exceed the time allotted to them.

However, I take some comfort from the comments of the Hon. Member for Windsor West (Mr. Gray), the Hon. Member for Ottawa—Vanier (Mr. Gauthier), and the Hon. Member for Kamloops—Shuswap (Mr. Riis). Their position that there has to be some flexibility shown from time to time by the Speaker with regard to the absolute strict application of the rules is, I am sure, shared by the Hon. Parliamentary Secretary.

With regard to the comments of the Hon. Member for Windsor West on the length of time that some Ministers take to answer and the fact that time is used up sometimes by applause and sometimes by something less admirable on the government side which does take time and which sometimes involves the intervention of the Speaker, that all uses up time. I know that any Members to which I refer are very much the exception on the opposition side, but sometimes preambles go on rather longer than is perhaps absolutely necessary to make the point.

I welcome the comments which have been made from both sides of the House. I am sure we will all strive mightily to ensure that we conduct ourselves in here in such a way that we are being as fair as is reasonable to all other Hon. Members. I thank Hon. Members for their interventions.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1988-89

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-109, an Act to provide for borrowing authority, be read the second time and referred to a legislative committee.

Mr. Speaker: When the House rose at 1 p.m. there were five minutes remaining in the question and comment period following the speech of the Hon. Member for Humboldt—Lake Centre (Mr. Althouse). The Hon. Member is not here. Resuming debate.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, it is a pleasure to be able to speak on Bill C-109, a Bill through which the Government is seeking to borrow $25.3 billion. In light of the Government's history of managing the

economy of the country, it is quite nerve-racking to think of this amount of borrowing authority in the hands of the Government.

First, the Government brought this Bill forward before the Estimates were tabled which, as far as I was concerned, was a deliberate affront to the Members of this House. I do not think that that is any indication that the Government has any idea of what it wants to do.

Let us look at some of the things which the Government is trying to do. The Minister of Finance (Mr. Wilson) said in 1984 that he did not believe that taxes should be raised any more, that taxes were high enough in Canada. That was his position at that time. Since the federal election in September 1984 the Government has increased excise taxes on gasoline by five cents a litre. Transposed into gallonage, that increase is 23 cents a gallon.

In December 1979 the then Progressive Conservative Government, in presenting its Budget, stated that it was going to increase the excise tax on gasoline by 18 cents a gallon. The Government has already exceeded the figure by which that former Conservative Government was going to increase the excise tax on gasoline and that Government was defeated largely on the basis of that proposed taxation.

If you add to that 23 cents a gallon the increase which the Government has put on sales tax, which also includes a tax on gasoline, we see that since September 4, 1984, the tax on gasoline has been increased by 27 cents a gallon. That is a tax that is going to hit average Canadians the hardest because they are the ones who depend very heavily on their automobiles. It seems that when the Government decides to increase taxes, it looks to the ordinary Canadian.

• (1520)

Another example of this is the recent statement by the Government that it is going to put a 10 per cent tax on long distance telephone calls. Who are the ones making the long distance calls? Of course, corporations call long distance quite a bit, but who uses long distance calls the most? I think one could say with a certain amount of justification that the persons who telephone long distance the most are persons living in smaller communities.

In large centres such as Toronto, Montreal and Vancouver a certain amount of growth is taking place in the economy and young sons and daughters are able to stay in the area in which they were brought up. There is not the separation of families and there is a closer proximity of friends and relatives. However, in areas such as my area of Cape Breton Island, where the economy has been bad and young people have had to move away to other parts of the country, and where the actual size of the population is small compared to other regions of this country, the need for long distance telephone calls is greater. By adding a 10 per cent tax, we are going to make it much more difficult for these people to keep in touch with friends and relatives. We see that the tax the Government is imposing once again goes to hurt the middle-income earners of Canada.

Let us look at what the Government has brought down in its Budget. Other than an increase in sales tax and excise tax and a few other things, it really was not a Budget. It was a self-congratulatory document which the Minister of Finance used to pat himself on the back and to congratulate the Government for absolutely no reason whatsoever. It was to show how the Government was doing so well for the economy.

Let us compare what the Government has done in relation to what it said it was going to do. Not only has it hurt the average Canadian with its tax increases but, generally speaking, it has raised taxes since it has been in power by $22 billion. It boasts that it was able to reduce the deficit. But the deficit reduction was very small when one takes into consideration the added taxation the Government has imposed upon the Canadian public.

What the Government has done, more than anything else, is widen the disparity between regions that are economically self-sufficient, with growing economies, and those which are already suffering from regional disparity. These regions are concerned about their economic future and the division is growing. This is unfortunate because I think we can say that generally the last few years have been good for the Canadian economy as a whole. But when we see this disparity growing in times of increased economic performance, we have to ask ourselves what is going to happen when the situation reverses? Certainly, if the situation reverses, the more economically prosperous areas are going to go backwards. But one also has to assume that the regions which are having some economic difficulty will also go backwards. In many cases, however, there is no room to go backwards. They are doing poorly now and if they go back any farther it would create a very chaotic and desperate situation.

At a time when the economy is doing well over-all, the Government has to look at the areas of this country which are suffering from very severe economic difficulties. What is the Government doing? It is doing very little. It is actually reducing its spending on regional development. It is presenting a smoke and mirrors package, saying "Look. We have created the Atlantic Canada Opportunities Agency. We created a similar agency in western Canada and one on northern Ontario, and these agencies will be the answer". What the Government is really saying is that these areas will be the recipients of certain amounts of money, money which has been taken from other programs such as the IRDP, which expires at the end of June. The money will simply be funnelled into these particular regional programs.

The Government says that these programs will be used for those particular areas, but they are not really going to do the job. It is a political move to hopefully appease these regions of the country. The Government is going to set up a new department, a department of industry, science and technology. This is where the real money is going. It will go to the areas which are already experiencing good economic conditions. We are

going to foster the growing economies of these particular regions but we are going to stay away from the areas where the Government feels it is just going to be too difficult to develop their economies. That is a way of thinking that is completely contrary to regional development. It is completely contrary to the experience in this country over the last few years, and the belief that all areas are entitled to economic prosperity. It is certainly contrary to what the Government told us it was going to do during the last federal election campaign.

Not only is the Government not putting money into regional development funds, *per se*, it is whittling away at the funds of other Departments, funds which would be helpful to regions which have these economic difficulties. small craft harbours, to use one example, which would help the wharfes and infrastructure that fishermen need, the funds are practically non-existent.

The Minister of Fisheries and Oceans (Mr. Siddon) recently stated he was going to give out four new off-shore lobster licences. One company was going to get two licences and two other major companies were going to get a licence each. These licences were absolutely unnecessary and contrary to most of the advice the Minister received from people in the fishing industry. It was completely opposed by fishermen from all over Nova Scotia. In fact, the Maritime Fishermen's Union is not only asking for the resignation of the Minister of Fisheries and Oceans, but demanding his resignation, and demanding it over and over again, despite the fact that the Minister has gone to Nova Scotia to try to explain his position. The Government has been trying to soothe the fishermen but they know different. They know it is a blatant political giveaway.

Giving out these licences will eventually harm the inshore lobster fishermen. This is tragic because they are undergoing a time of reasonably good economic conditions. Because of the Government's action in trying to make political cake of the fishing industry, the returns for lobster fishermen will decline, and it is not only happening to the inshore lobster fishermen, it is happening to the inshore fishery as a whole. Quotas are not growing because the stocks are declining. The stocks are declining because of the large vessels offshore.

The people who are being hurt are the inshore fishermen, the numerous inshore fishermen who depend on fisheries for their livelihood. More of the fish are being caught by fewer people and the major companies will continue to harvest the large percentage of fish in Atlantic Canada. What has been in recent years a fairly successful fishing industry is being smothered because of the policies of the Government. Its future is in fact in doubt. I hope the Government will take this into consideration and do something about it.

• (1530)

In my region in industrial Cape Breton the Government has been very unsuccessful. We had a good tax credit program, which meant that some industries decided to locate in industrial Cape Breton. Unfortunately, we have lost more jobs than we have been able to attract. Two heavy water plants have closed. There has been a reduction in jobs at the Sydney Steel Corporation and at the Cape Breton Development Corporation. Many industries have had to lay off workers or close completely. Most of the jobs that we have received have mostly been in the fast food companies and in major retail outlets. They are not permanent jobs, but merely part-time jobs without benefits.

When the Government took office it stated that unemployment would drop in Atlantic Canada, but it has not. The latest figures from Statistics Canada show that the unemployment rate nationally is 8.1 per cent, provincially in Nova Scotia it is 12.1, and in industrial Cape Breton it is 21.1. That rate was provided by Statistics Canada. With the new procedure of Employment and Immigration, the unemployed no longer go to a counsellor to get advice. They have to go to the job board to see if a job has been posted. If it has, they go to the prospective employer. The counsellors at CEIC no longer meet the unemployed. The only way to know who the unemployed are is through those who receive unemployment insurance cheques or by polling. Certainly, those who are receiving unemployment insurance cheques are not the only ones who are unemployed.

In the areas that have regional economic difficulties, more and more persons have their unemployment insurance expire because they have been unemployed for so long. They are no longer on the records. Many of those people are not bothering to go into the unemployment insurance office because there are no jobs available. What are we doing? We are creating a hopelessness with those people. At a time when we keep saying that we are trying to do so much for Canadians, the Government is actually reducing the hope of so many Canadians.

Not only do they not have jobs, but they are being hurt in other areas. We are cutting back their prospects of getting employment. At the same time programs like RHOP, the Registered Home Ownership Program, have been cut back. Subsidized housing has been reduced. The RRAP program has been cut back. That was a program that was particularly important to older areas in this country where there is high unemployment and economic difficulties. With the assistance given to someone who is unemployed or perhaps an older Canadian who did not have the income available to put into his or her home, they were able to fix up their home and thereby stay in it, which is really what they wanted to do. Without that funding the homes will not be maintained. What will the Government do then? These people will either be without accommodation, or the Government will have to provide government funded housing. That is not happening either. In the future there will be another problem with housing in this country.

The Government has cut back on transportation. The CN Railways are closing rail lines in areas of this country. Quite likely those areas are the areas that are having economic difficulties. There again, the loss of transportation, the loss of rail lines, will make it less likely that those areas will be able to attract industry.

The Government is not giving the assistance that it would like us to think it is giving. For example, in the Estimates the Government has reduced spending on the Cape Breton Development Corporation. The capital spending has been reduced in the Estimates by $70 million. That results in the reduction of capital expenditures in the Cape Breton Development Corporation. The Government is saying to people in Cape Breton that it is not going to spend on new capital projects. It is going to maintain, and that is as far as it is going.

As I mentioned, last week when the Minister of Regional Industrial Expansion (Mr. de Cotret) was present, it was unfortunate that the coke ovens at the Sydney Steel plant closed in the first days of the strike, which is still continuing and is of great concern to the people of the area. The workers at the coke ovens were then without work, which was months before they had anticipated that the coke ovens would close. They were also without proper pension benefits. Initially those workers worked with the S and L Railway and had worked with the international piers at Devco. When Devco took over the coke ovens, they came to work at the coke ovens. When the coke ovens went back to Sydney Steel Corporation they were not given pension credits for the period of time that they worked with Devco. Therefore, men who have actually worked at the coke ovens for 30 or 40 years are now only receiving pension credit for 15 years.

When those things are added together, not only do they create a devastating lack of concern for the people of an area, but indicate that the Government is not thinking of regional development, as it would like to have us think it is.

Mr. Riis: I appreciate the comments of my hon. colleague. He is obviously concerned about the problems in the regions of Canada and the lack of what appears to be serious initiative by the Government to offset some of the problems experienced by some of the regional economies. There is a way in which that can be done. When one thinks of the regions of Canada and of the mining industry, it is apparent that the mining industry is present in the East Coast through to the West Coast. It is present throughout the entire north of Ontario and in the northern part of Quebec. Literally everywhere outside urban areas mining exploration is taking place and mines are being developed.

Critical to that industry is the whole matter of flow-through shares. This program was introduced some years ago. It enabled equity capital to be obtained to allow companies to explore the upstream exploration that is required to develop a new mine.

My hon. colleague will also know that, almost without exception, the companies that do the exploration are Canadian-owned companies. They are small and medium-sized, aggressive, entrepreneurial, and 100 per cent Canadian-owned. They are the type of companies that we want to encourage and to which we want to show that we appreciate what they do in terms of regional economic expansion.

I wonder if my hon. friend shares some of those views and what he thinks about the most recent initiative of the Minister of Finance (Mr. Wilson) that has essentially gutted that flow-through share program. Does the Hon. Member believe, if the Government is going to reduce the effectiveness of that program, whether it should or should not introduce other programs to encourage and nurture the exploration industry?

Mr. MacLellan: I would like to thank the Hon. Member for Kamloops—Shuswap (Mr. Riis) for raising that point. It is a very good point indeed. I would like to add to what he has said. The mining industry is probably one of our greatest sources of combating regional disparity. In this country we have many one-industry towns. If our mining industry was to falter, the source of employment for a whole town could disappear. The flow-through shares have been a great source of funding and financial support for those companies.

The Government has stated that the mining companies are making money. The mining companies are doing well. The mining companies are surviving, that is what they are doing. They are not making tremendous amounts of money. They are keeping communities active and they are providing a tremendous number of jobs.

Contrary to many sectors of Canadian business, they are putting a great deal of money into research and development. That is the reason that Canadian mining companies are able to compete. With the salaries that Canadians miners are paid compared to the salaries that are paid in some other countries, the Canadian mining companies are at a very serious disadvantage.

The flow-through shares are not only a luxury, but I agree with my hon. friend from Kamloops-Shuswap, they are an absolute necessity for the health of the mining industry in this country.

• (1540)

Mr. Hawkes: Madam Speaker, it is interesting to see the turn that conversations take toward regional disparity. It is also interesting to note how seldom either opposition Party, and certainly this speaker, stands in the House to say to Canadians that in nine out of ten Canadian provinces the unemployment is lower today than it was in September, 1984 when the new Government took over with a new sense of direction.

It seems to me that the two Parties combined, going back to 1972, decided to plunge the country into debt. Their answer to regional disparity was to give everyone in the country a huge debt load.

I am standing here today saying that it might be possible to spend wisely $2 billion or $3 billion on some good purpose. However, we are here discussing a borrowing Bill. We are borrowing money. We are putting debt on the backs of the people in this building and elsewhere in the country. That is what we are doing here today.

Why are we doing it? It is because historically, going back to 1972, 1973, and 1974, we moved from surplus to deficit by raising expenditures and not raising revenue.

The Budget before us gives the detailed knowledge of our borrowing requirements. We would have a surplus; we are bringing in more money on the revenue side than we are spending in programs, but we have to pay the interest on the public debt. A lot more money goes into interest on the public debt than is available for regional sharing or regional development.

I wonder whether the Hon. Member opposite who just spoke would acknowledge that the employment situation is better in his region than it was on the day his Party lost office and the new Party came into power. If that is true, then what is it that we have been doing that is working right? Perhaps he could just mention that.

Let me come specifically to his responsibility as energy critic. He was part of a Government—and I watched him—which devastated my region, causing suicides, murders, crimes, child beatings—the whole bit—because of the National Energy Program. It threw people out of work. We moved from 4 per cent unemployment to over 12 per cent. He supported that policy. At the same time employment creation funds or regional disparity funds were not given to Alberta, not to the unemployed people in Alberta. They were taken down to his province, to Allan MacEachen's riding, some $586 per unemployed person, whereas it was some $12 per unemployed person in my riding. That view of regional disparity is real and tangible. If one happened to be an unemployed person in Calgary or elsewhere in Alberta, one did not feel very good about it, especially when the Government did that which caused massive unemployment.

I wonder, talking about regional disparity, what would be his solution to the reality that a Crown corporation called Petro-Canada has a large land position. It is possible to develop a resource faster than it is being developed. What would he do? Would he borrow more money to give to the Crown corporation, or does he advocate allowing Canadians as individuals to participate in the provision of money to develop the resource, the jobs, and the economy? Which side of the picket fence does he come down on? Does he want us to borrow more? Does he want us not to do the activity, or is he prepared to acknowledge that it might be a good idea to go with the private sector and allow individual Canadians to participate in the development of their own resource?

Mr. MacLellan: Madam Speaker, the Hon. Member for Calgary West (Mr. Hawkes) has an awful nerve to raise the relationship of my constituency now as opposed to what it was when the Government took over. When the Government took over, the unemployment rate in Cape Breton—The Sydneys was 16 per cent. Today it is 21.1 per cent.

The Government has stated that it wants to help economically deprived areas. Let me tell the House what the Government did after the September 24, 1984 federal election. There was a decentralized office for income security already being built and planned for Sydney. People were being trained. The Government stopped the project and cancelled training. Some of the people had already left other jobs. Of course many of them did not have jobs with that kind of unemployment rate. It cancelled the training.

That income security office was one of four decentralization projects. The other three were in Chatham, Peterborough, and Timmins. The other three went ahead because they elected Tory MPs. The one in Cape Breton—The Sydneys did not.

Do you know, Madam Speaker, what those people who did not have jobs had to do? The only alternative was for some of them to go to Timmins, Peterborough or Chatham to work in the income security offices which went ahead. That was one project.

There was a second project where a new federal building was being built. The architect had already drawn the plans. The land had been bought. The tenders had been called and were all in, ready to be opened. The Government cancelled the whole project. They lost $2.1 million on wasted moneys in the income security office and over $3 million in the cancelled federal building.

The third project was fixing up the main street and harbour development in Sydney. The cost of it was supposed to be shared between the federal and provincial Governments. This Government bailed out at the last minute. There was also a plan for a new wash-house at the Prince mine which the Government cancelled. The Government told the people of Cape Breton that if it closed the heavy water plants, it would ensure that alternative employment was in place. The Minister for International Trade (Miss Carney) said that, and within a few months the heavy water plants were closed without any regard for alternative employment, and the Government has the unmitigated nerve to talk about sympathy and concern for regions with economic difficulties. It does not know what is concern or sympathy.

Mr. Ernie Epp (Thunder Bay—Nipigon): Madam Speaker, I appreciate the opportunity to join in the debate on Bill C-109 to extend borrowing authority to the Government.

Last week I had the opportunity to speak in the budget debate, and I should like to build on the observations I made on Tuesday last in exploring the authority which the Government seeks today and in considering what would be better principles of financing the Government of Canada and providing for the prosperity of Canadians in the Budget.

I put it in that context because I looked at the comments offered by the Parliamentary Secretary to the Minister of Finance (Mr. Vincent) on February 12 when he brought in the Bill for second reading. He said something about the borrowing authority passed last year for the current year as part of his explanation of the authority the Government is seeking this year. As I looked at the figures, I found myself really quite struck by evidence of how the Government failed and how the plans of the Minister of Finance (Mr. Wilson) for deficit reduction, for sound budgeting as he sees it, have really stalled.

A year ago the Government proposed in the way of borrowing authority some $25.8 billion, which happened to be half a billion dollars more than in the current year. However, when one goes into the particulars, one discovers that the basic authority allows for some authority just in case it is necessary to increase our reserves for foreign exchange purposes, if there is a run on the Canadian dollar, I suppose, and it is necessary to defend against that. Laying aside a couple of unusual items last year and this particular one this year, what we find is that the basic authority the Government sought last year was for $21.3 billion. The basic authority being sought this year is for $22.3 billion, $1 billion more than last year. In a world in which a certain amount of inflation prevails and numbers each year tend to be bigger than the previous year, $1 billion is not all that exceptional. It may be roughly in line with the rate of inflation, as a matter of fact.

• (1550)

Let us consider the determination that the Government has had to reduce the deficit in successive years. The Minister of Finance (Mr. Wilson) did a great amount of bragging about his success in reducing non-statutory expenditures. He hopes to do still more in 1989-90. When one looks at the end results of all this activity, what do we find? We find that the deficit remains very close to $30 billion year by year. As a result the Government is looking at having increased the national deficit over three and a half years by $100 billion or more. That is an odd kind of success for the Minister of Finance and his colleagues to face up to. It will be difficult to defend this on their own assumptions.

What I am talking about here is the situation as it looks for them on the assumptions that they have that the national debt is the most dreadful thing in the world and that the most significant figure in the Budget is the amount that it is in deficit. The Government seems to say that no matter what the cost, it must continue on this trend, barring of course doing dreadful things in the last months before an election and encouraging voters to turf the Conservatives out, adding to the cup of iniquity that the Government has already filled up. Aside from that I suppose even Ministers of Finance stop short of those things, as the Budget Speech in its own way reflected at certain points. The fact remains that the Government has failed on its own assumptions.

I am saying this this afternoon in order to open up the possibility of considering a very different approach. If we want to get the Budget into balance and if we want to stop the national debt from growing the way it has been growing, then we will clearly not succeed by means of restraint in expenditure and massive increases in taxation. We have already had massive increases to the tune of $1,000 and more per average family in additional taxes over the last three years.

Yet what is the result of the Budget? It is another $30 billion deficit. What we have is not any great demonstration of virtue on the part of the Government in contrast with previous Liberal Governments but instead a basic determination to lower taxes on individuals and to let wealthy corporations get off scot-free. Of course that adds to the deficit. The Government brazens that out even while it is following a principle here that is against its own determination.

Far more significant than that are practices which go back to the early 1970s. The Liberals began them and this Government has continued them with little significant change. Certainly, there has been trimming in certain areas in which there were abuses, such as with respect to the scientific research tax credit. It became obvious that that measure was being used as a massive boondoggle by some. The Minister of Finance put an end to it. But aside from a certain amount of trimming of that sort it is clear in the figures of taxation and that imbalance between corporations and individuals that the Government has only made worse the kinds of unfairness that characterized taxation under its Liberal predecessors.

The significant point I want to pursue is not so much that of tax unfairness but the fact that back to the middle 1970s under successive Trudeau Governments there was a limited recognition of national need. There was a failure to recognize the role of the Canadian Government in ensuring that various Canadian needs were met. When elections drew near it was possible to practise what I am saying now, something which should always be kept in mind for the Government of Canada. When the 1984 election drew near there were special recovery capital projects carried out. Contracts were let for vessels for the Coast Guard. For example, a variety of such contracts were let which anticipated the Government's naval building program that is now getting some of the shipyards to work. Certainly the Government began to do that. But we have had a good decade or more of failure through the 1970s to keep the navy up through thick and thin, through good times and bad times, in the way that it should be done in order to ensure that the coastal defences of the country and our Maritime Command are of the quality, that is expected of them. I mention that as one specific example.

There are so many other areas to which one could look, areas with respect to which the Government of Canada should be sensitive. The Government should be quite prepared to borrow for those as an investment in the country. I say that not to add to the deficit of the country but to make an investment in the country.

This suggestion should be followed as an alternative to what we have had, not that it has not been done as an expedient, and I have already suggested that. Instead, it should be a deliberate principle characterizing Government throughout. When there is a wise investment to be made in the country then let us make that investment. Let us be prepared to borrow in order to ensure that that investment is made. Let us recognize that doing that is the way in which we will achieve prosperity. That is what happened in the late 1940s through the 1950s.

When there was building to be done in the country such as large projects in various regions, we got ourselves closer to national prosperity than we have ever had since, certainly since the 1960s. There was a recognition by Governments in those days that they had a responsibility. It was not that private enterprise was wrong or bad or anything of the sort. It was quite to the contrary, especially as expressed by the St. Laurent Government of those days. There was a recognition of the importance of resource companies and their role in the Canadian economy. That is obvious from the history of the period. There was a recognition out of the experience of the Great Depression and the war years that although corporations could do a great deal, and the market pointed to certain kinds of investments, there were measures that the Government of Canada needed to take and that it ought to get on with taking them. There was certainly a recognition in the 1940s that to do that would provide full employment for Canada. It was recognized that it would bring the country prosperity in a way that it had not known since the 1920s, or as it had known during the war years when the Government led in ensuring that production was built up in order to meet war needs.

A few moments ago the Parliamentary Secretary was talking about regional unemployment rates in the various provinces. It is worth recognizing the importance of a program of this sort. Of course unemployment rates are lower in many provinces than they were in 1984. By God, what else could we expect? In 1984 we were just coming out of the interest rate depression of the early 1980s. One would expect that, with reasonable interest rates and with construction picking up, of course the unemployment rates would be lower than they were in 1984. The fact of the matter is that in eight of the ten provinces there is nothing to brag about even now. It is great effrontery for Members of the Government to mention this, something which was well-skewered a few moments ago when our colleague from Cape Breton pointed out the experience of people in his own constituency as far as unemployment is concerned.

With respect to unemployment and the lack of prosperity, there has to be the recognition that the Government could do a great deal to ensure that prosperity returns to these regions and we could get closer to a full employment level. When we get closer to full employment we want to be assured that the tax system is such that the Budget is balanced. When the Budget is balanced we might even have the resources at some point to reduce the national debt rather than being obsessed as this Government has been with deficit reduction first and foremost.

What are examples of projects that should be carried out to meet national needs? I expect that other Members may have caught some parts of *Cross Country Check-Up* yesterday afternoon with the President of VIA Rail in the studio. Canadians from across the country phoned in to express in most cases their love of rail travel and their desire to have rail transportation improved. There was discussion about fast rail lines far beyond the capability of VIA Rail now with its outmoded rolling stock and with the poor rail lines, relatively speaking, for these purposes. It is a quality of rolling stock that my friend from Regina West focused on very nicely in his own observations when he called in to the show.

• (1600)

I was struck by the suggestion of what could be done with trains that run at 180 or more kilometres per hour. These are speeds which have been attained in France and will be attained soon in other parts of Europe, speeds which have been exceeded by trains in Japan. It is obvious that it would be attractive to many to achieve that kind of rail travel in Canada. Many people would prefer rail travel to road travel or even to air travel.

It is obvious that to achieve that kind of rail transportation system would be a pretty expensive proposition. Here, of course, is an area in which the Government of Canada might choose to invest. The suggestion that really caught my ear was the suggestion of a rail line between Quebec City, Montreal, Toronto and Windsor. Such a line would be a good idea not only in terms of travel needs but also in terms of profitability.

The President of VIA Rail has suggested that such a line would pay for itself. There might be a need for a grant at the beginning, I suppose, to get it going, but if such a line were to be a viable commercial enterprise, I find myself asking how fast we could get the studies done to confirm that and how fast we could turn sod to build this line. If it could be a paying commercial operation, let us get on with the job already, recognizing that such a line built from Windsor all the way to Quebec City would provide employment all along the line, through areas in which such jobs are very badly needed.

A rapid rail line in the central Canadian corridor is an example of something the Government could undertake. It is a good idea which could conceivably be financed quite separately from the borrowings of the federal Government. It would play the role of using the borrowing authority of the Canadian Government and/or VIA Rail together to achieve good things for the Canadian people.

I have another area of concern, also in transportation, as it happens. It might well take up to $3 billion, or at least that is the estimate the Ontario Government has put forward, but there is a need for improvement of the Trans-Canada Highway through northern Ontario. This is another project of regional significance and of national significance. In my constituency of Thunder Bay—Nipigon, there is a section of highway exceeding 100 kilometres in length which is the road link between East and West in Canada. There is a bridge at the east end of that road across the Nipigon River which, if it were ever to go out, would cut off all transportations across Canada. People would have to travel around the south side of the Great Lakes. Of course, there are sections of the road which have been closed for short periods of time, cutting off transportation, even in the brief time I have been a Member of Parliament.

The improvement of the Trans-Canada Highway through northern Ontario is the most important demand the people of northern Ontario are making. It has been a long-standing desire to have a really first-rate highway there. In the past year, with information that I have made available indicating the support the Government has given to highway construction in Atlantic Canada, in Quebec and more recently on the Yellowhead Highway across the four western provinces, the people of northern Ontario have learned that the Government is supporting highway construction in every province but Ontario.

This seems fine to the Minister of Transport (Mr. Crosbie) who is from Newfoundland and shares his constituents' sense of Toronto the golden, a place of prosperity, and thinks that Ontario can take care of itself. Southern Ontario does so in a way that arouses our envy just as much as the envy of citizens of Newfoundland.

We in northern Ontario have one-quarter of the national length of the Trans-Canada Highway. We have in some sections the sole road link between East and West. The Trans-Canada Highway and Highway 11, the northern route from Nipigon eastward, is the vital route for Canadian road transport.

It is our expectation that highway transport will become more and more important in the era of deregulation. We realize that this road is of enormous importance. Trucking traffic will increase on a highway that is 25 years old, a highway which the provincial Department of Transport recognizes as being obsolete in design and width. The highway is barely adequate for highway transport needs and is completely lacking in the tourism needs of northern Ontario, needs which become the tourism possibilities of Canada.

As long as the highway remains the way it is, Canadians as well as Americans will cut across the line and travel the route, which in part is Highway 2 in the northern United States. I suggest that the talk about tourism in northern Ontario will be only rhetoric as long as the highway remains the way it is.

I am pleased to see that the Hon. Member for Sault Ste. Marie, the Solicitor General (Mr. Kelleher), is here in the House this afternoon listening and taking in some of these observations. He knows how important this route is and I trust that he will carry the message to his colleagues in Cabinet by saying: "Even if it is in the context of an election year, when we have to do things that do not make sense by our old standard of deficit reduction, let us get on with this, let us give promises to the Ontario Government, let us get an agreement signed and get building".

Mr. Hawkes: Madam Speaker, what a pleasure it was to hear those parting comments. Finally there has been a public admission of a commonly held attitude: go into an election and bribe the voters with borrowed dollars.

The Hon. Member stood there as if there were no thought that existed in the world other than in an election year, borrow money, bribe the voters. That is not the view of this Party. It was not the view of this Party during the last election campaign and it will not be the view prior to the next election campaign. It is an antiquated set of ideas that is the source of the problems in this country today, the source of 1.5 million unemployed Canadians.

Remember the minority Parliament of 1973 to 1974? Federal government expenses were up 30 per cent a year under the present Leader of the Official Opposition (Mr. Turner). Expenses were up, there was no income, so the Government borrowed money.

Today we are debating a borrowing authority Bill. We have a Budget that has $3 billion of surplus revenue over program expenditures except for the interest on the public debt, the interest that came about as a consequence of the marriage between two political Parties in 1972. The attitude was to borrow money, borrow money, pay for it tomorrow, pay for it tomorrow. The money is not here to pay for it. It is not here to pay for programs. We have to borrow more to pay for programs.

The Hon. Member talked about regional disparity. He said that we are doing nothing for Atlantic Canada. Since September of 1984, jobs in Atlantic Canada have grown by an average of 2,000 per month, every month. Month after month, there are more people with permanent jobs. Under the previous Government, the unemployment rate went up by 50 per cent. It has been coming down ever since the voters had the wisdom to change Governments.

• (1610)

The Hon. Member talks about tax credits and whether or not they are important. I have a question for him. We have to borrow money. We could borrow a little less if the NDP would not use taxpayers' dollars through the tax credit system to run election campaigns for their candidates in the Toronto aldermanic race. If they stopped doing that there would be more money in the federal till and less would have to be borrowed.

Recently the NDP put out a letter offering a free trip to Hawaii, Australia and New Zealand. With what? Taxpayers' subsidized dollars. Can the Hon. Member stand in the House and say that the NDP is prepared to make a contribution to reducing the deficit and stop using taxpayers' subsidized dollars to fund aldermanic candidates in Toronto and to provide free trips for lottery winners among those who receive NDP fund-raising letters?

Mr. Epp (Thunder Bay—Nipigon): Madam Speaker, I thank the Parliamentary Secretary for his comments and questions. However, I really feel sad, on behalf of the people of Canada, that he missed the whole first half of the speech.

He talked about trying to bribe voters. The Conservatives are going to find that is about the only thing left to them. They have tried everything else. I was not talking about bribing voters. He comes up with that from his own assumptions in that way.

When I talk about government Members who will see only good sense when the ballot box sits before them and they realize they are on their way to retirement, I was appealing to their sense of self-preservation. We have had three and a half years of letting ideology rule their lives and determine what they are going to do. It has been such a confining ideology that the Parliamentary Secretary is unable to recognize what I was talking about.

The Government has been pursuing deficit reduction and cutting back on borrowing. The Parliamentary Secretary again wept tears about the fact that it is the payment of interest on the national debt that creates the deficit. It is worth remembering that a good part of the borrowing is investment by Canadian wage earners. I notice the Government used about $15 billion of its borrowing authority up to the end of January. Of that money, almost two-thirds, if I remember the figures correctly, came from people who bought Canada savings bonds and who were happy to invest in the securities of the Canadian Government.

What I am talking about is not bribing the voters. That is the way those jokers see it. The voters will treat them with the kind of contempt that deserves. I am talking instead about needs existing in every region of Canada, construction needs of various sorts, needs that the Government should be doing something about so that we do not live in the kind of depression this country has experienced in attitudes. Liberals before them and now Conservatives have a depression mentality: hold back on spending, stint everywhere, with terrible end results.

Look at what has happened in education financing. The federal Government failed to be true to the principles that characterized university financing up to the middle 1970s. Provincial Governments, under more and more pressure, have been following through on that, so that when you contemplate what is happening now to people supporting public school education, you see that at one time 60 per cent of the cost of education was provided by the provincial Government. It has slipped down towards 40 per cent. The local ratepayers are burdened with these taxes. We have had that kind of mentality in area after area.

What I am talking about is recognizing that we are not in the interest rate depression of the early 1980s. The Conservatives should be honest enough to recognize that that is what produced the terrible results of the early 1980s, the last Trudeau Government, and provide the background against which there has been further improvement, not particularly to the Government's credit. What the Government has done in loading taxes on Canadians and reducing spending should have kept that depression going as we expected. The feature we did not work in was reasonable interest rates.

The Parliamentary Secretary made suggestions about election spending. My good friend from Windsor—Walkerville pointed out what the developers are doing in supporting aldermen in a completely shameless buying of votes in Toronto City Council. Incredible. Those are the allies of this Government. Those people on the city council have been passing one development after another, destroying the life of downtown Toronto, overburdening the transportation system and so on. If he really wanted to reduce the borrowing needs of this country a little bit he would persuade the Minister of Finance to reduce interest rates. If that were done by just one percentage point he could save $1.4 billion of those hard-earned tax dollars or additional borrowing that he is so concerned about. That of course is his great concern so why does he not do something about it?

Mr. McCurdy: Madam Speaker, I heard just a portion of the very eloquent speech by my colleague from Thunder Bay—Nipigon. I heard him compare the situation in northern Ontario with that of southern Ontario. I wonder if he would care to reflect upon the tendency not only to, in a manner of speaking, completely ignore the circumstances of northern Ontario, but to include within the context of southern Ontario places such as Windsor where the unemployment rate now has reached 14 per cent. My home city is now tied with Trois-Rivières as the place with the highest unemployment rate in the country. Nevertheless, the Government persists in describing southern Ontario as so prosperous as to be virtual parasites on the rest of the country.

What action should the Government take in recognition of that state of affairs, particularly when anyone who has looked at the record of the economy of this country over the last two decades would understand that if a high unemployment rate occurs in Windsor it reflects the trend to be anticipated in the automobile industry?

Mr. Epp (Thunder Bay—Nipigon): Madam Speaker, I appreciate my colleague giving me the opportunity to draw some of those distinctions. It is very easy for us to think that everything between the Ontario border near Montreal and Windsor is in great shape. The sad reality is that it is not. We are looking at a small area around the Golden Horseshoe, Metropolitan Toronto, where there has been an incredible boom lately. As we move out from there to Windsor and Trois-Rivières, not an insignificant linking of communities and towns in the corridor from Quebec City to Windsor, when those communities are experiencing these unemployment rates, it is clear that the market orientation of the Government and all of its talk about prosperity falls very flat. It clangs upon the ears of people who are sitting around looking for jobs.

I was talking about investment in Canada, investment in this transportation corridor for VIA Rail and other projects designed to get us to full employment. When we get there, let us be sure that we tax fairly and adequately in order to get the

Budget in balance in a way the Government knows nothing about. That is why we need a change of Government as soon as possible in order to get these things done.

• (1620)

[*Translation*]

Mr. Gilles Grondin (Saint-Maurice): Madam Speaker, this afternoon I would like to comment on Bill C-109, and since the Bill is a prime example of the poor management the Conservative Government has inflicted on Canadians during the past four years, I would also like to say how appalled I am at the Government's failure to act in many respects. If passed, this Bill will authorize the Government to increase the national debt by $25.3 billion during the coming fiscal year, starting April 1.

As was pointed out by the Hon. Member for Laval-des-Rapides (Mr. Garneau) in his speech, this loan of $25.3 billion would carry interest charges totalling $2.5 billion for fiscal 1989-90. And that is not counting a very likely increase in interest rates, a possibility already mentioned by several economic experts. Twenty-five billion dollars may not seem like much—just a routine loan to add to a national debt that is already far too high. By the end of this fiscal year, our national debt will be nearly $300 billion. Three hundred billion dollars, which means a little more than $12,000 per Canadian. Every year, every man, woman and child in this country pays an average of over $1,000 in taxes, just to pay off the interest on the national debt. That is an enormous amount when we realize that many people, for various reasons, do not pay any income tax at all.

And the worst part is that although the economy is in very good shape, the Conservative Government keeps increasing the debt. Madam Speaker, I hate to think what would happen if this Government were in power during a recession or even during a period of economic stability!

About 10 years ago, around 1978-79, the deficit or debt was about $60 billion. In 1984—after a recession that had affected Canada's economy during 1981, 1982 and early 1983—the deficit was $199 billion when the Government changed hands. After four years under a Conservative Government, we now have a total national debt of $322 billion, and if I may quote the Hon. Member for Laval-des-Rapides, the Government and government Members like to say the deficit is largely the fault of the previous Government. On the other hand, if the previous Liberal Government had failed to take the necessary action when the recession hit Canada's economy and the international economy, I wonder where we would be today, because the measures taken by the Liberal Government helped to maintain welfare and unemployment insurance programs. It is not surprising that the deficit rose at the time, because the unemployment rate was high, but on the other hand, because of the unemployment insurance benefits and subsidies Canadians were receiving, companies could continue to buy and sell and maintain Canada's economy at a certain level during this difficult period.

And today our criticism of this government is that although we are clearly in a period of economic growth throughout the world, including Canada, it has done absolutely nothing to reduce the deficit.

All it does is change its accounting practices—I will get back to this later on—and I think that is the most serious criticism one can level at the Conservative Government. At a time when it could take advantage of a period of tremendous economic growth to reduce spending and substantially reduce the deficit, it has maintained the deficit or reduced it so little that our national debt continues to rise. If this Government were faced with an economic recession or even with a period of economic stability, I would hate to be here in the House to hear how much the Minister of Finance (Mr. Wilson) would have to increase the annual deficit to meet the Government's spending requirements.

Madam Speaker, after six years of economic growth the situation is now worse than it was during the economic recession in 1981, 1982 and early 1983. Again, as a citizen of this country I am very concerned that this Government failed to take advantage of the excellent state of the economy: $25.3 billion is far too much for a Government that has forfeited the trust of Canadian men and women by failing to keep its promises; $25.3 is incredible for a Minister of Finance who in his last Budget has shown he is totally inept as far as managing taxpayers' money is concerned; $25.3 billion is ridiculous, when we realize that with all its loans and tax revenues, and despite the excellent economic situation, the Conservative Government still has nothing to offer the poor, the needy and youth.

Although we in the Liberal Party do not wish to delay unduly the passage of this Bill, we must be aware of the circumstances surrounding this loan. In 1984, this Government promised Canadians it would not increase taxes, saying they were already too high. And today? My colleague from Laval-des-Rapides has described the situation in a number of speeches. This Government has repeatedly broken its promises by imposing a series of new taxes and increasing existing ones. I will not enumerate them all, but if we add them all up, we end up with something like an increase of $22 billion—22 billion dollars more, six years of economic growth and the Minister wants to borrow another $25.3 billion from Canadians for the coming fiscal year. Madam Speaker, there is something here that does not add up.

In 1984, the same Government also promised Canadians that it would substantially reduce the deficit. In his Budget Speech, the Minister of Finance said the deficit had been reduced to $29.3 billion. This was not a particularly outstanding achievement, considering the excellent state of the world economy and the promises made by the Minister. Increasingly, people are realizing that this figure is the result of one of the Conservative Government's accounting tricks.

In fact, besides other excellent initiatives, the Minister of Finance also changed the accounting methods used by the Liberal Government at the time. We could assume these would

be insignificant changes, insignificant meaning in this case, however, that we get a variation of more than $2 billion, compared with what the deficit would have been using the former accounting system. And this is a very conservative estimate, because the Bank of Montreal, no less, stated in a recent report that if we got rid of all this creative accounting, we would realize the national debt was nearly $4 billion more than the $29.3 billion quoted by the Minister of Finance. His performance clearly falls short of the objectives set by the Conservatives themselves. In the Budget brought down two years ago, the Minister of Finance expected the deficit to drop to $25.9 billion for the fiscal year that is about to end. Surely this would have been reason enough to make the Minister less complacent in his last Budget Speech, when the Minister had nothing to say but a lot to hide.

• (1630)

Alain Dubuc in *La Presse* gave a very apt summary of the situation on February 11, and I quote:

> —the Minister's accounting practices are equalled only by the ethics of some of his colleagues.

A little further, we read:

> To keep the deficit at about the same level, the Minister had to increase taxes again and resort to some financial tricks. There is the tax on gas that brings in $225 million, and there is also the fact that the tax reform will produce a revenue this year.

Even worse, in addition to failing to significantly reduce the deficit and in addition to putting a maximum tax burden on all Canadians, this Government has completely ignored young people, senior citizens, the homeless and the poor. It has also ignored regional disparity. It is so busy helping Canadians who are benefiting from the excellent state of our economy that it cannot be bothered to listen to the grievances of Canadians whom the economy is passing by.

As a Liberal concerned about the well-being of all citizens, I cannot agree with proposals designed to benefit the privileged and prosperous, while the poorest and neediest in this country must suffer.

The Government continues to brag about its job creation statistics. Although the situation is improving, which is not surprising after six years of economic growth, Canada still has more than one million unemployed, and the Government does not seem to notice. Job creation programs are being cut back regularly. They tell us the economy is in such good shape that people should be able to find jobs without government assistance. That may be true in some regions, but it certainly is not true in all parts of Canada, and it certainly is not true for young people, whose unemployment rate continues to be twice the national average.

In spite of a situation that is particularly painful for our youth, the last Budget of the Minister of Finance, where the only spectacular measure was a one cent increase in the tax on gas, had nothing more to offer young Canadians than an ordinary economic statement.

Last night, during the closing ceremonies at the Olympic Games in Calgary, the President of the International Olympic Committee said at the end of his speech that the future depended on our youth. I could not agree more with these words, which were heard by millions of Canadians. I can only hope that the Conservative Government and the Minister of State for Youth (Mr. Charest) were also listening. I take this opportunity to congratulate the many athletes who took part in these games, particularly the Canadian athletes who are all youths on which Canada can depend to maintain our traditions. When it comes to finance, these young people were away ahead of the Minister of Finance of the Conservative Government.

Although I have precious little hope that these words may have impressed the Minister responsible for youth, notwithstanding his many lofty promises, I dare say he must have felt somewhat uncomfortable for failing to give more than lip service to our young Canadians.

Not so very long ago in a press conference he went as far as talking about a global youth strategy. I would not know whether the Minister fully appreciates the latest Budget, but as far as I can see it did not have much to say about this question, however important it may be. I would suggest that the Government simply does not grasp the full significance of the problems young people have to cope with.

I agree with the Minister when he says there is no magic solution to youth problems, but that just cannot be a valid excuse to do nothing. Unfortunately very few problems in this country can be solved with a magic wand. But when we set our minds to it we realize that simple, constructive and intelligent measures can help improve considerably most existing problem situations, especially with respect to young people.

The Minister cannot even manage to maintain existing programs at a decent level, and I am referring specifically to Challenge '88. No wonder young Canadians have had it up to here. This announcement falls far short of what they can righfully expect and does not give us a single clue as to what the Conservative Government is doing to help them. There has been no improvement over the previous edition of the program, except perhaps in the case of school drop-outs, and to top it off the appropriations are even lower than they were four years ago.

In 1984, Mr. Speaker, the Liberal Government earmarked $200 million for its Youth Employment Program. In 1988, all this Tory Government has to offer is a meager $180 million and I will never agree with the Minister of State for Youth (Mr. Charest) when he says that this budgetary freeze is normal and acceptable in view of a lower level of unemployment among young people. Too many young people are without jobs for the Government to rest on its laurels. Drop-outs are not just young people who are fed up with school. Several among them just cannot afford to attend a college or university.

In several regions of this country, the unemployment rate has reached unacceptable levels. This is true even in Quebec where youth unemployment rate reaches 13.7 per cent. Nothing could justify the Government's inaction.

The failure of the Tory Government over the past few years to take advantage of the economic stability makes one really concerned about what could happen in case of a recession or even economic stagnation in this country. Unfortunately, young people are always the first victims in similar circumstances.

Madam Speaker, I worry about what the future has in store for young Canadians under this free trade agreement with our American partners. As a strong believer in the entrepreneurship of our young people, I hope that the Government will set up the necessary mechanism for them to rank among the giants and the strong. I also wonder about their working conditions in such a competitive economy because Canadian corporations will have to make cuts somewhere if they want to hold their own. Clearly young Canadians are likely to be the first victims of these cuts.

The Government should consider now taking special measures to prepare young people for this new environment, failing which they would be quickly overwhelmed under a wave of Americanism.

Unfortunately, the Canadian Government is not moving in this direction, and no one, not even the Minister of State for Youth, is truly concerned about young people. The optimism shown by this Government often blinds it to the obvious.

In his Budget speech, the Minister of Finance patted himself on the back because of the unexpected performance of the economy. But a reference to his 1984 speech shows that he talked about reducing the expenditures without increasing taxes.

And here is what Alain Dubuc has to say about the recent Budget by the Minister of Finance: "His Budget has only thirteen and a half pages and twelve of them are in praise of the Conservative Government, which makes it look like a political leaflet meant for door to door delivery."

And among other considerations by Alain Dubuc, here is a quote on "opportunities foregone" by the Conservative Government: "It is all the more worrisome that the Conservative Government has come to power at an ideal time to put public finances in order. Canada has had five consecutive years of economic growth so there could hardly be a better time to reduce the deficit.

Why has it not been done? Surely not because the Minister of Finance is incompetent, but rather because he is part of a Government afraid of its own shadow."

The improvement in our economic situation is due in great part to the fact that for the last six years now, the entire world has been recovering from a very deep recession. The Conservative Government has benefited from the strong bases put in place by its predecessor, which had successfully handled a very difficult recession. Furthermore, both the Government and the economy are benefiting from an increase in consumption. In the past, Canadians saved more while now they consume more.

Nevertheless, the last Budget is off the mark in many respects. The deficit is handled in a dishonest way. No aid is provided to the neediest, Canadians are expected to bear a greater tax burden and, finally, forecasts concerning the Canadian economy are not realistic.

In fact, the forecasts made by the Finance Department are so optimistic that they must be taken with a grain of salt. There is enormous exaggeration.

The great majority of economists are much more cautious. Unfortunately, those who foot the bill in times of economic downturn are the neediest among Canadians. Our young people are also constantly vulnerable.

• (1640)

They are the first ones to suffer when the number of jobs decreases and when cuts are made in programs.

Madam Speaker, the Conservatives have shown clearly their government is not trustworthy. They made commitments they did not fulfil. Those commitments were important for Canada. We were promised taxes would not be raised, the deficit would be reduced. Three years and a half later, we realize Canadians are taxed to a very high degree and the deficit has not changed significantly. Still claims are made at every opportunity that everything is just fine. The documents about 18 inches thick that are distributed say nothing but give a boastful and inaccurate description of the Government's achievements. This budget is an electioneering document printed at taxpayers' expense that is certainly not very honest.

In spite of this situation, Madam Speaker, and I am concluding, we are asked to give the Government a borrowing power of $25.3 billion. If that money could be used to help the needy and young Canadians, I would go along with the request thinking the Government is willing to make up for what has been lost. But that is not the case. I do not want to delay too much the passing of the Bill, but I am against it, since it does not bring anything better for Canadian men and women and for young people and it is tangible proof of this Government's very bad management.

Madam Speaker, the people have every reason to worry and fear the terrible situation in which Conservatives have put Canada, in spite of all the economic advantages which could accrue to Canadians. Personally I am deeply disappointed, Madam Speaker.

Mr. Tardif (Richmond—Wolfe): Madam Speaker, I would like, first of all, to congratulate my colleague for his very precise speech which, in my view, is very important as it brings to this House an element which unfortunately, up to now, had not been mentioned often enough, and that is the fact that our friends opposite are bragging about low inflation rates and low

interest rates, and telling us that everything is going well. However, we forget to do some comparisons—

Mr. Fontaine: It is true, everything is going well.

Mr. Tardif (Richmond—Wolfe): —with what we had before 1984, when, as my friend said so well, we were faced with an historic recession which forced all industrialized countries, out of human decency, to accept an increase in their deficit.

Today, the situation is quite different and the economy is thriving. We are going through a period which would allow, in my opinion, more generosity in fundamental and much needed programs, for our youth in particular. I know that my colleague deals brilliantly with youth affairs. I would like to ask him the following question: Since 1984, did this Government take any concrete program initiative, any new measure to help students and new graduates, in particular within a very important resource envelope, the Laprade Fund? It was announced a few months ago, after many years of delay, that the Laprade Fund was being authorized. We were told that some $80 million would be made available. Within this important resource envelope, are there different parts, does it allow for the participation of young people who would like to be associated with job creation?

Mr. Grondin: Madam Speaker, I would like to thank my colleague for asking a question on a matter or a problem as important as the Laprade Fund, concerning the possibility for young people to have a portion of that Fund eventually be put to use. Unfortunately, to this day, there has not been that many projects that were approved that will enable young people to use the opportunities the Laprade Fund should normally be providing. Unfortunately, this is more or less the result of the over all measures that were taken both by this Conservative Government and the Minister of State for Youth (Mr. Charest) who since 1984, as pointed out by my colleague, was wondering whether there were measures or programs that could be used by young graduates or even by school drop-outs who had difficulty finding a job.

Unfortunately, since 1984, and especially since I was elected here, on a number of occasions I asked the Minister of State for Youth (Mr. Charest), among other things, when there would be a real youth policy, a genuine policy dealing with opportunities and all the problems faced by young people in Canada. And we always had rather general answers, in which we were told: Well, there is no problem, the present economic situation is good, we are creating a lot of jobs, and the young people are being well served by the Conservative Government. I also have a clear recollection of the Prime Minister, Mr. Mulroney himself stating in this House on a few occasions that the Katimavik Program for instance would be replaced. When the Katimavik Program was abolished, its value was recognized and the Prime Minister stated that indeed there would be a replacement program. I have been here for 16 months, and after a number of questions on that matter, we still have no program to replace the Katimavik Program, at least in that sense, and when certain programs were created, those programs were so limited to certain areas or major cities in Canada that there seemed to be a total lack of awareness that there are many young people in various areas in Canada that would need support in order to be in a position to set up an efficient structure or organization or initiative.

Personally, I am very much disappointed by that stand or lack of policies the Minister of State for Youth has yet to put forward, and that lack of programs to replace not only the Katimavik Program but also the other programs that were put forward for certain regions of Canada only, which explains that regional disparities as was mentioned on a number of occasions are still there, and some young Canadians are penalized in comparison to other Canadians who live in major centres.

Mr. Tardif (Richmond—Wolfe): The Hon. Member had a lot to say about the Challenge 88 Program. I know from my personal experience with Challenge 85, Challenge 86 and Challenge 87 that non-profit organizations have been shamefully neglected under this program. By putting the emphasis on the private sector, which might not be in itself a bad thing, the program is unfortunately being unfair to smaller communities where the private sector has no presence, which means that students in these small communities have no chance to work in their own community.

My question to my colleague is this: Does he know whether or not this aspect of the Challenge 88 Program will be improved to provide full access to non-profit organizations?

Mr. Grondin: Madam Speaker, my colleague is quite right to raise this issue, especially as the Minister of State for Youth said at a briefing on Challenge 88 that last year's criteria would apply which means that there will obviously be the same type of discrimination against non-profit organizations. However, as Hon. Members will recall, Challenge 87 allowed non-profit organizations under the jurisdiction of the social affairs department to take part at the last minute and benefit from the program. When people heard the Minister of State for Youth say at the briefing that the same criteria would apply as for Challenge 87, they thought that organizations in the social affairs network, such as drop-in centres, would be eligible under Challenge 88. We have learned that negotiations are under way, but there are only three days left to apply under Challenge 88 and we still do not know whether drop-in centres and social affairs organizations will be eligible.

In my opinion, this is blatant discrimination. It creates a very serious problem and I do not think that a remedy can be found as long as the Minister has not made a decision, even though he could have begun negotiations with the Quebec Minister of Social Affairs a long time ago. Since he has not done so, it is now impossible for such organizations to take part in the Challenge 88 Program.

• (1650)

[*English*]

Mr. Oostrom: Madam Speaker, I would like to ask a question of the Hon. Member. Does he agree with me that Hon. Members in general should do a good amount of research before they actually rise in the House so that they are sure of their facts?

A couple of weeks ago when we were dealing with Bill C-84, the Hon. Member for Kamloops—Shuswap (Mr. Riis) and the Hon. Member for Kenora—Rainy River (Mr. Parry) raised a couple of items. They referred to the return of the *St. Louis* and indicated that many people were not allowed to come into Canada. Obviously their research was not very good. It was stated that 907 people were turned away from Canada. That boat never even came to Canada. Some 224 of those people went to France, 240 went to Belgium, 181 to Holland, and 288 to Britain. In the end, of those 907 people, 520 people survived. Those two Members had not really done their research on that particular subject, and it is very important that they do. As a matter of fact, it was the country of Cuba that actually reneged on the original statement—

Mr. Epp (Thunder Bay—Nipigon): Madam Speaker, I rise on a point of order—

Mr. Blackburn (Brant): On a point of order, Madam Speaker. Obviously the Hon. Member does not know what is under debate at this time.

The Acting Speaker (Mrs. Champagne): I am sorry to interrupt the Hon. Member for Brant (Mr. Blackburn), but the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) sought the floor first.

Mr. Epp (Thunder Bay—Nipigon): Madam Speaker, I appreciate the opportunity to comment on what the Hon. Member for Willowdale (Mr. Oostrom) was saying. I trust that his constituents, many of whom have a real stake in good refugee legislation, are listening to the kind of balderdash that he often serves on this issue.

The point is not Bill C-84 or anything dealing with refugees this afternoon. It is the borrowing authority. In addition, it is hardly sporting and quite against the conventions of the House to be attacking colleagues who are not in the House.

The Hon. Member for Kamloops—Shuswap (Mr. Riis) will be here shortly to speak during Private Members' Hour. However, he is not here now, and surely it is not fair nor in the traditions of the House to comment on something he supposedly said when he is not here.

The Acting Speaker (Mrs. Champagne): I thought the Hon. Member for Willowdale (Mr. Oostrom) was straying from the subject at hand, but I was under the impression that he was coming to the point. At the moment I will ask him, if he has a question, to conclude very quickly as the time for questions and comments has actually expired.

Mr. Oostrom: Madam Speaker, I was coming to the question. Does the Hon. Member agree that proper research should be done, particularly on the borrowing Bill and the deficit? The Hon. Member stated that the deficit was increasing, and actually the deficit has been decreasing by $10 billion annually since we came to power.

Mr. Blackburn (Brant): What, by $10 billion a year? If that were so, we would have no deficit left.

Mr. Oostrom: It is very important that proper research be done, and I ask the Hon. Member whether he agrees with that.

[*Translation*]

Mr. Grondin: Madam Speaker, I cannot agree with what the Hon. Member is saying because there seems to be a definite attempt on his part to read into the figures whatever meaning he wants, although we can readily see from data which have been studied by journalists who are economists or by institutions as renowned as the Bank of Montreal, that contrary to what the Hon. Member suggests, the deficit is increasing, the national debt is increasing as well as the servicing of the debt. So it is a matter of interpretation of figures, and I cannot agree with my colleague.

The Acting Speaker (Mrs. Champagne): The time for questions and comments has expired. Resuming debate. The Hon. Member for Brant (Mr. Blackburn) has the floor.

[*English*]

Mr. Derek Blackburn (Brant): Madam Speaker, in the brief five minutes I have available to me I will confine my remarks in respect of the borrowing Bill to one specific item which, unfortunately, is not included in government planned expenditures for this year, that is, money specifically targeted to unemployed older workers.

The reason I want to zero in on that specific point and wonder why the Government has not targeted that group with specific retraining programs is that I represent a constituency which, at this time and indeed for the past several years, notwithstanding the over-all economic development of southwestern Ontario has experienced widespread and long-term unemployment among workers in their forties, fifties, and early sixties.

For example, reference is often made to the fact that the so-called Golden Horseshoe has an average unemployment rate of 3 per cent to 4 per cent. That is just simply not true. My constituency of Brant, which is only a few miles off the road from the so-called Golden Horseshoe, has a present unemployment rate in excess of 12 per cent. In fact, many local employment specialists or unemployment specialists in Brant would tell us that it is probably closer to 15 per cent. That is totally unacceptable at a time when that part of the country is supposedly going through a veritable economic renaissance. No doubt there are some communities in central Canada and in southern Ontario where their economies at the present time are burgeoning, although there are indicators, day after day, that generally speaking the economy is beginning to flatten out.

Why do we have so many unemployed middle-aged and older workers in Brant? One very obvious reason is that we have suffered from the closure of White Farm equipment, and I think possibly of the imminent closure of Massey Combines. As I stand here at this moment, nobody seems to know just what will happen today or tomorrow or this week with Massey Combines Limited. The company has indicated that it is about to go into receivership unless it can be relieved of its debt burden or at least the debt burden can be postponed. That will mean another 500 to 700 workers laid off permanently in a city of some 75,000 people.

In addition, we had the Wabco plant closure in Paris, Ontario. We had another plant closure at Etatech in Brantford. Another company in Brantford, Trailmobile, is also undergoing some very serious adjustment programs at this time as it attempts to expand into the American market.

If we look closely at the industries I have mentioned, two prominent ones, Massey Combines and White Farm, were industries which had been trying to compete in a free trade environment for the past 40 years. Over the last 20 years we have lost some 5,000 jobs in the agricultural implement industry, owing mainly to free trade. I hope the significance of that sinks in across the way—free trade.

On the other hand, the auto parts industries are tied in with the auto assembly industries. They are not subject to the vagaries of free trade but to managed trade. We have created 4,000 jobs in industries related to the Auto Pact. Consequently, I think there is a very serious lesson to be learned in that regard.

I should like to know why the Government has been totally remiss in bringing forward what it promised to do two years ago, which was an older workers' adjustment program under the labour adjustment program that the Government terminated about a year ago.

I see that my time is up in that it is now five o'clock. I hope that I will be able to continue when this debate resumes at a later date. It being five o'clock, I understand that the period for debate is closed.

Mr. Hawkes: Madam Speaker, I rise on a point of order. This is the eighth straight debate on Budget and economic items. The Government side would be quite prepared not to see the clock for a few moments to allow the Hon. Member to conclude, if indeed we could have unanimous consent to move to a vote on the borrowing Bill, and tomorrow we could get on with a very important regional concern, the Western Diversification Fund.

If there is some predisposition on the other side, I simply say from the government side that, with unanimous consent, we would be quite prepared not to see the clock so that the Hon. Member could finish his speech, to have Private Members' Hour, and to have a vote at the conclusion thereof. That would be the suggestion.

• (1700)

Mr. Gauthier: Madam Speaker, I think that the Parliamentary Secretary should at least be factual. This is not the eighth day of debate on the Budget. This is the second day of debate on Bill C-109, which is a borrowing authority Bill. There have been perhaps five or six hours of debate thus far. There are still three hours to go before we even reach the eight hours of debate, at which time speeches will go from 20 minutes in length to 10 minutes in length, as is set out in the Standing Orders.

I do not think that the Parliamentary Secretary is too clear with respect to what he is trying to do. The Government is borrowing several billions of dollars. It would be an advantage to Canadians to know what the Government is planning to do with this money. I know that members of the Government are not interested in speaking about or explaining their points of view. But today members of the Opposition are at least trying to understand and put a clear message across to Canadians with respect to what the Government is intending to do with this money.

I invite the Hon. Member to participate in the debate and to tell us exactly what the Government wants to do with this money instead of trying to cut off debate.

Mr. Riis: Madam Speaker, I appreciate being recognized. I think that what the Parliamentary Secretary is suggesting is that we complete the debate on the borrowing authority Bill today. Considering that we have only had two days of debate on this matter and that the Government is asking Parliament's permission to borrow some $25 billion, I think the taxpayers of Canada would like us to spend a little bit of time in attempting to determine how the Government plans to spend this money, particularly when it has not accounted for all of it in the Estimates. There are still some $2.5 billion to account for.

The Acting Speaker (Mrs. Champagne): The Parliamentary Secretary should realize that the Chair does not have unanimous consent.

[*Translation*]

It being five o'clock the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBER'S BUSINESS—MOTIONS

[*English*]

FINANCIAL INSTITUTIONS

ADVISABILITY OF INFORMING DEPOSITORS WHEN DEPOSITS ARE UNINSURED

Mr. Nelson A. Riis (Kamloops—Shuswap) moved:

That, in the opinion of this House, the government should consider the advisability of co-operating with the provinces in establishing a system whereby those individuals who deposit money in financial institutions not covered by deposit insurance be required to sign a waiver form indicating that they are fully aware that their deposits are not insured in the event that the institution goes bankrupt.

He said: Madam Speaker, this particular motion was motivated by recent events which occurred over the last few years. We all remember that between the years 1923, which was when the Home Bank failed, and the early 1980s, we Canadians have felt generally secure about the stability of our financial institutions, particularly our banking institutions. However, the recession of 1982 to 1984 created havoc in the financial industry. Canadians are now too familiar with the spectre of failed banks and other failed financial institutions.

Over the years our banks have become cathedrals of capitalism, symbols of stability in our society. Anyone who has entered the large head office of a bank knows that rather intimidating feeling one gets when one walks into those hallowed halls. Unfortunately, that has changed somewhat in the last number of years.

We recall the collapse of the Canadian Commercial Bank followed by the collapse of the Northland Bank. Then, Pioneer Trust of Western Canada collapsed. The British Columbia Teachers' Investment & Housing Co-op collapsed. The Bank of British Columbia got into financial difficulties and was required to be bailed out. The Morguard Bank narrowly avoided collapse and was purchased by Security Pacific Bank. Mercantile Bank collapsed and was quickly merged into the National Bank. Continental Bank was carried off by Lloyds Bank. Recently, the very terrible situation surrounding the Principal Group and its related companies and their collapse motivated me to submit Motion No. 143 in an effort to protect depositors.

It particularly hit home in western Canada where the brunt of the Principal Group collapse was felt most heavily. I suspect that I can speak for many Members of Parliament in this respect. I have before me a long list of individuals from my constituency who lost considerable amounts of money. In many cases they lost their entire life savings, or a major portion of their life savings. For example, a retired custodian lost $57,000. A retired executive lost $113,000, while a millwright lost $50,000. A retired miner lost $41,000; a retired logger, $49,000; a retired pipefitter, $38,000; a realtor, $40,000; a retired farmer, $32,000; a miner, $34,000; a carpenter, $40,000; a rancher, $42,000; a mechanic, $21,000; a bus driver, $56,000; a retired member of the Armed Forces, $24,000; and a logger, $90,000. I could go on I suppose for an hour or two reading the names of those from my constituency who lost a portion if not all of their life savings. They had been saving this money to provide for their retirement years.

Obviously, something needed to be done. One of the problems that we must face as parliamentarians is the challenge of ensuring that the integrity of our financial system remains in place. In recent years we have all recognized and have seen a shift to deregulation in an effort to encourage competition in the financial industries. With this has come a blurring of the traditional separation of functions of various types of financial institutions.

For example, investment dealers now offer chequing services. Banks now sell securities, and so on and so forth. This new deregulation has unfortunately permitted either naive and/or unscrupulous financial advisers to mislead Canadians about the degree of protection that their deposits and investments may have. During the deliberations of the Principal Group collapse and the inquiry into it we saw a whole host of examples in which individuals were misled, and perhaps not always intentionally. Even the people selling or arranging the deposits had received incorrect information, were poorly informed or uninformed about certain developments within the companies they were representing. Setting aside the reasons, thousands and thousands of people lost considerable sums of money as a result of these problems.

These people assumed that their deposits were protected. In some cases they were told that their deposits were protected under CDIC and, of course, they were not. As a result innocent depositors have been severely hurt.

Perhaps I should remind Hon. Members that our deposit-taking institutions in Canada include banks, trusts and loan companies as well as credit unions. Deposit insurance is available to all of these. However, we must recognize that all the deposits with these different financial institutions are covered. There are other financial institutions that take in investments but are not covered by any insurance whatsoever.

I am very happy to be able to say that the Canada Deposit Insurance Corporation is in fact the principal provider of deposit insurance in Canada. It insures deposits in banks, federally-chartered trust and loan companies and provincially-chartered trust and loan companies other than those in the Province of Quebec. In these institutions the deposits are insured up to $60,000. But that is it. In the United States, under a very similar situation, depositors are guaranteed up to $100,000. Nevertheless, a single deposit by a man or woman in one of these institutions is insured by CDIC up to $60,000.

What this means is that all banks and certainly most trust and loan companies are CDIC insured. In Quebec the insurer is the *Régie de l'assurance-dépots du Québec*. However, I think it needs to be said that most deposits are insured in these institutions, but not all. There are a number of deposits that are not insured even in the ones covered by CDIC. For example, foreign currency accounts, the contents of safety deposit boxes, investment products with terms of more than five years, stocks, bonds, mutual funds and deposits in excess of $60,000 are not insured. I think it is important to recognize that because in some cases, there is the impression that anything deposited in a bank, as long as it does not amount to over $60,000, is in fact insured. As I say, such is not the case.

• (1710)

The credit unions are becoming major financial players in the financial world. Vancouver City Savings is now the second largest credit union in the entire world. Credit unions are a $62-billion industry with nearly nine million depositors.

Credit unions are provincially regulated and the extent of depositor protection varies from province to province. In Quebec, the organization insures deposits up to $60,000 and in other provinces, insurance is sometimes as high as 100 per cent of deposits.

Each province has a stabilization fund which assists credit unions that experience temporary difficulty. The B.C. Central Credit Union has a liquidity fund of $1 billion to assist credit unions that might get into difficulties. As well, the Canadian Co-operative Credit Society acts as the central bank for the credit unions and also has a stabilization fund of nearly $1.8 billion. It is fair to say that no credit union has ever declared insolvency except for a 1981 Quebec collapse which was provincially insured. In that case, the depositors were well protected.

Statistics Canada estimates that investment dealers hold about $3.5 billion in deposits, none of which is covered by CDIC. There is something called the National Contingency Fund, commonly referred to as the NCF, which exists to assist clients affected by broker insolvency. This was set up in 1969.

The NCF has about $16 million on hand and another $20 million line of credit. However, it must be recognized that one major bankruptcy such as Osler Inc. can leave the fund empty. The Canadian Co-operative Credit Society claims that it is owed $30 million from Osler. Thus, the entire capital base of the NCF would be in jeopardy. We see that some improvement is certainly needed when it comes to ensuring the safety and protection of those people making deposits with investment dealers.

Life insurance companies sell RRSPs, RRIFs and other similar investments that are not insured. At the moment, the industry is developing a consumer protection plan. However, not all the products offered by the life insurance companies would be covered, nor would they have government backing.

There are hundreds of companies across Canada that offer financial services and fund operations by issuing debt instruments that are totally uninsured. This is what happened in the Principal Group situation.

In this time of financial deregulation, in a world that is becoming more and more competitive and at a time when sales people are becoming more aggressive because of increased competition through deregulation, problems associated with naive or unscrupulous investment counsellors become increasingly important. It seems to me that this places a greater burden and a larger challenge on parliamentarians to find ways and means of protecting innocent and naive investors.

Since 1967, CDIC has required that member institutions not issue uninsured financial instruments unless they carry a notice to that effect. Unfortunately, often this is not brought to the customer's attention and, in some instances, customers have said that they were misled and lied to by sales people about the nature of the insurance on the deposit or the investment.

There seem to be two problems. One is that some people are not aware that the institution in which they deposit their money is not insured. The other is that some individuals are unaware that the type of deposit or investment that they make determines whether or not it is insured. Those are the two critical questions we are attempting to address with this motion.

The motion would require those institutions to present the customer with a waiver form to sign indicating that the customer was made aware of the insurance situation with respect to his or her deposit or investment. This seems to me to be a sensible way of ensuring that customers are not misled by sales people who are anxious to earn more commissions and are perhaps prepared to be a little free with the truth when it comes to describing how risky a deposit or investment is.

The idea of having such a form that a depositor would be required to sign indicating that he or she is aware of the insurance aspect of the deposit or investment has the backing of the Consumers' Association of Canada. Last year, the Consumers' Association sent the Minister a letter detailing a similar proposal as a way of protecting innocent depositors.

I believe that we as parliamentarians would agree that it is time that fiascos like the one which occurred with the Principal Group not happen again. The situation that is unfolding daily as the inquiry takes place in Alberta is something we never want to see repeated again. The individuals involved, many of whom were pensioners, in some cases lost their entire life savings. The same thing happened with the British Columbia Teachers' Housing Co-op as well.

Whether or not some years hence, depositors will receive some of their money back, perhaps 50 cents on the dollar, tens of thousands of people who put their faith in a regulatory system and in the integrity of this institution were misled. We must take whatever steps are necessary to ensure that the credibility and stability of the financial community remain intact in the future. As well, we ought to take steps to ensure that innocent depositors who have faith in these institutions are not victims of some unscrupulous people in the business.

Obviously there is a need to ensure that consumers are aware if their hard-earned money is insured or not when placed in financial institutions. This motion seeks to address that problem in what I believe is a straightforward and easy to understand manner.

I might add in closing that this is simply one initiative. The intent of this initiative is not to suggest that this is the only way of dealing with the problem. There may be other ways of

dealing with it. There may even be other better ways of dealing with it. However, the motion provides a vehicle to generate discussion, not only here in the House of Commons but later in the finance committee. We should let the people on the finance committee who have expertise and a sincere interest in these matters explore various alternatives, this being only one of them.

It is unfortunate that this motion has been made necessary by recent developments in the financial community. As responsible parliamentarians, we must take whatever steps are necessary to ensure that the collapse of a financial institution does not occur in the future and, in a time and era of increased competition as a result of financial deregulation, that innocent and naive investors are protected as much as possible.

[*Translation*]

Mr. Claude Lanthier (LaSalle): Madam Speaker, thank you for allowing me to take the floor on this important issue.

[*English*]

I was a member of the finance committee along with the Hon. Member for Kamloops—Shuswap (Mr. Riis) when we heard some sad horror stories about companies that did not advertise on their letterheads that they were not insured and also about some ambiguous letterheads which might have advertised the companies involved as being insured.

Questions about the financial system have been raised in the House many times in the last few years. We are well aware of some of the dimensions of the problem in general and of this problem in particular. This motion raises a number of questions.

I respect the concerns raised by the Hon. Member. The motion flows from a specific request from people who pay premiums to be protected and are competing for rates of returns with people who present themselves as being insured but are not paying premiums. However, this motion does give me some difficulties.

[*Translation*]

Allow me to examine it for a moment, Madam Speaker. First it focuses on the question of consumer protection, and in that respect we in the Progressive Conservative Party do not have any lesson to take from any of the Opposition Parties. We have absolutely no problem with that, consumer protection must be given priority. The real question is not to know what we want to do but indeed how we should proceed.

I intend to show that the federal Government has done a lot in that field in recent years, particularly since the reform of financial institutions. However the problem with this motion is that it fails to take into full account the measures our Government has already taken.

Secondly, it raises the delicate matter of federal-provincial relations. Here again the principle does not bother us because since the advent of national reconciliation it has been amply demonstrated that it is always possible to be at one with the provinces. Federal-provincial co-operation and consultation have always been among the main concerns of our Government since 1984, a fitting substitute for the atmosphere of generalized confrontation which prevailed in the darker years before we took office.

Still we cannot dismiss the possibility that problems may crop up if we encourage federal institutions to tread where provinces do have legitimate and overriding jurisdiction, even after these consultations.

Madam Speaker, as I have already said, it is important to realize the specific measures taken by our Government with a view to solving certain problems arising from our complex financial system. I think we have developed a good approach athough I am not against some improvements if they are deemed necessary, particularly in a very specific case such as this one where there have been some abuses because the field was wide open.

Let me review the provisions in our present system so that there be no misunderstanding as to the measures already passed, which are now in fact implemented.

• (1720)

[*English*]

You will recall that last June two separate pieces of legislation were passed and proclaimed. Bill C-42 and Bill C-46 were stages of the implementation of the financial reform package announced in December, 1986, by the Minister of State for Finance, which was itself the result of long consultation and a great deal of work. I should just remind you as well that the Minister of State for Finance released a further piece of draft legislation last December, which took us a long way further towards completion of reform of this vital sector of the economy.

[*Translation*]

Even before those reforms, Madam Speaker, only the members of the Canada Deposit Insurance Corporation could be considered as being insured by our Corporation. For some time now it has been required that uninsured instruments bear a mention to this effect, which is perfectly consistent with the proposal put forward.

Bill C-42 reinforced those provisions in three important areas, and I quote:

> The first of those areas deals with the fact that the member institutions cannot state that they or the deposits they have are insured by the Canada Deposit Insurance Corporation. It is now well established that this ban applies both to institutions and to all the persons they represent.
>
> The second important part of the provisions in Bill C-42 deals with a provision which was already in the regulations and which was added to the Act itself, namely the requirement that the institutions which accept deposits not insured by the Canada Deposit Insurance Corporation indicate it clearly and distinctly in writing in the deposit contract.
>
> The third element is a new requirement which makes it an obligation for financial institutions seeking investment funds on behalf of their own security subsidiaries, or other institutions which are not members of the CDIC to expressly notify their depositors that these corporations or subsidiaries are not members of the CIDC and that the funds thus invested are not insured by the CDIC. This is quite clear and in every way consistent with the motion which is now before us.

I have already mentioned that the Government will review as soon as possible the other legislation for the purpose of completing the reform of the financial sector. For instance, these proposals will increase the internal powers of the federal financial institutions and will make it possible for them to extend and diversify their financial services to their customers who, in this case, are consumers of financial goods who must be protected as a priority, as I mentioned earlier.

More specifically, these financial institutions will be authorized to make agreements with other networks therefore we believe that the Canadian public will have a greater access to financial services under more favourable conditions and with increased availability. On the other hand, the diversification of the services offered by financial institutions should make it possible for them to meet more easily the challenge resulting from increased competition abroad as well as from foreign institutions now operating in Canada.

Clearly, this new situation raises a number of questions concerning the paramount need to protect our Canadian consumers. For instance, deposit services might be only one of several products offered by a group of interrelated financial institutions which are not all members of the CIDC, some of them coming under the jurisdiction of provincial regulatory institutions. Hence the ambiguity of who is who and who covers what.

The Bill dealing with trust and loan companies takes these matters into account and authorizes the Governor in Council to establish regulations determining the conditions under which these financial institutions can operate in the areas now available to them. Similar provisions have been added to banking and insurance companies legislation.

While the situation will be more complex than before, we have already taken action to provide consumers with the protection which we find so important and essential in preparing any piece of legislation which deals with our increasingly complex financial services.

Bill C-56, the second Bill mentioned in the intervention of the Hon. Member for Kamloops—Shuswap (Mr. Riis), also dealt with certain aspects of this general problem. Some of its provisions will simplify the creation of annuity and compensation plans for contributors. The details have not yet been finalized, but these plans will fill the gaps which now exist as concerns quasi-deposit insurance. They will cover the annuities offered by insurance companies, in somewhat the same manner as the corporation now insures deposits.

Madam Speaker, you are indicating that my allotted time is coming to an end. I am certain that the provinces also recognize the need to co-ordinate and harmonize these operations. This is often one of the items on the agenda for meetings of Ministers responsible for financial institutions, and we should see it as our duty to promote this process further.

Nevertheless, Madam Speaker, we should not accept this motion as introduced. It does not take into account the many initiatives which have already been taken. However, I hope that we can develop the federal-provincial co-operation to which the Hon. Member for Kamloops—Shuswap aspires and that our country can continue to enjoy a financial system which protects all parties concerned, and first of all the consumers.

[*English*]

Miss Aideen Nicholson (Trinity): Madam Speaker, I think this is a very interesting motion put forward by the Hon. Member for Kamloops—Shuswap (Mr. Riis) and is deserving of further consideration. His motion reads:

> That, in the opinion of this House, the government should consider the advisability of co-operating with the provinces in establishing a system whereby those individuals who deposit money in financial institutions not covered by deposit insurance be required to sign a waiver form indicating that they are fully aware that their deposits are not insured in the event that the institution goes bankrupt.

It is a very interesting and positive consumer protection measure. At the present time instruments which are covered by deposit insurance are supposed to be stamped on their back. The theory is that the well-informed consumer looks for the stamp and if it is not there does not invest. In fact, we have found recently that many people, particularly older people when they have sold their house which is perhaps their main asset, tend to believe what salesmen tell them. If salesmen tell them that something is insured, they accept that and do not look for the written proof.

• (1730)

The measure before us would put the onus on the financial institution to have the buyer sign a waiver saying that he or she understands that this investment is not insured, if that is the case. I think it is a very positive approach which takes into account that not all investors are knowledgeable and sophisticated. It does not seem to me that it is an enormous amount of paper work or a heavy burden to place on financial institutions.

The history of the number of institutions which have failed in recent years is, of course, very alarming. I believe we are past that for a whole variety of reasons. One reason is that we are now in the sixth year of recovery from recession. Another reason is that the powers of the Superintendent of Financial Institutions have been increased. As well, people are now much more aware of the risks involved in investment as a result of the unhappy experiences of others and the attendant publication.

Even so, as a result of the recent failure of the Principal Group, which is provincially registered, I received a lot of letters, as I am sure other Members of Parliament did, from people who had invested, believing what the salesman told them, and learning too late that their deposits were not insured. These were small investors who, in many cases, lost their life savings.

For that reason I think the Hon. Member's motion should be very seriously considered. Some of the measures that we have taken in the past few years have taken a lot of taxpayers' money, that of financial institutions, and a lot more time, effort, and money than would this simple measure which the Hon. Member is proposing.

On March 25, 1985, the Conservative Government announced its bail-out of the Canadian Commercial Bank of $225 million. That Bill received Royal Assent on March 29 because the House co-operated as we were facing what was then an almost unheard of situation, the risk of the failure of a Canadian bank. That $225 million was made up of contributions from banks, from two provinces, and from the Government of Canada. At the end of August, 1985, the Bank of Canada advanced over $500 million to the Northland Bank.

Bank of Canada advances to the Canadian Commercial Bank totalled $1.3 billion by this time. However, this assistance was all for nothing because on September 1, 1985, the Minister of State for financial institutions announced that the Canadian Commercial Bank would go into liquidation, and it was later followed by the Northland Bank.

At that time the Government introduced legislation to reimburse fully those depositors of the Canadian Commercial Bank and the Northland Bank whose holdings exceeded the insurable limit of $60,000. However, there were some people who held instruments which were not insured at all. We have seen massive investment of public money in order to assist people who found themselves with uninsured deposits or only partially insured deposits when a financial institution failed.

The proposal of the Hon. Member would make it very clear to consumers if they are buying into something which is not insured. That, of course, would affect consumers choices. For this reason, I think this motion should be considered very carefully. The Hon. Member has suggested that this be done in association with the provinces. Clearly that is very important because some of the failures which have caused such anguish to people have in fact been of provincially registered institutions.

I will not delay this any more as I know other Members wish to speak. In spite of what the government Member who just spoke said, I think this proposal has merit and I would like to see it referred to the Standing Committee on Finance and Economic Affairs.

Mr. John Oostrom (Willowdale): Mr. Speaker, the motion of the Hon. Member for Kamloops—Shuswap (Mr. Riis) gives me a welcome opportunity to address a number of my own concerns which I know are shared by other Members as well as by the Government. I think it is particularly appropriate to be looking at the question of consumer protection—whether by the CDIC or by other means—at a time when the process of reform of the financial sector is well under way.

We all know of the situations which have come to light over the last few years which made it clear that changes had to be made to protect the interests of consumers, depositors and others. Even though the Principal Group affair is entirely within provincial jurisdiction, it reminds us that we must always be vigilant, always concerned for the legitimate interests of the people who use our financial system.

As the Hon. Member for LaSalle (Mr. Lanthier) has pointed out, and as other Members know, the Government has already undertaken a number of improvements to the CDIC regime. Bill C-42, which was proclaimed in July last year, made three specific improvements to the provisions about which the Hon. Member is most concerned. I believe it has already been pointed out that prior to the passage of this Bill the law prohibited anyone other than a member of the CDIC from representing himself as a member of the CDIC.

We have now entrenched in the legislation existing regulations which ensure that when institutions take deposits which are not insured they must indicate that requirement in writing on the contract. It seems to me that for companies within federal jurisdiction this measure goes almost as far as the Hon. Member's motion if we assume that people signing contracts read them, which surely is not an unreasonable assumption.

Bill C-42 also extended the ban on unauthorized representations of the insured status of institutions or deposits to persons acting as agents for institutions. It also requires that member institutions that solicit funds for investment on behalf of their investment company subsidiaries or other non-members of the CDIC must give notice to potential investors that these funds are not insured by the CDIC.

The Canada Deposit Insurance Corporation covers all federally regulated deposit-taking institutions and the major provincially regulated deposit-taking institutions as well. I think the state of the legislation and regulations which govern these institutions is in an acceptable state.

• (1740)

The motion before us draws attention to other institutions and to other types of involvement than classic deposits. These other institutions and instruments are already around. As the Government's reform of the financial sector continues to be implemented, and as the sector grows accustomed to the new opportunities it has, it will be increasingly important to pay attention to consumer protection.

It does not take a lot, for example, to see that the new networking proposals, which will undoubtedly give new opportunities to institutions and new options to their customers, will also mean that customers will need more knowledge of institutions. We have already seen new links growing between banks, which are members of the CDIC, and securities dealers, which are not. Our reforms will permit even further linkages, but they also provide for protection for customers.

I sincerely hope the legislation on trust and loan companies will be before us very soon. In the meantime, we have been assured that the remaining legislation to implement reform

will follow the outlines of the draft released in December, 1987. On that basis, the Government is clearly moving effectively to deal with potential problems.

The legislation will give the Government the power to make regulations imposing terms and conditions with respect to the potentially confusing activities of member institutions which are linked to non-members, and which offer a variety of services, some of which are insured deposits and some are investments. I think it is good news, and very appropriate, that the Government is also working with the insurance industry to arrive at an acceptable way of dealing with some deposit-like instruments. In effect, we want to find a way of ensuring CDIC-like coverage for policy holders in both sectors of the industry.

I have been assured that the two plans, one for the life and health companies and one for the property and casualty companies, should be in operation by the end of 1988 or the beginning of 1989. That leads me back to a key element in any further progress, the co-operation of both the federal and the provincial Governments. The need for co-ordination is one of the most pressing issues facing the sector, I believe, once the reform package is in place. Confusion is the only result when authorities with shared jurisdictions cannot get together, and these days that is often the case.

Happily we know that under the present administration consultation and co-operation with the provinces is a very high priority. In this field, particularly, Ministers responsible for financial institutions have already spent a lot of time over a number of years looking at some of the problems faced by the sector. Over time, I believe we will reach appropriate solutions.

In closing, I want to congratulate the Government on its concern for customer protection in the financial sector. Its actions and proposals will go a long way to ensure that everyone has the proper information and can make decisions without confusion. No doubt there can be improvements. I do not know of a perfect system anywhere. However, I do not think there is the kind of urgency for further change that lies behind Motion No. 143. I believe customers are already well protected and that the Government is taking appropriate action to extend that protection even further.

Mr. Simon de Jong (Regina East): Madam Speaker, I wish as well to join in the debate on Motion No. 143. As opposed to the previous speaker on the government side, I do not feel the Government has done enough to protect investors, particularly, depositors. When it comes to co-operation with the provinces, I wish as well to show that the federal Government and its agency, the CDIC, has not co-operated at all with an attempt by an inquiry in Alberta to determine exactly why Principal Trust went under.

I became quite concerned about the collapse of the groups under Principal Trust when a fair number of my constituents wrote to me expressing their concerns. Many of them were not sophisticated investors but had put their life savings, the money they had saved all of their lives, as much as $30,000 and $40,000, into these companies. They were assured over and over again that their deposits were insured. I attended a mass meeting in Regina and later on talked to people who considered themselves to be sophisticated investors. They too were fooled. They too had been given the assurance that their deposits would indeed be protected. I would like to read from a letter I received from George Mertler of Regina. It reads:

> I am 65 years of age. I have been putting my RRSPs in with them for the last 20 some years.

He is referring to the Principal Trust in Regina.

> Up to date I have about $40,000 the last few years. The sales people at Principal have talked me into investing into Associate Investors and First Investors Alberta companies. They assured me that these companies were safe as they were covered by the Alberta investment contract and assets equal to their liability placed in a Canadian chartered bank.

I could read several other letters, Madam Speaker. I have been on my feet in this House on numerous occasions. When the Government called us back in the middle of the summer I took the opportunity during Question Period to ask the Minister of State for Finance (Mr. Hockin) and the Minister of Consumer and Corporate Affairs (Mr. Andre) if there would be any federal investigation. At that time I was told, no, it was not necessary because the Alberta Government had already instigated an investigation. On August 12, 1987, the Minister stated: "The Minister of Consumer and Corporate Affairs and I will be meeting on this matter this week. Our response will be made known to the House very shortly". I am still waiting for their response.

The Minister of Consumer and Corporate Affairs assured me on August 26, when asked when the Department of Consumer and Corporate Affairs would complete its investigation in terms of misrepresentation, that it had indicated two or three weeks previously that it was expecting it to be done by the end of August, and that it will or will not make recommendations to the Attorney General based on that investigation. Well, we are still waiting for that Department to decide whether or not it would recommend laying criminal charges.

Last month, again, I had some indication that the Government is not co-operating, that it was not attempting to find out what really happened with the Principal Group. Despite the assurances I have received, especially from the Minister of State for Finance, that the Alberta inquiry would be a full and open public inquiry, we have found out that the Canada Deposit Insurance Corporation, which is really under the control of the Government, the Minister of Finance and the Minister of State for Finance, had refused to co-operate with the investigation in Alberta. It had refused to turn over essential documents relating to how CDIC had ordered the trust company, for which it was providing insurance, to place some of its dubious portfolios with First Investors and Associate Investors. The Code lawyers took CDIC to court and the court in fact has determined that CDIC should turn over those records. Now, apparently, CDIC at a meeting of its directors in two weeks time will decide whether or not to appeal that decision to the Supreme Court. Talk about co-operation; talk about an open inquiry; talk about the federal Government wanting to co-operate with the provinces! Here it had an opportunity of co-operating with the provinces. In fact, it forced the inquiry that was established by the Province of Alberta to go to court. CDIC is even considering appealing the lower court's decision to the Supreme Court.

• (1750)

The real issue is, why has the Government not voluntarily co-operated with the Code inquiry rather that choosing to enter into this costly, lengthy, and wholly unnecessary legal battle?

I also wish to know where the Tory Alberta caucus has been on this issue. This issue has affected thousands of their constituents. They have been silent on this issue. Certainly, we have heard them roar when it comes to issues like the CBC. But in terms of pressuring their own Government to co-operate with this inquiry they have been very silent indeed. Thousands of angry Principal Group investors are asking where the federal Government is, and what is its responsibility. They want to know why the federal Government is not co-operating with the Code inquiry.

The motion that has been presented to us by my colleague, the House Leader of the New Democratic Party, is a good motion. It will require, when certain financial instruments or the institution itself are not covered under the CDIC insurance, that that becomes known to the investor.

As we move into the deregulation of financial institutions, there will be more and more different types of financial instruments. Some will be covered under deposit insurance, and some will not be covered under deposit insurance. It is very important that we have the necessary legislation and regulations that will force these various financial institutions to be up front and honest with the depositors in terms of the types of insurance that those depositors will receive.

It is also very important that we in western Canada are able to develop our own financial institutions. Unfortunately, in the last year or so we have had a very bad track record. A major reason has been the type of bandits who have flourished in western Canada during a boom period. We saw it through the various major financial institutions that have gone belly up. There have been unethical practices and questionable legal practices. In fact, I suspect that the courts will eventually have to decide whether to lay criminal charges against some of the owners of Principal Trust. A certain amount of regulation is needed.

It is important to protect investors in western Canada, many of whom want to invest and deposit their money in local institutions because they want to see viable financial institutions in western Canada. In order to protect those depositors it is important that those financial institutions be forced to tell the depositors whether their deposits will be covered under insurance.

As more information comes out through the Code inquiry and we see what happened to the Principal Group, it will be sad to see the lack of co-operation that the federal Government had given to that inquiry. CDIC has not been forthcoming with the essential documents requested by this inquiry. It had to become a court fight. Even now CDIC is considering appealing that decision. The company is dead, yet CDIC is insisting on protecting the confidentiality of this defunct company. The lawyers of the inquiry have assured CDIC that they will do everything possible to retain confidentiality.

We see a Government with a sad record when it comes to financial institutions, particularly the latest one involving Principal Group. I would urge the House to accept the motion presented by my colleague this afternoon.

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I wish to assure my colleague that the Government does not believe that western Canada is populated by bandits. I can assure the Hon. Member that the Government has done a great deal to attempt to make western institutions viable.

Although there have been some serious problems, I am pleased to see the amalgamation of the Western and Pacific Bank with the Bank of Alberta. I am pleased to see the efforts of the Government with Alberta trust companies and the recent advance by CDIC of $290 million. I am pleased to see the efforts that were made, perhaps they were not as successful as they might have been in preserving the Bank of British Columbia, but we all rejoice in the fact that the Hongkong and Shanghai Bank group, after a great deal of persuasion and at the expense of $200 million from the Canada Deposit Insurance Corporation, was willing to ensure that the Bank of British Columbia, its branches, the people and the service that was provided to western Canada from that organization are still in place.

To suggest that the Government has been tromping on western Canada, as the Member for Regina East (Mr. de Jong) has suggested, is just not so. He ought to know better. He ought to apologize to the Canada Deposit Insurance Corporation.

The Hon. Member mentioned the fact that Canada Deposit Insurance Corporation was concerned about certain matters in connection with Principal Trust Company, and that it did not want to make certain disclosures. I can understand that. The nature of the work that the Canada Deposit Insurance Corporation does with trust companies, banks, and others right across the country, is of such a nature as to demand confidentiality. To allow the number of representations, the advances, and the type of work that is done on a day-to-day basis to be made public would indicate something that might cause runs on other financial institutions. It is important to ensure that our financial institutions have the benefit and the support that they have had from the Canada Deposit Insurance Corporation.

May I point out to the House that through this period of bank collapses I have yet to have a person come to me as a Member of Parliament involved in the finance committee and say to me, "I thought I was guaranteed by Canada Deposit Insurance Corporation. Why have I not been paid?" People have been hurt who have invested in places like the teachers' co-op, who have invested in high-flying activities run by mutual salesmen licensed by the Province of Alberta in the Principal matter who should have been properly supervised. They did take people's money.

It is nonsense to suggest that by signing some type of waiver all of the problems of the world brought about by high fliers and by people who do not have a sense of trust and responsibility will be covered. That is the intent of this resolution, and it does not stand up.

I notice that you are signalling, Madam Speaker, that my time is up. I would like to continue my remarks later.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The hour provided for consideration of Private Members' Business has now expired. Pursuant to Standing Order 36(2), the order is dropped to the bottom of the list on the Order Paper.

• (1800)

[*English*]

It being six o'clock p.m., pursuant to Standing Order 13(5), the House will now proceed to the taking of the deferred division.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Friday, February 26, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government.

The Acting Speaker (Mrs. Champagne): The House will now proceed to the taking of the deferred division on the motion of the Minister of Finance (Mr. Wilson) in relation to the Budget.

Call in the Members.

The House divided on the motion (Mr. Wilson), which was agreed to on the following division:

(*Division No. 312*)

YEAS

Members

Bernier
Bertrand
Blais
Blenkarn
Bouchard
Brisco
Caldwell
Cardiff
Carney
Clark
(Brandon—Souris)
Coates
Cossitt
Crofton
Crosbie
(St. John's West)
Darling
Desjardins
Duguay
Ellis
Ferland
Fontaine
Fretz
Friesen
Gormley
Gottselig
Grisé
Gustafson
Halliday
Hamilton
Hawkes
Hees
Hnatyshyn
Hockin
Hudon
James
Jardine
King
Ladouceur
Lanthier
Lawrence
Lewis
MacDonald
(Kingston and
the Islands)
MacDougall
(Timiskaming)
MacKay
Marin
Martin
Mazankowski
McKenzie
McKinnon
Minaker
Mitges
Moore
Nickerson
Oberle
Oostrom
Price
Redway
Ricard
St. Germain
Schellenberg
(Nanaimo—Alberni)
Scowen
Sparrow
Stevens
Suluk
Taylor
Thacker
Towers
Tremblay
(Lotbinière)
Van De Walle
Wilson
(Swift Current
—Maple Creek)
Wilson
(Etobicoke
Centre)
Winegard
Wise—72

NAYS

Members

Allmand
Angus
Axworthy
Benjamin
Blackburn
(Brant)
Blaikie
Boudria
Cassidy
de Jong
Dingwall
Epp
(Thunder Bay—
Nipigon)
Foster
Fulton
Gauthier
Gray
(Windsor West)
Grondin
Guilbault
(Saint-Jacques)
Henderson
Jewett
Kaplan
Keeper
Langdon
Manly
Marchi
McCurdy
McDonald
(Broadview—
Greenwood)
Mitchell
Murphy
Nicholson
(Trinity)
Ouellet
Parry
Penner
Riis
Tardif
(Richmond—Wolfe)
Waddell
Young—36

• (1820)

[*Translation*]

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

It being 6.26 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.26 p.m.

HOUSE OF COMMONS

Tuesday, March 1, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

LIBRARY OF PARLIAMENT

PRESENTATION OF ANNUAL REPORT

Mr. Speaker: I have the honour to lay upon the table the report of the Parliamentary Librarian for the fiscal year ended March 31, 1987.

* * *

JAMES BAY AND NORTHERN QUEBEC NATIVE CLAIMS SETTLEMENT ACT

TABLING OF ANNUAL REPORT, 1987

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, it is my pleasure to table, in both official languages, the 1987 annual report on the implementation of the James Bay and Northern Quebec Agreement and of the Northeastern Quebec Agreement, pursuant to Section 10 of the James Bay and Northern Quebec Native Claims Settlement Act, and it would be permanently referred to the appropriate committee.

* * *

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour of tabling, in both official languages, the Government's response to petitions Nos. 332-3879 to 332-3688, inclusive; 332-3810, 332-3811, 332-3873 to 332-3879, inclusive; and 332-3928 to 332-3933, inclusive.

STRIKING

PRESENTATION OF FIFTY-SECOND REPORT OF STANDING COMMITTEE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I have the honour of tabling, in both official languages, the fifty-second Report of the Striking Committee.

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

* * *

[*English*]

PETITIONS

PROPOSED FREE TRADE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, indeed it is a privilege and an honour to present, pursuant to Standing Order 106, a petition from a number of western Canadians who are very concerned that the federal Government does not have a mandate from the people of Canada to conclude a trade deal with the United States, which they believe, of course, would challenge Canadian sovereignty.

They believe that the trade deal negotiated by the Government threatens the very fabric of Canadian political and economic sovereignty since it removes the power of the Canadian Government to control foreign ownership effectively. As well, it effectively removes Canada's ability to develop its energy resources in the best interest of Canadians.

Therefore, they ask the Parliament to dissolve to allow the people of Canada an opportunity either to accept or reject the proposed trade deal during a national general election.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, it is an honour to present petitions on behalf of residents of the Ottawa area—the City of Ottawa, Kanata, and other parts of the capital area. They protest, with regard to the trade deal negotiated with the United States, that the agreement would deny Canada the policy freedom to determine its own economic future and undermine our ability to build a society distinct from that of the U.S.

This is in a context in which the agreement fails to achieve the secure access that the Government said was the key objective and ends up threatening the loss of hundreds of thousands of Canadian jobs.

These petitioners from the Ottawa area call upon the House of Commons to dissolve to give the people of Canada an opportunity to accept or reject, as they expect, this agreement with the United States in a general election.

• (1110)

REQUEST FOR IMMEDIATE GOVERNMENT ACTION ON SHELTER FOR THE HOMELESS

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, it is my duty to present a petition on behalf of the residents from Kingston, Ontario, Corner Brook, Newfoundland, Irishtown, Newfoundland and Vancouver, B.C.

These petitioners announced that more than 100,000 Canadians were homeless last year, that an increasing number of young people, women and entire families are without roofs over their heads that the number of affordable housing is constantly dwindling and that the Government has not yet introduced any new measures to help the homeless.

For these reasons and for many others the petitioners humbly pray and call upon Parliament to act immediately and establish the necessary measure to ensure that all Canadians live in adequate and healthy housing and also have access to some rehabilitation process in order to re-integrate into Canadian society in dignity.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk).

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, Question No. 249 will be answered today.

[*Text*]

CIDA—MR. JEAN-PAUL RAYMOND

Question No. 249—**Mr. Boudria:**

Has the Canadian International Development Agency (CIDA) ever paid for a trip or trips to any other country for Mr. Jean-Paul Raymond or any other member or members of the *Comité d'information et d'animation communautaire* and, if so, for each trip, what was the (*a*) destination (*b*) purpose (*c*) cost per person?

Hon. Monique Landry (Minister for External Relations): The Canadian International Development Agency (CIDA) has not paid for any trips outside of Canada for Mr. Jean-Paul Raymond nor for any member of the *Comité d'information et d'animation communautaire*.

[*English*]

Mr. Speaker: The question as enumerated by the Parliamentary Secretary has been answered.

QUESTION PASSED AS ORDER FOR RETURN

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if Question No. 226 could be made an Order for Return, the return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House the Question No. 226 be deemed to have been made an Order for Return?

Some Hon. Members: Agreed.

[*Text*]

TRANSITION HOUSES OR CRISIS CENTRES FOR WOMEN

Question No. 226—**Mr. Howie:**

1. For the latest date for which figures are available, how many Transition Houses or Crisis Centres for women are in operation in Canada?

2. Have any of these institutions been assisted by the government?

Return tabled.

[*English*]

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

Some Hon. Members: Agreed.

* * *

BORROWING AUTHORITY ACT, 1988-89

MEASURE TO ENACT

The House resumed from Monday, February 29, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-109, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Government is coming before us with Bill C-109 asking for Parliament to give the Government the authority to borrow $25 billion. We have debated this issue at this point in time for a total of four hours and forty-five minutes. That is a little less than $5 billion per hour. Frankly, when I look at the over-all thrust of government programs to date, or lack thereof, as a Canadian citizen who has been charged with the responsibility of representing my constituents, I do not think the Government has earned the right to be accorded this $25 billion.

There are many areas where the Government has not acted. Certainly one of the areas in recent times where we have seen a total lack of leadership has been in the Government's response to the Supreme Court judgment on the issue of abortion.

The federal Government instead of showing leadership on a very difficult issue has passed the problem to the provinces so that both the Minister of Justice (Mr. Hnatyshyn) and the Minister of National Health and Welfare (Mr. Epp) have allowed a chaotic situation to reign across the country because

they do not have the political courage to bring to the House of Commons some legislation to deal with this extremely sensitive issue for Canadians. That is one area where the Government is getting an *F* in its report card but there are many other areas.

My colleague, the Hon. Member for Saint-Michel—Ahuntsic (Mrs. Killens) just pointed out the situation of the homeless. We have come out of the year of the homeless and what response have we had from the federal Government to deal with the killing issue for Canadians? Absolutely none. If anything, we have seen the Government divest itself of responsibility in the same way that it did with the Supreme Court judgment, namely, it passed it off to the provinces. We now have a situation where social housing in Canada is no longer under the leadership of the federal Government, but is passed off to the provinces. In fact, the only area where the federal Government has maintained sole jurisdiction has been in the area of co-operative and native housing where no kudos need to be given. This is another area where we have a total lack of leadership.

We heard the Minister of Finance (Mr. Wilson) most recently lauding the fact that Canada is deemed to be the country among the OECD nations which has the largest growing economy for fiscal year 1987.

Some Hon. Members: Hear, hear.

Ms. Copps: Government Members are applauding. But what they fail to recognize is that at the same time we have these wonderful statistics coming from the mouth of the Minister of Finance, one in five Canadian children is living in poverty. In fact, we have a situation where thousands upon thousands of children are going to school hungry, and do not have homes. What kind of response have we had from this Government?

Under tax reform, the Government put one million poor people on the tax rolls for the first time in Canadian history—on the tax rolls, Madam Speaker. The Minister of Finance through the tax measures he has introduced since 1984 has brought onto the tax rolls one million people who were never paying taxes before. Now the Minister comes out with tax reform. He actually has the nerve to stand up in the House and beat his breast, saying he has taken 850,000 off the tax rolls. What he does not tell Canadians is that he and his Government were in a position to put one million new people on the tax rolls.

An Hon. Member: What about all the new jobs that people have?

Ms. Copps: Now there are 850,000 people taken off the tax rolls. That is Tory tax reform. Take from the poor and hand out to the rich.

In our Standing Committee on National Health and Welfare, we tried to have the issue of child poverty addressed as a priority. In fact, the child poverty action group implored us to do so. The Canadian Council on Social Development and the National Council on Welfare asked us to bring forward this issue as a priority issue. Instead, the committee on health and welfare has chosen to study mechanisms for financing health care, including trips to the United Kingdom, Sweden, the Netherlands and I think Germany. We are taking a world tour to study health care when we should be looking at the question of Canadian children who are going to school hungry and are without roofs over their heads. In 1988 in an economy as vibrant as the Canadian economy the situation is a national disgrace and a national tragedy. How does the Government expect us to pass a blank cheque for $25 billion when it does not have the heart to care about the children in our country who are going hungry?

When the Minister of Finance is asked questions in the House about what he is doing with social policy, he just parrots OECD statistics, which do not mean a lot when you do not have bread on the table or a roof over your head.

I would like to spend a moment dealing with a much more personal issue to me. Over the years we hear many difficult and sad stories, we hear many stories that would break your heart. I had the occasion about two months ago to hear directly from a woman who did not live in my riding. She lived in a neighbouring community but had not gotten a response from her local M.P. so came to see me. She came because her son who was 17 years of age, a model student, a model volunteer, the kind of son any parent would love to have, had died. He had died after eating an apple turnover at an Arby's restaurant. The reason he died is that apple turnovers, unbeknownst to the young man, contained ground up hazel nuts, nuts so small they cannot be seen by the human eye. This young man had eaten apple turnovers at other restaurants. He had eaten them at McDonald's and at Harvey's. He assumed that an apple turnover is what it says, an apple turnover. He did not think an apple turnover was an apple and a nut turnover. He knew he had an allergy. As soon as he ate this apple turnover he started to have a reaction. He had been told by his physician that if he ever underwent an attack, which in the medical jargon is called a reaction of anaphylactic shock, that he would have time to get to the hospital. His mother told me this story. He jumped on his bicycle and pedalled home. He got in the front door and was barely speaking at that point. He was choking and losing consciousness. He asked his father for help. His mother told me that she did not even have time to say goodbye to her son because he was dead before she even had a chance to wake up. She told me that she could sue the company involved, but she does not want to do that because to sue the company will not bring her son Christian back. She said that she would like the Government to do something to prevent this kind of tragedy from happening to another young person.

• (1120)

This occurred in December. In my naivety, I believed that there are many issues that one comes across in political life, some of which are partisan and some of which are not. I felt that this was not a partisan issue. I felt that this was an issue

with which any parent could identify. Unfortunately, when the food and drug regulations were brought in this issue was omitted. It is not a sin of commission but of omission.

In the 1960s when food and drug regulations were brought in, the Government felt that when people went to grocery stores, they should be able to know what they were eating. They should be able to pick up a can of soup and read the ingredients on the label. We know that now, in 1988, the Canadian appetite for food is changing rapidly. We know that many Canadians eat out more often than they eat in their own homes. Why have the food and drug regulations not kept pace with the times? Why have the food and drug regulations not reflected the fact that most people do not always cook their meals at home? Many people are often forced to eat on the run, and it is not practical in 1988 to tell a person with an allergy that the only way to deal with that allergy is to eat at home.

I thought that I would speak to the Minister of National Health and Welfare (Mr. Epp) privately and tell him that there is obviously a loophole in the law. As I did more investigation, and I had some tremendous help, support and information from the Canadian Allergy Information Association and the president of that association, Mrs. Susan Daglish, I became aware of the fact that approximately one person in Canada dies every month as a result of an allergic reaction. We do not know how many more end up in hospital or how many more have unreported seizures, because that type of data is not collected.

I do know that I told the Minister that there seems to be a loophole in the law. I said that if we could get an agreement, perhaps changes could be brought in. I did not want to make this a political issue. I would rather have the Minister bring forward amendments to the Food and Drugs Act which would include labelling of fast foods, as a start. I recognized that this would not be an easy solution or a quick-fix. It would not save every life, because in some cases there are other impinging factors. However, it seemed to me to be a reasonable request.

In this day and age when companies are spending thousands and in some cases probably millions of dollars on fancy packaging and gimmicks to catch the eye of the consumer, at the very least Canadian consumers should have the right to know what it is they are eating. When Canadians go out to get an apple turnover or a hamburger, whether it is called a Whopper, a Big Mac or whatever, it would be nice for them to know what they are eating. Since that right was accorded to us for groceries back in the 1960s, and we know that today fast food is much more prevalent, why can we not have the same right when we go out to eat in restaurants?

I was a little naive. When I raised the matter with the Minister, he said he would look into it. I did not hear anything further for a month or so, so I decided, in order to stimulate the discussion, that I would bring forward a resolution. In fact, I raised the issue with the Standing Committee on Health and Welfare. I must say that the response of the Chairman, the Hon. Member for Oxford (Mr. Halliday), who has a medical background himself, was most encouraging.

Conservative members of the committee agreed with me that something should be done about food labelling and, in fact, they summoned the Minister to come before the committee to explain why there is no requirement for labelling of fast food at the moment. What we heard was a litany of excuses longer than the menus at most fast-food restaurants. The Minister said he could not do it because some restaurants sell hamburgers and hot dogs in the same packages and, God forbid, some restaurants may use peanut oil when cooking. It was a response from a Minister who had made up his mind that he would not go ahead with this and who then needed to summon all his arguments as to why he could not. It was not the response of a Minister who should be showing leadership and telling his Department that he wants this done and showing the vehicle to carry it out.

No one is suggesting that if we legislated labelling all of the problems would be solved tomorrow and all the labelling would be proper as of tomorrow. Obviously that is why we have regulations. That is why we permit the Government, in its wisdom, to come forward with Governor in Council decisions relating to issues like labelling. There may be exceptional cases or anomalies that cannot be encompassed in the legislation. That is why we tell the Minister that he has the discretion to come forward with a package which will meet the basic need of Canadians to know what they eat and still take into consideration the fact that at some point there may be matters that are not covered by the legislation.

What I saw was a Minister who was simply prepared to come before the committee to give us a bunch of excuses and to even go so far as to blame the families of the victims, to blame people who died because there is no labelling on fast foods or restaurant foods; the victim did not know that in the case of an Arby's turnover, for example, there are hazelnuts ground up so fine that the eye cannot see them.

The Minister even had the audacity to suggest that people who have severe allergic reactions should consider not eating out. In this day and age the Minister should not be giving reasons and excuses, he should be coming forward with legislation to deal with the problem.

Certainly the members of the Health and Welfare Committee did agree that we should move with legislation on this. I am very sorry that instead of accepting the view of all the members of that committee, including the chairman who has a medical background, the Minister was merely there to provide excuses. Now he along with the rest of his Government is asking for $25 billion to carry out the programs of Government. He is asking for the authority to borrow money to permit the Government to carry on with its other functions. I say that in order for the Government to be accorded borrowing authority, it has to display some sense of responsibility.

In the case of the fast-food labelling issue, the Minister has not displayed responsibility, caring and concern for Canadians,

but merely a shallow, knee-jerk response, a litany of excuses. Frankly, it was something that I did not expect, even from that Minister.

The proof is in the pudding. I received some information in a phone call this morning. I have not corroborated it totally, so I am passing it along only for information and edification. I heard that at least two major retail outlets in the fast-food business have now decided themselves that they intend to label their foods. As I understand it, they are moving not to label foods item by item but to label foods which have an allergic potential, and certainly that could be expanded.

How can we accept the excuses of the Minister of Health who as late as last week said that this could not be done, when the fast-food chains themselves are now moving in that direction? The Minister of National Health and Welfare is not supposed to be a spokesman for what cannot be done for the health of Canadians, but a spokesman for what can and should be done.

• (1130)

Surely it is not unreasonable in 1988 to suggest that when you go into a restaurant you should have the right to know what you are eating just as you do when you cook a meal in your own home. It is shameful that these major hamburger chains have found the wherewithal to act when, last week, the Minister of National Health and Welfare said it could not be done. It could not be done because he did not want it to be done.

In his litany of excuses he kept referring to the fact that, oh, there were two deaths? Why should we worry about that? It is not just one or two deaths. He said some people are seeking a quick fix. No doubt he was referring to me because I raised it by way of resolution and asked the committee to deal with it. He said it is too bad a couple of people have died but let us look at consumer responsibility. Yet the more you delve into this issue, the more you realize people are dying in a way which is completely preventable.

I read into the record the case of a man who died at a New Year's Eve party, I believe, in New Brunswick; the case of a Chatham couple whose daughter died as a result of an allergic reaction; there are cases in Quebec and across the country. Yet the Minister was more interested in a knee-jerk reaction, in protecting his own political backside than he was in actually dealing with the issue, putting the health of Canadians first and foremost, and giving them a chance to determine that what they eat is not going to kill them.

Is it such an unreasonable request to have the Minister take up his responsibility and inform Canadians that what they are eating is not going to kill them? That seems to me to be a primary responsibility of the Minister. If he is not there to prevent people from dying, what is he there for? He is there for excuses. He is there to find reasons why not.

I believe the issue of food labelling has the support not only of Members on this side of the House but the support, spoken and unspoken, of many members on the government side. I suggest to the Government, and the Minister in particular, that if they want the Opposition to approve the spending of $25 billion of taxpayers' money on various programs, then they should start dealing with programs not currently available.

One program that I would insist the Government do its most to introduce in this session deals with the whole question of food labelling. It is not enough for the Minister to ask why. It is time for him to say why not, and when and where and how, and to get on with it and start taking his responsibilities seriously. We intend to continue to press the issue both in committee and in the House. I believe it has all-Party support and I will certainly be continuing to press the Government, in the context of Bill C-109 as well as any other government Bill, to deal with the health of Canadians which it is not at the moment.

Mr. Brightwell: Madam Speaker, I am very pleased to comment on the speech we just heard from the Hon. Member. I will not ask her a question but I would not be surprised if she wishes to comment afterwards.

I noted her comments about food labelling and I am sure everyone wishes that we could clearly state what is in the food people eat in a restaurant. However, I do not think she has outlined the difficulties. As a government Member I would like to see something done if it is practical to do it. I was also pleased that the Hon. Member did not use this issue to try and destroy an industry, for partisan political purposes, like she did in the mussels affair in the fall of last year.

The primary reason I stood up to comment concerns the record of this Government. Some 1.1 million more people are working under this Government than under the previous Government. Some 85 per cent of those are working full-time compared to 85 per cent part-time under previous Governments. Some 500,000 fewer people are living below the poverty line. A lot of those people are children. That is a tremendous record. Some 800,000 people have been taken off the tax rolls. The child tax credit has been increased and is being paid at a time most advantageous to the parents, just before Christmas. Because interest rates have gone down, so have housing costs.

Surely the Hon. Member considers this a fantastic record compared to that of the Government formed by the Liberal Party to which she belongs?

Ms. Copps: Madam Speaker, I could point out that over the 20-year history of Liberal Governments in Canada the average unemployment rate was 5.2 per cent, still far too high but a far cry from what we have at the moment. I do not think the Hon. Member should be bragging about current unemployment levels.

However, I would like to most strenuously object to the statement concerning my role as opposition health critic in relation to the poisoned mussels. It was the Minister of

National Health and Welfare who, in a completely inept but opportune way, issued an over-all health warning for all shellfish without even knowing the difference between a bottom feeder and a crustacean. He completely misread and misunderstood his own portfolio. This led to a tremendous decrease in the sale of seafoods of all kinds. Frankly, if I had been sitting in his chair I never would have issued such a warning. It was completely without any basis and displayed his ignorance of the seafood problem.

The point I would most like to stress is that the Hon. Member has said he would like to see fast-food labelling. When you are the Minister undoubtedly you have to look at the difficulties you are going to encounter in labelling fast-food packaging. The whole point of my 20-minute speech was to say that it is not enough to say these are all the reasons why we cannot do it. When you are a Minister you say, department, I would like to have labelling of fast-foods and I want a report on my desk within the next two weeks to tell me how that can be accomplished. That is why we have regulations and Governor-in-Council decisions.

There may be some areas where it is not workable. We are all reasonable people. We are going to sit down and look at those areas. However, you start not from the premise of what cannot be done but what can be done and go from there to bring forward labelling regulations. We are looking at it right now with respect to drug labelling.

I must give credit to a Private Member on the government side, the Hon. Member for Edmonton West (Mr. Dorin), who introduced legislation governing the labelling of drugs. Now the Government is going to move in that direction. The Government has tabled its intentions and is now seeking responses from consumers and the industry. The whole process may take a year. No one is suggesting it is going to be done overnight. However, the Government is saying it is going to find out how it can be done.

On food labelling, the Minister comes before the committee and says we cannot do it and here are the reasons why. He does not say we can do it. What I am suggesting, and hopefully my friend who sat on that committee on an interim basis, and I am not sure if he is going to remain as a permanent member, and his colleagues will prevail upon the Minister to bring in some substantive legislation and indicate his intention to move in that direction. He should say they are prepared to look at working out all the details.

Perhaps all the packaging cannot be labelled in as complete a way as I would like, but let us start by establishing our bottom line, seeing how we are going to get to it as opposed to throwing up our hands and saying it is not possible because someone from the Opposition raised it and I am not going to have a knee-jerk reaction just because a couple of people died. That is what I object to and that is why I am not going to support this Bill.

• (1140)

Mr. Keeper: Madam Speaker, the thing which strikes me about this issue of allergies, fast-foods, and the tragic deaths which have resulted therefrom is that it should be possible to stand up in this Parliament and raise a very important health issue without being attacked for trying to undermine an industry. Obviously every Party in this House is concerned about employment. Some of us believe that we have more effective policies for achieving those objectives, but surely the principle is that people have a right to know what they are eating, particularly when dealing with large fast-food corporations such as McDonald's, Harvey's, and other corporations which make a profit from food which many nutritionists will tell us has very little nutritional value.

Since these corporations are making a profit surely they could live within some community standards. The purpose of this place is to identify priorities. When there are deaths in the community it is the responsibility of this place to respond and take some action. We will figure out the details and determine what is possible and what is not possible, but we start with that principle. I think it is a mistake for back bench Conservatives to get up and simply defend the record of the Government.

My colleague has said that he is in favour of action in this area. Let him follow the example of some of his colleagues who have recently objected to government policy in a public way. Let him show some leadership. This is a crucial issue which involves people's lives and those corporations can make adjustments.

Ms. Copps: Madam Speaker, I am glad the Member raised the issue of corporations because, as I said, I received word this morning that at least two major chains are moving in that direction. It is ironic that even the major corporations are prepared to move when the Government said it cannot be done. Obviously it can be done and it is up to the Minister to show some leadership. That is my intention in bringing the issue to the fore. I hope that other government Members who do support the legislation will put pressure on the Minister so that he will finally at least follow the lead that has already been established by some major fast-food chains.

Mrs. Killens: Madam Speaker, I used to have a lot of respect for the Minister of National Health and Welfare (Mr. Epp). I am very disappointed and I am going to read the record of the debate they had last week in committee.

I would like to add my own personal experience. I have a 25-year old son who is allergic to nuts. He is married. I am in Ottawa most of the time but my children have the key to the house. He came to the house alone—my husband was not there—and he went for the cookies. He ate about six or eight cookies. It was his mistake, it has nothing to do with going to a public place to eat. It was in my house. He should have been careful but the reaction set in. His face gets all swollen, his vocal cords tighten up and he can hardly speak.

He dialed the phone number of my daughter who is married and has a baby son. She was alone at home but understood that he was in trouble and that she had to do something quickly. She told him to crawl to the door and open it, that she would phone the neighbour to go and take him to the hospital. She did not want to dress her child in order to take him to the hospital. He was taken to the hospital and, luckily, survived.

I was so touched by the story of my colleague, the Member for Hamilton East (Ms. Copps), and I was so disappointed by the Minister's stand in committee last week. A strong Minister gives orders to his functionaries. In this case the Minister is being very weak. What does the Member for Hamilton East intend to do from now on in order to help people like my son?

Ms. Copps: Madam Speaker, we are planning to continue the investigation in committee. We have made arrangements to hear from the Canadian Food Services Association and also from the Canadian Allergy Information Association. We are planning to pursue it and hopefully we can finally get the Minister on side.

Mr. Cyril Keeper (Winnipeg North Centre): Madam Speaker, the borrowing authority which the Government is seeking today for $25.3 billion raises the fundamental question of what the Government has done, what its performance has been. This question is raised by the simple fact that it is the prerogative of Parliament to approve monetary authority, spending authority, for the Government. The basis of parliamentary democracy is that the executive, the Crown, has to come before the people's representatives, the Commons, to ask for authority to spend money. The question raised by this borrowing authority is what is the record of the Government, what has it done, what have its policies been, and has it faced the issues of the day.

While it is often a mistake to respond to the remarks of a previous speaker and digress from your own prepared notes or the thoughts you had planned to bring to debate, today is an exception. The issue raised by my colleague with regard to the labelling of fast-foods in order that people who have allergies know what they are eating is an issue of the day which cuts to the core of the issue of borrowing authority, that is, the accountability of the Government to the people's representatives.

Over the last few weeks it has come to public attention that a person can go to a fast-food restaurant, eat food, and die as a result without having had any warning of this possible consequence. This has been broadcast by the media, people have approached their Members of Parliament, and the Commons has begun to speak. It is calling the executives to account, asking what it has done.

This priority requires action now. That it has emerged in the public spotlight only in the last few weeks is no excuse for inaction. Just because we call upon the Government to act speedily does not mean the action we are calling for is an ignorant, knee-jerk response to an onslaught of media attention. In fact, this is democracy at its best. The media has made an issue known and the Commons is bringing the issue forward and demanding that the executive take action rather than find excuses and be stuck in a morass of inaction.

I wanted to take the opportunity at the beginning of my remarks on this borrowing authority to echo the comments of my colleagues who said that it is time for the Minister of National Health and Welfare (Mr. Epp) to ensure the labelling of food in fast-food restaurants as a priority and for him to tell his civil servants to bring forth a plan of action. He must put aside his behaviour which until now has been stalling, excuses, and responding to an industry lobby rather than to the needs of individual Canadians, the needs of young people who, because of the allergies from which they suffer, are playing Russian roulette with their lives every time they enter a fast-food restaurant. We require the food industry to label products in stores; surely we can also require that the fast-food industry label the foods which it makes available in restaurants.

That issue goes to the core of the whole question of borrowing authority. The Government, the executive, the front-benchers, the power wielders, are coming before this humble Chamber to ask for authority to spend money. This is our opportunity to make the Government listen to the voice of the people and respond to their wishes. We must ask what it has done about the fundamental issues facing ordinary Canadians, when it asks for borrowing authority of $25 billion. For example, it has not yet acted with regard to labelling fast-foods for allergies. Hopefully, during this debate, some Members on the Government side will convince the Cabinet to take action in this area.

• (1150)

When we debate this Borrowing Authority Bill, we must begin by examining the Government's over-all budgetary policy. It recently introduced a rather slim Budget compared to previous budgets it introduced during its mandate. The most recent Budget outlined what the Government has done and what it would do in the future. Two of the initiatives the Government has taken in its Budget are tax increases. One of those tax increases is directly related to the Mulroney trade deal.

The Acting Speaker (Mrs. Champagne): Many Members have been told on a number of occasions, and the Hon. Member knows very well, that they should refer to the Prime Minister (Mr. Mulroney) either by his title or by the name of his riding.

Mr. Keeper: Of course, I will follow the direction of the Chair. I was not referring to the Prime Minister (Mr. Mulroney), however. I welcome your guidance, but I was referring to the trade deal which has become known in this country as the Mulroney trade deal. I was not really referring to the Prime Minister in his office as—

The Acting Speaker (Mrs. Champagne): Canada and the United Stated have entered into a trade deal. It should be referred to as such. This is something that I, as the occupant of the Chair, have brought to the attention of Members on many occasions. I would appreciate Hon. Members not referring to the Prime Minister by his name but to use his title or the name of his riding, as with any other Member of the House. The Hon. Member for Winnipeg North Centre (Mr. Keeper).

Mr. Keeper: Madam Speaker, I will not argue with the Chair. We still know that this trade deal is part of the Budget. The revenue to the federal Government will decrease as a result of the trade agreement because tariffs will drop. At the same time, the Government is attempting to replace that decrease in revenue by raising taxes by some $500 million in the Budget. The Prime Minister, who is even less popular than a former unmentionable prime minister, brags about the so-called great future that he believes this deal will bring to Canada. Yet we are already beginning to see the cost of the deal in the form of increased taxes that are directly linked to this trade deal orchestrated by one of this country's most unpopular prime ministers who, of course, earned that unpopularity.

While the Government seeks this borrowing authority, we must ask what it has done with the money it has taken from Canadians. When one considers the budgets brought down by the Government since it was elected, we see that it has hit the middle class families hardest in terms of tax increases. The ordinary Canadian family has suffered under the Government's increased tax, while at the same time the Government promised tax relief. It states that everyone will receive a tax break on their income tax, but it has raised taxes to such an extent while it has been in office that any relief in taxes now will still leave a net tax increase, mostly for middle class families.

The Budget promised further cuts in the deficit and further cuts in spending. If the Government plans to fulfill those promises, if it is successful after the next election, it will have to cut family allowances and old age pensions in order to meet those budgetary targets. If it is re-elected, the Government will have to take away services that Canadians have come to value. Therefore, on the basis of its budgetary policies, this Parliament cannot approve the borrowing authority request of the Government.

We cannot approve of what the Government has done. The generation before us in the 1930's fought for changes in social policy and met the challenge of identifying and addressing the key issues of the day. The CCF, and the NDP which followed it, which included people like Stanley Knowles, Tommy Douglas and the others who worked with them, helped to bring about medicare, old age pensions and other programs. The generation before us met the critical challenge of identifying these issues and succeeded in bringing about program changes that might make this a better place to live.

What has the Government done to face the key challenges of our generation? What has it done about poverty? What has it done about the environment? What has the Government done about human survival in the nuclear arms race? What has it done about employment and justice for all? Those are the key issues which must be addressed. Those are the substantive issues. It is not simply a question of what is reported on the front page of *The Globe and Mail* or who is being interviewed on *The Journal*. It is not a question of where the media focus is today or next week. Those are some fundamental and societal issues that have to be addressed in our generation if we are to achieve what our previous generation achieved, that is making Canada a better place to live.

• (1200)

I put that challenge to the Government. What thinking is it doing in these areas in order to bring about real change? We all know that something like one-fifth of the Canadian population suffers from functional illiteracy. They cannot read or write well enough to hold down jobs or function in our society. I have met such individuals in my riding and in the process of signing up membership in my own Party. Through the simple process of meeting people in one's constituency, asking for their support and getting them to sign up as members of one's Party, when it comes to the last step of the process, I find they cannot write their names or that all they can write are their names, or they have to put an *X* which has to be witnessed. There are people in our community behind the statistics which indicate there are real needs that must be met. Functional illiteracy is part of this whole picture of poverty.

I know of a specific case of a woman in my riding who has spent many years struggling with some disabilities and with the need for training. She has yet to receive this training. I brought this matter to the attention of the Canada Employment and Immigration Department. I am hoping for some progress in this area.

Another critical area that illustrates the whole question of poverty in our country is that of our homeless. There are people living in Canada who do not have a roofs over their heads. It is really quite unimaginable that we live in a country where some people do not even have a place to sleep. I saw statistics in a recent book of the numbers who are homeless in the City of New York and the City of Toronto.

The Government has come before us to ask for the authority to borrow over $25 billion. This is the House of Commons. This is the place where we hold the executive accountable. This is the place in which the king must answer for his spending. Therefore, we ask what the Government has done. The answer is in its budgetary policy. It has hit the middle-class families. What has it done about the key issues of our generation, about poverty, the environment, nuclear arms and unemployment? There is silence when that question is put. The Government should get on with meeting the essential priorities of this nation. It should act on some of the immediate priorities, including the question of allergies, fast-food outlets and

the need for labelling. When the Government comes before this House it should be capable of saying it has taken action rather than responding to the question with silence.

Mr. Epp (Thunder Bay—Nipigon): Madam Speaker, I was interested in listening to my friend, the Hon. Member for Winnipeg North Centre (Mr. Keeper), as he commented on the programs of the Government and dealt critically with its request for authority to borrow as much as $25.3 billion in the next fiscal year, 1988-89. I take it from his observations that he is very critical of the priorities of the Government. I would like to ask him if he would expand on that somewhat.

On the one hand, the Government, even with its determination to reduce the deficit, to try to limit the growth of the national debt, has to admit failure. The national debt has grown very largely. The Minister of Finance (Mr. Wilson) has to accept credit for the addition of $1 billion and more to the national debt. The deficit reduction program is clearly stalled somewhere in the $30 billion range. One recognizes, of course, what the Department of Finance and the Canadian financial communities seem to have imposed on the federal Government a couple of years ago that the deficit dare not exceed $30 billion. Therefore, by hook or by crook, by every possible means, it will be kept under that. It is surely a confession of failure to have the deficit reach that amount.

On the other hand, the Government has failed in so many areas. The Hon. Member was dealing carefully with those various shortcomings, and the actions that the people need to be taken, which have not been taken. I wonder if the Hon. Member would take up this topic of failure of the Government, on its own assumptions, and the creative possibilities of meeting the needs of Canadians, using the borrowing power of the Government in that sense and perhaps finding $25 million quite acceptable, but doing it in a context in which we could get the country back to full employment, being able at full employment to balance the budget and reduce the deficit about which the Government is so worried. To achieve the prosperity and well-being of the Canadian people has always been our concern as New Democrats, even in the earlier days of the Co-operative Commonwealth Federation, and to fulfil the vision that moved our founders who came to public life with the determination of the social gospel.

Mr. Keeper: Madam Speaker, the interesting thing about the whole question of deficits and borrowing, more particularly about deficits, is that while parties of the Conservative persuasion, whether in Canada, the United States or in other countries, tend to talk about spending less, parties of the Social Democratic persuasion such as mine tend to talk about the worth-while expenditures which need to be made. But the thing that strikes me most of all is that even when a Government of the Conservative persuasion takes power, spending does not seem to go down. It spends for different things. Different people get tax breaks and different people get the benefit of the public treasury.

I think right now of the Government's policy of tax reform in its last budget in which it continued its pattern of increasing taxes on the ordinary Canadian family. At the same time it continues the policy of failing to tax large corporations which are making hundreds of millions of dollars in profits. In other words, corporations which make a profit pay no taxes as a direct government policy. At the same time the Government raises the taxes on middle-class Canadian families. When push comes to shove, we know that when a Government comes into office and tells us it will not waste money, it will not spend unwisely, that it will be frugal, what it in fact does is simply shift around the spending.

We can look at the American example. President Ronald Reagan cut deeply into social programs and expanded the military budget. He ballooned the military budget. I must say it is sad that the Canadian Government is starting to reflect that same set of priorities in which it, with its most recent Budget and expenditure announcements, is expanding the military budget at the same time as it continues to hold social programs under threat. When it comes to spending and deficits, it is not a question of spending or not spending, it is a question of where the spending is and what are the priorities.

• (1210)

Therefore I ask the question, what has the Government done to address the critical and key issues that face our generation, the questions of poverty, homelessness, and functional illiteracy? What is happening with regard to employment for all? There are one million people in this country looking for work who can find no work. There is still a differential between what men are paid and what women are paid. Native people in this country suffer from extremely high levels of unemployment. On Indian reserves there is something like 80 per cent unemployment. If that existed for white, European ancestry Canadians we would have a revolution in this country. Why do we tolerate those types of injustice? Why has the Government taken no significant action in those areas?

What about visible minorities in terms of employment? There are ethnic people who come here with talents, abilities, skills and qualifications who are not recognized and who must be recognized. There are people from other countries who are trained as doctors, nurses, architects, and engineers whose qualifications are recognized in the United States but are not recognized here. What about a little justice. What about a little action. If it takes a little expenditure, why do we not do it in this area instead of forgiving the taxes of those 60,000 Canadian corporations that have profits of hundreds of millions of dollars and pay no tax. When it comes to deficits, when it comes to borrowing, it is a question of where is the Government spending the money and what are its priorities.

Mr. Sergio Marchi (York West): Madam Speaker, I am pleased to participate in the debate on the request by the federal Government for authority from the House of Commons to borrow $25 billion. It gives me an opportunity to address

and focus on the Government's fiscal arrangements and plans following on the heels of the most recent Budget.

Many things have been said about the Budget by many commentators. I have the honour of representing the riding of York West in this Chamber. In my opinion, the recent Budget is mostly about taxes and missed opportunities; taxes, which come after the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) very clearly stated during and immediately after the last federal election that they would not impose tax increases on Canadian citizens; missed opportunities, because yet again it was another window of opportunity to redress some of the unfair measures experienced by Canadians. A Budget should be an attempt to redress, balance, and ensure that there is equity and fairness in the system for all Canadians regardless of who they are, what they make, or where they live.

It would be incorrect to focus on one Budget at the exclusion of the other Budgets that have been presented by the Government. Those Budgets should be taken together and addressed as a collective package that signals a direction in which the Government wants to take the country. However, this is primarily a Budget about increased taxes which runs contrary to the commitments that the Government and its leader so clearly posed to the Canadian electorate.

In spite of what the Minister of Finance states, there are more tax increases in 1988 than indicated in the Budget. First, previous Budgets have considerably increased taxes. Second, the Government has built in tax increases. The tax system through tax brackets, family allowance, and child tax credits has been partially de-indexed, so those are hidden increases. Third, tax reform has also introduced new tax increases for 1988. There has been a 10 per cent tax on long distance calls for a value of close to $900 million. There has been a 12 per cent tax on wallpaper, paint, and related products for a value of close to $60 million. There has also been the excise tax on gasoline.

Since the Conservative Party took office in September, 1984 the excise tax on gasoline has been increased by 5 cents a litre or 23 cents a gallon. Think of that, 23 cents a gallon, Madam Speaker. Some time back Canadians made a very clear determination about a previous Tory administration that wanted to increase that tax by 18 cents. That 23 cents a gallon is made up of the following increases. In September, 1985 there was an increase of 2 cents a litre; a further 1 cent increase in January, 1987; another 1 cent increase in February, 1987; and with the latest Budget there will be another 1 cent per litre increase in April of this year.

Another statistic of which we must be cognizant is that since the Conservative Party came to power in 1984 the tax paid by individuals has increased by 68 per cent. If one translates that into a dollar value it is $29.3 billion. In comparison, taxes paid by corporations only increased by 28 per cent or $2.6 billion. On top of that, if that is not enough of an imbalance, there are 60,000 profitable corporations in our communities that do not pay taxes, even after the much heralded tax reform package of the Government.

The impact of the inequities of this tax distribution will be painfully experienced by average families across the nation. For a family of four, comprising two adults and two children, whose income is $32,000, the tax increases brought about by the cumulative effect of previous Budgets aggravated by this Budget will amount to $1,200 per family, even after the tax reform announcements by the Minister of Finance.

What does that mean in real terms for the average family? I did an analysis up to the 1987 Budget which was aggravated by the numbers presented by the Minister a few short weeks ago. After the 1987 Budget the cumulative effect on a family earning $15,000 was to increase the share of their taxes by close to 70 per cent compared to 1984. In an income bracket of $30,000 there was an increase of 17 per cent. For a $50,000 wage earner there was an increase of 9.5 per cent. A person who earned over $100,000 had an increase of 3.8 per cent. On the one hand there is a staggering 70 per cent increase on a family least able to afford any increases, and on the other side of the equation there is not even a 4 per cent increase for a $100,000 wage earner.

When one looks at the tax system, the tax increases, and the disproportionate amounts that Canadians have to pay on their salaries, those increases have to be described as inequitable and unfair. As our Leader pointed out in his address on the Budget, one could discuss the entire Budget and the Government by talking about two different types of Canada and two different types of Canadians. We have fiscal measures which impose disproportionate increases on those individuals earning from $15,000 to $20,000 per year. When we see families earning hundreds of thousands of dollars a year paying very little increase and corporations not paying a cent, we must begin to ask ourselves what type of country we are trying to build.

• (1220)

People are coming to me in my constituency with the everyday problem of trying to make ends meet at the end of the month. Working husbands and wives with families who are trying to carry their mortgages, educate, feed, and clothe their children are all too often faced with a desperate situation at the end of the month. They are beginning to say that those people who consider themselves to be part of the middle class segment of Canadian society are finding it more difficult to stay within that middle class.

It seems that the growing disparity, which is aggravated by Budgets, is beginning to erode the middle class segment of society. We have individuals who once considered themselves to be in the middle class of society falling either on the side of the "haves" or unfortunately and regrettably on the side of the "have-nots". That is the gulf of disparity between the two Canadas upon which the Government and Parliament should focus. That is the gulf of disparity which is the result of

statistics that can be quoted to prove any point. We must try to bridge that growing disparity rather than fuel or increase it.

If we look at a number of socio-economic problems in society, we can draw a link to the impact of fiscal measures and Budgets on Canadians. Here we are in 1988 in a very prosperous, fortunate, and progressive country like Canada. However, have we ever asked ourselves, when we visit Vancouver, Toronto, or Montreal, which are among the more prosperous centres in our country, why the line-ups at the food banks and soup kitchens are getting longer? Why is it that churches in some of those cities are collecting and distributing food on Saturdays and Sundays for those who cannot provide for themselves? Line-ups such as these were not even seen at the height of the depression many years ago or even when we were in the crisis of war. However, these line-ups not only exist in 1988 but they are getting longer.

Food banks in Metropolitan Toronto are getting busier. For example, the North York Harvest Food Bank in my riding is continuing to mobilize its citizens to collect food for those who cannot provide for themselves. Many people in my working class-middle class riding of York West cannot believe that the problem exists. Perhaps it is more of a hidden problem and this is why the food bank has trouble trying to mobilize Canadians to help their fellow man.

We have tried to help the North York Harvest Food Bank by having Christmas food drives, not only to increase the intake of food but to educate and mobilize the Canadian community to rally for its fellow citizens.

In terms of more collective or global imagery, what does it say for this country when we have growing line-ups? It says that something, somewhere in the system, must be incorrect. If those men, women, and children who line up for soup, sandwiches, and other groceries had an option, they would not do so. There might be some abuse here or there in terms of people who come to expect it or come to rely on these line-ups. However, the vast majority of individuals would not be there if they were able to fend and provide for themselves. I cannot think of anything more humbling or more shameful to the individual sense of pride than telling society, by the fact that they are in a line-up, that somehow they have failed to put food on the table for their families. That is a profound statement. It attacks the very sense of identity or sense of purpose of Canadian citizens.

Thank God for the churches and the non-profit organizations which have picked up the slack in trying to meet that real need. These line-ups should be a signal to the elected leadership of the country in this Parliament that something is wrong and that it must be addressed. Through fiscal management, through our Budgets, and through planning how money is spent, we can alter the status of the undignified identity of lining up in the mornings and evenings. We cannot allow it to go unnoticed.

Why is it that there are more homeless people in society today? Why is it that major centres with the greatest prosperity have the largest number of people who are homeless or do not have shelter? Once again, thank God for non-profit organizations, churches, and the various other elements in our community which have mobilized to try to come to grips with that situation. Is it not a by-product of something which is wrong in this system? Why is it that poverty is on the increase? Why is it that an increased number of single, female-led families now find themselves below the poverty line? The mother or both parents are to fend for themselves, but we do not have adequate day care facilities and their children are unattended. Does that not then become a societal problem rather than an individual, family-related difficulty which they must overcome?

What about the number of job increases which the Government likes to read out in the House of Commons every second Friday afternoon when it gets the statistics? What about the fact that the majority of those job increases are part-time jobs, low-paying jobs, or jobs which do not offer security from one Friday to the next, despite the bravado imagery of the Government saying that it has somehow succeeded in creating the types of jobs Canadians want?

What about the different regions of our country, not the Torontos, the Montreals, or the Vancouvers? What happens to the Monctons, to the Sault Ste. Maries, and to the Sudburys of the country? What happens to single industry towns that do not enjoy the same benefits as fellow citizens in other centres? Can we not begin to redress those imbalances as well?

Of course we can, if there is the political will, the political courage, and the political dignity to say that it is not a question of how much we spend or where we spend it, but a question of how we spend it, how we create Budgets, and for whom the fiscal measures are intended. Are they to widen the gap? Are they to increase the line-ups? Are they to keep the Monctons of the country Monctons rather than to have them become centres of prosperity? Are they intended to increase the number of single, female-led families now below the poverty line?

If we have the collective courage to try to redress the experiences faced by such Canadians, why do we not do it? Why is it that a family which earns $15,000 a year has an increase in its taxes by closes to 70 per cent while a family earning $100,000 has to face an increase of only 2 per cent?

• (1230)

All Canadians are realistic about taxes. They know that taxes are here to stay. They do not mind using the tax system to provide the goods and values that we have as a social contract in Canada. We do not mind paying our way to provide a health system, a school system, a system of civilization that many other countries do not have. I think of those countries we visit during our vacation times which have beautiful resort areas, that provide us with satisfaction for a

week or two, countries where, if we go beyond the periphery of the resort area, we see how other people in this world live. When we return to Canada we give a degree of thanks for the system that we enjoy. We also realize that we have to pay for our system. I believe that the average Canadian in my riding, and in yours, Madam Speaker, is realistic about the system and the costs of maintaining our lifestyle.

Canadians are becoming frustrated and angry when they perceive, and know, that different Canadians are being asked to pay a different amount for the system. That is where disparity starts and cynicism is bred. That is where Canadians become less enchanted about Canada and the lot in which they find themselves. If people felt that the burden was shared, being carried by those who are rich, wealthy and who have worked hard to reach that position, then the inequity would be removed.

For the first time, according to our polling studies, people are beginning to classify themselves in class structures. I close by saying that is, indeed, a very dangerous signal to our elected leadership. Lord knows, we have had our differences and fights between east and west. We have had them between the anglophones, the francophones and the multicultural communities. We have tried to bridge those differences. Never have we in Canada had the struggle which other countries have had, like Great Britain, over class stratification. Yet for the first time in Canadian history, according to our polls, the reaction of Canadians is beginning to indicate that there is a greater class stratification taking place, a stratification between those who are in the have and have-not categories. This is the stratification of two types of Canada. I hope that the Government comes to realize that that gulf of disparity between those two Canadas is widening, and that it is time for the bridge to be built once again.

Mr. Epp (Thunder Bay—Nipigon): Madam Speaker, I have been listening with interest to the speech by the Hon. Member for York West (Mr. Marchi). I have the pleasure of serving with him on the Standing Committee on Multiculturalism working together in that vital aspect of national life.

I was interested in the earlier part of his speech in which he spoke about the lack of fairness in the Canadian tax system. He stated some of the most important statistics, such as the reality of 60,000 profitable corporations which are not being taxed at all, along with the failure of the Minister of Finance (Mr. Wilson) to tap profits which might be used very easily to reduce the deficit and the borrowing which is such a burden on Canadians.

I was interested to hear the Hon. Member from York West, who is a Liberal Member, talk about these things. He spoke about the growing disparity and the development of wealth for some few and the experience of poverty for others, but that predates 1984. The situation has certainly been getting worse and worse to such an extent that the Prime Minister (Mr. Mulroney) recognized last year that we were developing two Canadas. He expressed alarm, although when you see what his Government has been doing you would think it was fostering a prosperous Canada, letting an undeveloped poor Canada develop and that that is the way it will be. But that predates 1984.

The tax system we are talking about, which admittedly has been made so much worse, is one that developed from the 1970s, from the time the first Trudeau Government buckled under enormous corporate pressure and abandoned the principles of the Carter Royal Commission on taxation. We had the Benson budgets in those days and changes to taxation which the Right Hon. Leader of the Official Opposition (Mr. Turner) as Finance Minister a dozen years ago and more was perpetrating at the time. These are the people who built the system.

I find it a bit contradictory that my good friend should be making this fine speech, when his leader is as responsible as anyone for the early development of this system which had really unfortunate social consequences by the late 1980s. I invite the Hon. Member's reaction to the observations on political contradictions which the Liberal Party is having to experience.

Mr. Marchi: Madam Speaker, I took great pleasure in the fact that the Hon. Member and I used to be good friends.

Some Hon. Members: Oh, oh!

Mrs. Killens: Well said.

Mr. Marchi: I thank the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) for his observations. There is a vertical mosaic in this country, quoting Julian Porter's book, but to a certain degree I think the Hon. Member from Thunder Bay is misrepresenting what I have tried to convey to this Chamber. I am not here to make a defence, to apologize for any previous administration. I challenge the Member to go back to the days when Canada was led by a Liberal Government. We had a poll the other day which compared the Government of the Prime Minister (Mr. Mulroney) with the Government of Mr. Trudeau. The numbers painted a very interesting picture of how Canadians judged a Liberal administration compared to a Tory administration. If there are people, particularly among the New Democratic Party, who suggest that there is no difference between a Tory and a Liberal, let the numbers speak for themselves and let this philosophy of their vision of Canada as defined through budgets lay to rest those questions fueled by individuals who want to blur the picture.

Canadians came to realize, particularly after the expectations generated by this Government, the very simple and clear difference between an administration led by a Liberal Party and an administration led by a Conservative Party. Under those Liberal administrations, I challenge the Member for Thunder Bay—Nipigon to show me one instance when the regions were cut adrift as they are today. Show me an era when the food bank lineups were longer than they are today. Show me an era when the disparity of income tax distribution

was such that a person earning $200,000 had an increase of 2 per cent while an individual earning $15,000 had to submit to a 60 to 70 per cent increase. I challenge the Hon. Member to provide me with those details.

I am not suggesting that all the ills were cured by previous administrations. We have continued Government in order to try to better the lives of individuals and to try to make society a little more progressive than it was when we found it. In those previous administrations though, there was an attempt to bridge the gulf that existed then and that is being aggravated today.

I ended my earlier remarks by dealing with the question of polling. That too is a very interesting phenomenon. When Canadians were polled about their views under previous Liberal administrations, never did it surface that there was a perception of class stratification, the perception that Canadians were being compartmentalized according to what they earned and the lifestyles they were able to enjoy. For the first time in a long time, Canadians are beginning to perceive themselves and society in terms of class stratification. We should avoid that and take the lesson of the difficulties in Great Britain.

Great Britain too is a world power and certainly a strength to be reckoned with. In Great Britain, there are very monumental problems with the perception of class stratification. We in Canada have always avoided those struggles that pit one Canadian against another, based on class.

I suggest to the Hon. Member, whose Party has not had any experience leading the country on a national level, and probably will not have that experience for a long time to come, that he also deal with the facts and ask Canadians to measure the administrations they have experienced. The Hon. Member will find the same result that this recent poll illustrated, which is that previous Liberal administrations were respected for their leadership, their integrity and their vision of things to come. They were not perceived as Governments that were bankrupt based on commitments, and bankrupt in a clear direction with which to take a progressive Canada, taking only one type of Canada forward and leaving the other behind.

Mr. Epp (Thunder Bay—Nipigon): Madam Speaker, I would have hesitated to rise, knowing that others might want to join the debate, but my friend—although it may be a trying friendship—has challenged me to say something about specific matters. Let me point to one general and one specific matter regarding the failings of the previous Liberal Government.

I remember very well the disappointment felt by local Governments when the Trudeau Government decided to cancel the Winter Works projects which had begun first under the Diefenbaker Government back in the 1960s. Those programs allowed local Governments to obtain federal government assistance to carry out construction projects in the wintertime. The cancellation of those programs was one of the ways regions were slighted in their development possibilities.

More specifically, I think of Thunder Bay, which is not exactly a one-industry town, though still all too dependent on transportation and resource industries in northern Ontario. That community was put by the Department of Regional Industrial Expansion in the same category as Metro Toronto when it came to obtaining assistance for local industrial development. It was regarded as being in the prosperous half of the country. We certainly felt cast adrift by the Liberal Government, even though we had strong representation, it would seem, from previous Members like Mr. Robert Andras who held cabinet positions in the 1970s.

I realize that I will not have the time to do my harangue on the shortcomings of successive Liberal Governments and the way in which Trudeau Governments disappointed the Canadian people. For example, the first Liberal Government of 1968 held the just society vision which so failed the Canadian public that the Liberals almost lost the 1972 election. Over the next two years it was more responsive to the Canadian people and won the 1974 election. I could go on with this record of political infamy, but I realize that I am transgressing the limits of time. Thank you, Madam Speaker, for allowing me to say that much.

Mr. Marchi: Madam Speaker, the Hon. Member is taking a great risk. He mentioned former Liberal Governments and used the example of Pierre Elliott Trudeau. I challenge the Hon. Member to compare the record of his Leader and past NDP Leaders with that of Mr. Trudeau and let Canadians judge. If he were to take me up on that exercise, I think he would see the confidence that Canadians perceived under those administrations.

It is one thing to ask Canadians to comment on a Government during the life of one administration because there are always the gives and takes, the passions of the immediate debates, that cloud the imagery. It would be very interesting to look into Canadians' perceptions of those Governments after they have come and gone.

When we go into the next election, that perception will be weighed very heavily and very carefully. Canadians will begin to compare what they have had for the last four years with the programs, policies, leadership and honesty they enjoyed before. I am very comfortable with and confident of the outcome. I hope you are too, Madam Speaker.

Mr. Lewis: Madam Speaker, I rise on a point of order. There have been discussions among the Parties, and I think you will find that upon completion of the debate on Bill C-109, if a recorded division is requested, it would be deferred to 3 p.m. this day. When the question is put at 3 p.m., the division bells will be rung for 15 minutes. The Government would undertake not to call any further business and in fact, after the vote is deferred, we would call it one o'clock.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Pursuant to order made earlier this day, the recorded division on the motion stands deferred until 3 p.m.

Further to that order, with unanimous consent, we will call it one o'clock. It being 1 p.m., I do now leave the chair until 2 p.m. this day.

At 12.47 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—CRITICISM OF CANADA'S NEGOTIATING STANCE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Ontario Minister of the Environment, Jim Bradley, is quoted as saying that the Prime Minister's Government has enlisted in the Ronald Reagan pollution camp by backing an American bid that will increase acid rain. Canada did not join a group of European countries at the meeting in Geneva last week which called for a 30 per cent reduction in pollution through car and truck emissions. A leading anti-pollution lobbyist yesterday repeated the attack, charging that Canada's negotiating stance is outrageous. "Canada has abandoned the moral high ground where we are one of the leading countries in support of actual emission reductions," said Michael Perley of the Canadian Coalition on Acid Rain. "The Reagan administration people will view this as overt support for their position that more research is necessary," he said.

I urge the Government to reconsider its backward position on this very important matter.

* * *

[*Translation*]

THE ADMINISTRATION

SERVICING OF NATIONAL DEBT

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, for the first time in thirty years, the Government's revenues will exceed expenditures by nearly $3 billion, if we exclude interest charges. Our Conservative administration is able to pay its operating costs. However, since the Liberals, with the help of the Socialists, put this country into debt, we still have to borrow to pay the interest on the nearly $300 billion debt run up by the Socialists and the Liberals.

Mr. Speaker, for six days Opposition speakers have been arguing against a Bill that would authorize the government to borrow the amount it needs to pay the interest on their debt. Why is a former banker like the Hon. Member for Laval-des-Rapides (Mr. Garneau) against paying interest charges, Mr. Speaker? If this Bill is not passed, who will pay the Government's interest charges?

* * *

[*English*]

PHARMACEUTICAL INDUSTRY

MONOPOLY CONTROL OF AZT DRUG

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, AZT, the only drug proven to relieve suffering for AIDS victims, has come under the exclusive control of a multinational company, Burroughs Wellcome. Without owning a patent or even having any unique knowledge, Burroughs has legally ensured that no one else will be able to make or sell AZT.

After agreeing to 18 months of clinical studies in Canada, Burroughs reneged on the deal and issued the Government an ultimatum: Gouge patients almost $1,000 per month and license AZT for prescription sale or the supply will be choked off. Instead of invoking the Drug Price Review Board, the Minister of National Health and Welfare (Mr. Epp) gave in to the company by issuing a limited notice of compliance.

This company is ensuring its continued monopoly of AZT by limiting and delaying further research into its AIDS treatment. Canadians reject the notion that private profit can be equated with public responsibility when it comes to health care. The experience with Burroughs reminds us to be ever vigilant of the Government's oft stated—

Mr. Speaker: The Hon. Member for Don Valley East (Mr. Attewell).

* * *

EXTERNAL AFFAIRS

U.S.S.R.—SOVIET ARMENIA—REUNIFICATION OF TERRITORY

Mr. Bill Attewell (Don Valley East): Mr. Speaker, on behalf of Armenians around the world I call upon Mikhail Gorbachev to return the territory of Karabagh to Soviet Armenia. The decision to separate this territory in 1923 was an injustice. Over one million people, one-third of the population of Soviet Armenia, conducted peaceful demonstrations of solidarity over the past two weeks to demand reunification of Karabagh with Soviet Armenia, based upon the Constitution of the Soviet Union.

I call upon my Government to condemn the violence occurring in Azerbaijian against Armenian nationalists. So far over 70 Armenians have been killed in this violence. Through his policy of glasnost, Mr. Gorbachev promised an open society where human rights would be recognized. We trust glasnost will result in a just and peaceful solution for the Karabagh region.

* * *

WINTER OLYMPIC GAMES

TRIBUTE TO ORGANIZERS AND ATHLETES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, like tens of thousands of other visitors to Calgary, Geills, our daughter Elizabeth, and myself were thrilled at the first rate Winter Olympics put on by a world-class city. Frank King and that tremendous throng of good natured volunteers proved that Mayor Ralph Klein was right when he said that Calgarians are dignified, polite, sophisticated, yet down-to-earth.

To watch Elizabeth Manley's joy on the greatest night of her life, to see Brian Orser's outstanding performance, to marvel at Karen Percy, Tracy Wilson and Robert McCall moved all of us.

[*Translation*]

Laurie Graham and Gaëtan Boucher gave new meaning to the expression "the glory of sport".

We marvelled at the performance of Finnish skier Matti Nykänen, Italian skier Alberto Tomba "La Bomba" and Dutch speed skater Yvonne van Gennip. We were delighted with the efforts of cross-country skier Pierre Harvey, luger Marie-Claude Doyon and skier Jon Servold in the Nordic Combined.

• (1405)

[*English*]

Hundreds of millions of television viewers were delighted by the demonstration sports as well. I cannot let pass, Mr. Speaker, the opportunity to note that your own daughter, Anna Fraser, competed so brilliantly in free-style skiing. If I may be so bold, her performance was even more spectacular and thrilling than your own in the Chair!

The warm bond which developed between the people of Okotoks, Alberta, and champion Soviet skaters epitomized what the games are all about.

From the hockey games to the closing ceremony—a magnificent spectacle—from the speedskating oval to the chinooks, from heart-tugging performances to the raising of flags, the world was treated to 16 days of great athletics and great hospitality.

To our Canadian competitors, to Mayor Ralph Klein and the people of Calgary, we say congratulations and thank you on behalf of a grateful country.

* * *

WINTER OLYMPIC GAMES

POEM BY THE BARD OF DROMORE

Mr. Gordon Towers (Red Deer): Mr. Speaker, a recent story by Dave Haynes of the *Calgary Herald* inspired the Bard of Dromore just one more time.

With a Hidy and a Howdy Calgary greeted the world,
And the great media stories were quickly unfurled,
Skyscrapers, derricks, rodeos and operas,
Horses, Mercedes, stetsons, fedoras,
Pow wows and pipe organs, cowboys and Guccis,
Mountains and torches, prayers, hootchi-kootchis,
Warm chinook winds barely melted CBC's cold,
While CTV gushed just like Calgary's black gold,
Higher, faster, stronger, richer, Lloyd Robertson stated,
The latter superlative made Ralph Klein elated,
All this and more the journalists ogled,
Olympic fever left the media boggled,
And the warm western spirit left some overwrought,
So that certain small details were off just a tot,
One case in point: *Washington Post* do you not know?
The proud host Calgary is not in Ontario.

S. O. 21

WESTERN DIVERSIFICATION FUND

SIZE OF FUNDS ALLOTTED TO MANITOBA

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I rise to protest the admission in Winnipeg the other day by the Hon. Member for St. Boniface (Mr. Duguay) that Manitoba is being penalized with respect to funds available for projects under the Western Diversification Fund because the Manitoba Government has seen fit not to agree and co-operate with the federal Government.

I ask Members opposite, was Manitoba supposed to be happy in the early stages of this Government about the cancellation of the VIA Rail shop and its subsequent downsizing? Were we supposed to be happy about the cancellation of the manufacturing and research technology centre? Were we supposed to be happy about the repeated attempts, now succeeding, to erode Winnipeg's role as a transportation sector in western Canada? Were we supposed to be happy about that abominable decision to award the CF-18 contract to Montreal?

Were we supposed to just lie down and be quiet about all these things? Is the Manitoba Government to give up its principles with respect to free trade and other issues on which it disagrees with the federal Government? Is this a counsel on the part of the Member for St. Boniface and the Government to a lack of integrity in the political process? Are we all supposed to suck up to the federal Government in order for our regions to be treated well? It is totally unacceptable.

* * *

POLITICAL PARTIES

NEW DEMOCRATIC PARTY—OFFER OF FREE VACATION

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, like the haunting and lonely cry of the loon over a lake in northern Saskatchewan, the NDP chants "No privatization, no deregulation, no free trade". Now we have been told that the NDP is sending its Party financial contributors to Australia and New Zealand for a fun-filled tourist adventure suffused with Labour Party politics.

I spent the past week at an international grains meeting with the Ministers of Trade of Australia and New Zealand and their officials who actively promoted their tax reform package, their success at privatizing, their success at deregulating and, of course, the many benefits of the new Australia-New Zealand Free Trade Agreement.

Imagine my surprise at hearing this. We can see it now—Canadian NDP Members going to Australia and New Zealand, timid Canadian socialists wringing their hands and then being told by reform-minded Aussies and New Zealanders just how wrong the NDP really is. That is going to be some holiday!

[*Translation*]

UNEMPLOYMENT INSURANCE

EARLY RETIREES

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, since April 1987, when the Unemployment Insurance Act deprived early retirees of their vested right to draw unemployment insurance benefits, protest groups started to form.

Mr. Speaker, early retirees are upset about a measure they consider to be unfair. After contributing to the Unemployment Insurance Fund for many years, during which most of them never drew any benefits at all, they now stand to lose $15,000 in benefits because their pension fund is now considered to be a salary for the purposes of unemployment insurance.

Now that they have been deprived of their benefits, a number of early retirees are wondering about the billion-and-a-half-dollar surplus in the Unemployment Insurance Fund. They are critical of the explanation that the surplus was due to a drop in the unemployment rate. According to them, the surplus was probably due to the cuts in unemployment insurance entitlements for early retirees. They now want justice to be done.

The situation that arose as a result of the measure passed in April 1987 has made some people reluctant to take early retirement, although in many cases, it would mean giving young people a chance at their jobs.

In a system like ours, where the economy always comes down hard on young people, the Government should let early retirees keep their rights.

* * *

REGIONAL ECONOMIC DEVELOPMENT

QUÉBEC NORTHWEST CONCLUSIONS OF REPORT

Mr. Guy St. Julien (Abitibi): Mr. Speaker, as part of the federal Government's new approach to regional development, a consultation paper outlining a development plan for Northwest Quebec was released yesterday in Amos by the Minister of Employment and Immigration (Mr. Bouchard).

Speaking on behalf of the Minister of Regional Industrial Expansion (Mr. de Cotret), the Minister urged local leaders and their communities to read the consultation paper containing the preliminary conclusions of the Department of Regional Industrial Expansion with respect to economic opportunities in Northwest Quebec.

This consultation exercise allows to a large extent for regional aspirations and is an appeal for a concerted effort by the population to strengthen the economy of Northwest Quebec during the next five years. Mr. Speaker, as was said not long ago by the Minister of State (Minister of Transport) (Mrs. Vézina), the true architect of regional development is

the community itself: its miners, fishermen, farmers, business people and forestry workers who are being assisted by both levels of government through various programs within their respective jurisdictions.

Mr. Speaker, the button on my jacket today says: *Je supporte les accréditives à 133 p. 100!* (I support flow-through shares 133 per cent!).

* * *

• (1410)

[*English*]

MULTICULTURALISM

ETHNIC CULTURAL ACTIVITIES—PROVISION OF FINANCIAL RESOURCES

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, the failure of the federal cultural agencies to support ethnic cultural activity is a longstanding grievance in Canada's ethnocultural communities. This failure is the failure of the Canada Council, for example, to act on the multicultural policy statement of 1971.

In spite of the Prime Minister's declaration in 1971 that Canada had no official culture and that the Government of Canada would foster the various cultures, the Department of Communications remained preoccupied with the cultures of English-speaking and French-speaking Canada. Cultural activities in the other ethnocultural communities were left to the Multiculturalism Directorate of the Department of Secretary of State.

This practice of leaving the ethnocultural communities in ghettos of neglect must end. A Canadian Government committed to multiculturalism must ensure that the Canada Council and other agencies respect the policies of multiculturalism. These agencies need to be provided with the financial resources to foster a diversity of cultures.

Only by such action will we overcome the divisions of the past and realize the richness that ethnocultural diversity brings to Canada.

* * *

POLITICAL PARTIES

NEW DEMOCRATIC PARTY FUND RAISING CAMPAIGN—OFFER OF FREE VACATION

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, a socialist supporter can go to Hawaii, New Zealand and Australia for free and spend $1,000 on trinkets and kangaroo chops while petting a koala bear if, that is, the selected entrant first correctly answers, unaided, a time limited arithmetical skill-testing question.

Note: Ordinary Canadians with ordinary intelligence need not apply. I just happen to know the question and want to warn those poor individuals who may apply. The question is: If the NDP were to govern, how long would it take to totally bankrupt Canada: (A) Ten years; (B) Five years; (C) Two years?

The answer is none of the above. It would only take the NDP less than one year to bankrupt ordinary Canadians.

* * *

ADMINISTRATION OF JUSTICE

STATEMENT BY CHAIRMAN OF METROPOLITAN TORONTO POLICE COMMISSION

Mr. Alan Redway (York East): Mr. Speaker, last Sunday the Chairman of the Metropolitan Toronto Police Commission, Claire Wescott, spoke for a great many Canadians when he said:

> Life is becoming more and more bizarre. A burglar breaks into your house and gets a slap on the wrist but if a policeman enters your house without a warrant he gets into serious trouble.
>
> Canadians live in a society that locks up juries and lets the accused out on bail.
>
> We can stop prayer in schools but we cannot stop the use of pot.

The quest for individual rights is a noble cause as long as it results in improving our society and providing an opportunity for a healthier, happier and more meaningful life for all of us.

I ask the Minister of Justice (Mr. Hnatyshyn) and the Solicitor General (Mr. Kelleher) to take note.

* * *

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

AID GIVEN TO EAST END MONTREAL

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, after a twenty-seven-month long struggle by representatives of Bombardier, Canadian Steel Wheel, Vickers, by all the people of Montreal's east end, and by municipal, federal and provincial elected representatives, at the federal level only the Liberal team managed to obtain $90 million from the City of Montreal to revitalize the economy in Montreal's east end. Three cheers for that contribution and three cheers for the $500 million contributed by the Quebec Government! The money will be used mainly to modernize industries and help workers retrain for new jobs. Unfortunately, the federal Government contributed only a meager $37 million, a clear demonstration of the Conservative Government's complete lack of understanding for early retirement needs in Montreal's east end.

Mr. Speaker, just the same we won the battle, thanks to the co-operation of the people of Montreal's east end, and now, thanks to the tenacity of the Leader of the Liberal Party, the east end can start to breath easier.

• (1415)

ORAL QUESTION PERIOD

[*English*]

APARTHEID

REQUEST THAT CANADA SEVER TIES WITH SOUTH AFRICA

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Deputy Prime Minister. I want to point out how frequently the Prime Minister and the Secretary of State for External Affairs have said that Canada would break diplomatic relations with South Africa and would impose total economic sanctions against South Africa unless there was meaningful progress in the dismantling of apartheid.

The Prime Minister and his Minister committed Canada to a full severing of relations with South Africa on September 13, 1985; October 23, 1985; June 6, 1986; September 9, 1987, and yesterday, February 29, 1988. Indeed, for two and one-half years Canadians have been told by the Government that there would be a total severing of relationships with South Africa and for two and one-half years the situation, instead of getting better, has gotten worse.

When is the Government going to carry out its commitments made by the Prime Minister of this country, both in the United Nations and in Parliament, to sever ties with South Africa now that no progress has been made in the dismantling of apartheid?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Prime Minister, I think, put the position very clearly yesterday when he said how much Canada deplored the deterioration of the already unacceptable situation in South Africa. I think all Canadians share the profound concern over the recent events in South Africa and we certainly take them very seriously. The situation is clearly going from bad to worse in this regard.

The Secretary of State for External Affairs hopes to return to the House as early as tomorrow and he will be reporting on his review of Canada's policy on South Africa on his early return to the House.

[*Translation*]

APPLICATION OF SANCTIONS—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, for two and a half years the Government has said it is not the right time to apply sanctions against South Africa. Once more, I want to ask the Deputy Prime Minister how far the situation in South Africa will have to deteriorate for it to be the right time. How many more examples of this kind of action by the Government of South Africa do we need for the Government to react and impose full economic or diplomatic sanctions on South Africa?

[*English*]

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Prime Minister very clearly said yesterday, and I quote from *Hansard* at page 13216:

> We have retained clearly as an option the severance of all relationships with the Government of South Africa.

He also explained that once we sever relations we cease to be a player, and the view of the Government of Canada has been that we can work more effectively, maintaining diplomatic relations, to help people fight apartheid.

The Secretary of State for External Affairs has said that the recent actions we have seen will cause all western Governments to review our policies and to examine again what would be the most effective way by which we can fight apartheid. As I have already said, and as the Prime Minister indicated yesterday, the Secretary of State for External Affairs will report to the House on Canada's review of its policies when he returns, which could be as early as tomorrow.

TIMING OF GOVERNMENT ACTION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I say to the Minister and to the Deputy Prime Minister that that is not the commitment the Prime Minister of Canada made in his speech to the United Nations where he said that Canada would break diplomatic relations, would impose total economic sanctions, if the situation did not improve in South Africa. The situation has not improved, and that was two and one-half years ago.

• (1420)

The simple fact is that all the good intentions in the world are not working. The simple fact is that we have yet to hear why Canada should not impose full sanctions against South Africa.

My question to the Deputy Prime Minister is the following. If now is not the time to act, when will that time arrive?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, it is a very specific answer. As I have said, when the Secretary of State for External Affairs returns, he will report to the House.

CANADIAN NATIONAL RAILWAYS

DOWNSIZING TIMETABLE

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the President and Vice-President of CN who, by the way, met with the Minister of Transport in Ottawa yesterday, have sent a letter to their headquarters in Moncton, in the Atlantic region, which states that "—we should advance every downsizing project to its earliest possible date—" because of "—the strong possibility of a late spring-early summer federal election . . . and in areas of doubt as to timing, we should proceed with the approval process—" for lay offs "—and then delay implementation if necessary".

I ask the Minister of Transport, why is the Government pushing with such heartless haste to fire and retire CN employees? Does he really believe that the people of Canada will forget about all of this before the next election is called? Why wait for spring, fire them now!

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, we can tell by the news that the Hon. Member is back in circulation again.

By the way, Mr. Speaker, I am not sure what document the Hon. Member was speaking from. It certainly was not from the President of CN. There was a message dated January 11, 1988, that was sent by a senior vice-president of operations, Mr. Fletcher. Perhaps that is what he is referring to. The hon. gentleman is a month and three-quarters behind, as he usually is. This was already leaked to the press one month and three weeks ago, so it is old news that he is bringing up and rehashing.

The hon. gentleman might be pleased to know that Mr. Fletcher is retiring in July. I do not know whether that is part of the downsizing operation. By a look at this memo, it looks to me like something that copied a precedent from the old Liberal Party files of 1980-84.

NEWFOUNDLAND—GOVERNMENT INTENTIONS

Mr. George Baker (Gander—Twillingate): The discussions that the Minister had yesterday with the President of Canadian National—who, by the way, is one of the people who qualifies for the so-called performance bonus of tens of thousands of dollars that is paid by the Government up until March 31, if there are enough lay offs—did not only concern lay offs, but in the case of Newfoundland a total wipe out.

I ask the Minister of Transport, why is the Government intent on making Newfoundland the only province of Canada without a railway? Does he really believe that the people of Newfoundland will forget about the hundreds of jobs that will be lost when the railway is closed by the Government, and that they believe his crazy statements about locating nuclear powered submarines in St. John's harbour and creating hundreds of jobs? We are Newfs, not nukes.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, it is interesting to see that the hon. gentleman appears to be against increased defence expenditures in Newfoundland. The Government is spending $93 million to expand the base at Goose Bay. We are doing all we can to establish a NATO tactical low-level flying base at Goose Bay. We are spending tens of millions of dollars on the North Warning System.

If I can do it, we will certainly be stationing nuclear propelled submarines in St. John's. That will mean the creation of at least 1,200 jobs.

It is interesting to see that the hon. gentleman's NDP tendencies—No Defence Programs—is what he advocates.

* * *

ATLANTIC CANADA OPPORTUNITIES AGENCY

DECISION MAKING—REPORTED POSITION OF PREMIERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Transport who answers for the Atlantic Canada Opportunities Agency in the House.

The Minister will recall that in a last desperate act, last summer the Prime Minister in the context of a by-election taking place in St. John's East, which the Government lost, promised to set up a development agency in Atlantic Canada that would be administered by people in Atlantic Canada, with decisions made on the spot, with ample funding. So far not a cent has been spent.

• (1425)

Considering that the four Premiers from Atlantic Canada have now criticized the organization of this agency and have suggested that, instead of decisions being made in the region where they are supposed to be made, they are being made in Ottawa by one Dalton Camp, would the Minister of Transport comment on this in the House and explain the Government's abject failure to act in the interest of Atlantic Canadians?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, as is so often the case, the hon. gentleman is full of spurious indignation.

What did the Premiers actually say, not the four Atlantic Premiers but the three Maritime Premiers? They said that they wanted to talk with the Prime Minister about how Ottawa is going to operate the new ACOA.

It so happens that Senator Murray, the Leader of the Government in the other House, and I, for example when he met with Premier Peckford, and other Ministers when he met with the other three Atlantic Ministers, have gone over in detail with these hon. Premiers how it is going to operate.

They have said that they want to harmonize its operations with their own to avoid duplication. They only want to avoid

having ACOA programs overlap provincial programs, so that there will only be one delivery system.

They have not been critical of this agency. There will be no duplication. They already know that there is going to be no duplication. Wherever two programs might be duplicated, we will ensure that there is not any duplication.

There may be an argument about who delivers the programs. We want to deliver some of the programs, because we want the Government of Canada to get full credit for some of the programs.

Some Hon. Members: Oh, oh!

Mr. Crosbie: That might be at the nub of the problem, because certain Atlantic Premiers want the credit so that they—

An Hon. Member: Same old gang.

Mr. Crosbie: You see what is at issue here.

Mr. Broadbent: While the Government is making up its mind about getting credit, unemployment in Atlantic Canada remains at an unacceptably high level. That is a reality.

REQUEST FOR GOVERNMENT ACTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister has just said that the Atlantic Premiers have not complained. I correct him by saying that it is the Premier of Nova Scotia who has raised Mr. Dalton Camp's name and has suggested that he is calling the shots for political priority reasons instead of development reasons.

Since the Prime Minister made what was supposed to be a solemn promise in the context of a by-election in Newfoundland almost a year ago, and since not a cent has yet been spent to create the jobs that he promised, when, at last, will the Government act to deliver on what it promised?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the hon. gentleman is notoriously careless with the truth and he continues in that tradition.

In the Estimates which are before the House today, the Atlantic Canada Opportunities Agency is requesting $316 million of which $200 million is absolutely new spending to carry on new programs. The rules in connection with the programs were announced just last week.

In addition, whereas $1,070 million was spent on DRIE, WDO and ACOA type programs in 1984-85, $1,966 million is being spent in the year 1988-89, a $896 million increase.

The hon. gentleman should not keep repeating the calumnies and nonsense which his provincial leader in Newfoundland keeps repeating. Repetition will not alter the truth.

Mr. Broadbent: Notwithstanding what the Minister just said, I am sure if he will calm down he will acknowledge that not a cent has been spent out of the agency which was set up to be administered by local people in Atlantic Canada. That is the force of criticism of the Atlantic Premiers, and that is what we on this side of the House are agreeing with, whether or not the Minister likes it.

PREMIERS' REQUEST FOR MEETING WITH PRIME MINISTER

Hon. Edward Broadbent (Oshawa): Mr. Speaker, would he now tell us when they plan to spend money from this agency which has been set up? Will he now meet the request of the four Atlantic Premiers, including Premier Peckford, who want to meet with the Prime Minister?

Will he commit the Prime Minister, in his absence, to having a meeting with these Premiers so that something, at long last, can be done about unemployment in the Minister's part of Canada?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the Government has already done something about unemployment in that region of Canada and in every region of Canada.

For example, in my own province, where the unemployment rate was 23.8 per cent under the Liberals when they were vaingloriously kicked out of office in 1984, it was down in January to 17.4 per cent. There is improvement in the unemployment rate in every nook and cranny of Canada. The hon. gentleman should remember that. And, Mr. Speaker, he should also remember this. The report says:

• (1430)

> The Premiers were careful not to express dissatisfaction with the new federal agency, but said they only want to avoid having ACOA programs overlap provincial programs so there will be only one delivery system.

It is only the NDP that is niggling and jealous about this program which will do so much for Atlantic Canada.

* * *

[*Translation*]

RAILWAYS

CANADIAN NATIONAL—SWITCHING YARD CONTROL CENTRE—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Transport.

I have here a document from the Office of the Vice-President of Operations of Canadian National, which recommends transferring the switching yard control centre from Montreal to Toronto, which would result in the loss of hundreds of jobs at the Montreal office.

When the Minister met with the President of CN, did the President mention this recommendation? If so, did the

Minister of Transport say no to this recommendation, to keep the jobs in Montreal?

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I have not been consulted by CN with reference to any move or proposal that will cause the loss of hundreds of jobs in Montreal.

As a matter of fact, I have taken steps with VIA Rail to ensure that it would have funding for the continuation of hundreds of jobs at the Point St. Charles workshop in Montreal. I do not know what the hon. gentleman is referring to. He would certainly have to be more specific.

By the way, 20 per cent of the whole CN workforce is located in Montreal, that is, 9,639 persons are in one city, the city of Montreal. Is the Hon. Member going to complain about that?

[*Translation*]

REQUEST FOR MINISTER TO INTERVENE

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I would like to inform the Minister that we are talking about the control centre, not the CN workshops. The recommendations that were made and the decisions that are being or have already been made will have the effect of transferring all operations to the Toronto office.

This will mean the loss of 105 jobs in Montreal, but the Minister should also realize that the language of work in Quebec is French, and that a transfer to Toronto will mean a complete change of policy. This is reminiscent of the *gens de l'air* affair, but in this case, we are talking about *les gens à terre*.

I therefore want to ask the Minister whether he intends to intervene to ensure that the transfer does not take place, that Montreal will keep its control centre, and that operations in Quebec will be directed from Montreal.

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, one has to wonder where the hon. gentleman was and did he intervene between 1980 and 1984 when in the neighbourhood of 7,000 odd jobs disappeared in the CN organization. No, we did not hear one syllabub from the hon. gentleman opposite during those four years.

With respect to the point which the Hon. Member brings forward, I have not been consulted or asked to consent to any such move. If any such proposal comes forward, the hon. gentleman can be sure that I will see it is scrutinized very carefully and I will keep in mind his representation.

We have a board of directors and management to run Canadian National. They have to deal with the fact that life is changed and that CN's share of the market, the rail share of the market, has slipped from 60 per cent to 27 per cent since 1950.

Some Hon. Members: Order.

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APARTHEID

SOUTH AFRICA—REQUEST FOR IMPOSITION OF COMPREHENSIVE ECONOMIC SANCTIONS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Minister responding for the Secretary of State for External Affairs. If I understood the Minister correctly, the Secretary of State for External Affairs will be making a statement in the House tomorrow regarding Canadian Government policy toward South Africa. If that is true, could the Minister confirm it.

Second, given the slap in the face to the Minister and to his colleagues in Lusaka recently, that the South African Government has administered with its recent policies, will the Minister be saying what Canada is prepared to do alone now that these recent events have happened? Will the Minister be taking the step of imposing mandatory and comprehensive economic sanctions against South Africa? The time has come for that, at least.

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I need some advice from you. I am not sure whether or not the Hon. Member has asked me whether the statements I have made in the House today are true. If that is the case, I would ask you to redirect him on his question.

Mr. Speaker: There is some question as to whether or not the question was appropriate. The Hon. Minister, as any other Member, can raise it immediately after Question Period. In the meantime I would ask the Hon. Member for Winnipeg—Birds Hill to place his supplementary.

POSSIBLE STATEMENT BY SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I will resist commenting on the Minister's lack of comprehension of what I asked her. I will ask her a subsequent question.

When he speaks to the House tomorrow the Minister will be suggesting a Canadian proposal at the United Nations that an emergency meeting of the Security Council be called to address the question of South Africa. Is that something the Government is considering? I hope that question is not too complicated for the Minister.

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I can assure the House that no question asked by the NDP on any aspect of foreign policy is too difficult for this Government.

Some Hon. Members: Hear, hear!

Miss Carney: As I said earlier in this House in response to other questions, and as the Prime Minister indicated yesterday in this House, Canada is reviewing its policy on South Africa. The Secretary of State for External Affairs will report to the House on his return to it, which could be as early as tomorrow. I suggest the Hon. Member could wait until that time to put his questions.

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NORTHERN DEVELOPMENT

NEGOTIATION OF ENERGY ACCORD WITH NORTHWEST TERRITORIES

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my question addresses itself to the Minister of Indian Affairs and Northern Development.

The Government has promised to negotiate an energy accord with the Northwest Territories similar to the Atlantic and Western Accords. What progress has been made on this? When can we expect this accord to be finalized?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, there have been discussions between the Government of Canada and the Government of the Northwest Territories. The idea of an accord is consistent with government policy. The discussions will continue, and I am sure the interest which the Hon. Member has expressed is interest that is duplicated in the North.

The Government of the Northwest Territories has consulted with the Dene, with the Inuvialiut, the TFN. They are at present awaiting further discussions. I cannot inform the Hon. Member as to a time, but I believe it is an appropriate vehicle to transfer responsibility to those Governments north of sixty.

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CANADIAN ARMED FORCES

PRIME MINISTER'S SPEECH

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Associate Minister of National Defence. On October 2, 1985, his predecessor stated in the House:

> Mr. Speaker, there is a long and honoured tradition in Canada that political activity and the military do not mix, and they ought not to.

The Minister will know that the Prime Minister in a petty partisan speech yesterday flagrantly breached that time honoured tradition of the House. What does the Minister intend to do about this breach?

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, I have no intention of criticizing the speech, and it is a free speech in this country.

Some Hon. Members: Oh, oh!

Mrs. Killens: It was not in this country.

An Hon. Member: Germany is in Europe.

Mr. Speaker: The Hon. Member for Hamilton East has the floor.

[*Translation*]

QUEEN'S ORDERS AND REGULATIONS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Prime Minister is not a dictator in a banana republic, and Canadians do not want him to use politics, in violation of the Queen's Regulations.

[*English*]

It is a clear violation of Section 19, subsection 44 of the Queen's Regulations and Orders. A conviction under this section is subject to a fine of up to $1,000 and a prison term of up to one year.

• (1440)

I would like to ask the Associate Minister of National Defence if he expects the Prime Minister to maintain any shred of integrity by in fact repudiating this direct political partisan activity on a Canadian Armed Forces Base, something which puts the Canadian Armed Forces in the untenable position of mixing politics with the defence of Canada.

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, maybe the Hon. Member for Hamilton East does not know the difference between a person who happens to be employed as a politician in Canada and a person who happens to be employed as a member of the military personnel. The military has a long tradition in Canada of not being involved in political responses, but politicians like the Prime Minister certainly have every right, as I think the Hon. Member would want to have the right if she were acting as a political person.

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TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—WESTERN GRAIN TRANSPORTATION PROGRAM

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister for International Trade. When the Government got into the trade deal with the Americans, one of the items included was the payment under the Western Grain Transportation Act for the movement of certain grains to the West Coast. This of course has now led American producers to believe that this assistance and the Crow benefit itself are a commodity subsidy.

Does the Minister not now agree that the inclusion of this program in the trade deal was a serious mistake? Now that the

door has been opened a crack, how will the Government prevent U.S. producers and Congressional representatives from being able to open it all the way, or are we going to give in once again?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I find it hard to figure which side of the question the Hon. Member is on. Surely he is not objecting to those parts of the free trade agreement dealing with the movement of wheat. It is very much in western Canadian interests.

I am surprised to think that the Hon. Member places as much credibility as he seems to on the arguments of the Americans who are criticizing the free trade agreement. Surely if the Americans are criticizing the free trade agreement it is because they feel there is a perceived benefit to Canada. I would think we would agree with that.

MANAGEMENT OF GRAIN TRANSPORTATION SYSTEM

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, is the Minister not aware that U.S. Agriculture Secretary Richard Lyng and trade representative Clayton Yeutter last week confirmed their pledges to tackle the elimination of the transportation assistance for grain movement through Thunder Bay in future negotiations on the trade deal? Will the Minister state categorically now that Canada will in no way give up its right to manage its own grain transportation system in a way that benefits Canadian industry, ports, and farmers?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I can certainly reassure the Hon. Member on that point. The only person who is suggesting that Canada would give up such authority is the Hon. Member opposite. It certainly never originated on this side of the House.

I can also point out that Mr. Yeutter was the American cabinet Minister who signed the free trade agreement. The Agriculture Minister, Mr. Lyng, was present during parts of the negotiation of the agreement and—

Mr. Broadbent: Her knowledge is so extensive.

Miss Carney: My knowledge of the free trade agreement is considerably larger than your knowledge of the free trade agreement, and the suggestion—

Some Hon. Members: Oh, oh!

Miss Carney: It is hard to maintain my Irish temper, Mr. Speaker, under these kinds of conditions. May I simply say that I can give the Hon. Member the assurances that he seeks. I question the credibility of his information.

CANADIAN NATIONAL RAILWAYS

ADMINISTRATIVE PERSONNEL IN WESTERN CANADA

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like to ask a question of the Minister of Transport. Last week the Minister confirmed that CN would substantially reduce administrative and management personnel in western Canada, contrary to the promise made by the Deputy Prime Minister that employment would in fact be enhanced. We now have a memo sent from the senior Vice President of Operations to Mr. Campbell, the Vice President of the Prairie Region, recommending further downsizing and further lay-offs in order to meet an arbitrary political timetable.

Has this order of Mr. Fletcher been rescinded or is CN in fact going ahead with further lay-offs in the Pacific, western and prairie regions of the CNR, contrary to the Government's promises? If it is, it will have devastating effects upon western Canadian communities. The Government should at least make those plans public so we have an opportunity to discuss them, examine them and see what the impact on these communities will be. Can the Minister tell us if this was rescinded or not, or if he will make those downsizing plans public?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, it is interesting to see what three or four people can attempt to make of one silly memorandum sent out by one—

Some Hon. Members: Silly?

Mr. Crosbie: —by one person in the management of Canadian National. The memorandum was sent out on January 11 and it was leaked on January 10 or as soon as it went out. This, as I calculate it, is now March 1. It has taken the hon. gentleman a month and three weeks to realize the immense possibilities it gives to those with little imagination to rise in the House and try to make something of it. There is nothing that can be made of it. It is just one person's errant imagination concerned with downsizing.

The position is that there is no plan to lay off any members of the workforce in the West, the East or the centre, except in the course of normal attrition. As I said to the House last week, CN expects to reduce its administrative and management ranks by some 1,020 positions system-wide by mid-1988 by using a special separation early retirement package and by not filling vacant jobs. That is what happened.

The same process happened last year, because the administrative and management ranks cannot be allowed to stay out of line with the ranks of the ordinary working members of CN. Unfortunately, they have to be slimmed down as well and they have to do this to keep up with the competition and to be productive and effective and able to compete. I am against it and I fight against it at every opportunity and I stop everything I can stop, Mr. Speaker.

Mr. Speaker: Perhaps the Hon. Minister could save some of his answer for the supplementary.

REQUEST THAT MINISTER TABLE RAILWAY'S PLANS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, it is clear that if there is any silliness in the middle management of CN, it is simply reflecting the kind of leadership they get from the political bosses at the top.

I want to ask the Minister a very specific question. Is he prepared, without further silliness, to table CN plans dealing with the downsizing, the attrition and the reduction in the CN workforce and what impact that will have upon western Canadian communities? It is a simple request. Will the Minister table those reports and ensure that they will be examined before the committee because of the major repercussions they will have on western Canada?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the question comes from a former Minister of Transport who must know that in its annual plan filed every year CN outlines what its plans are for the coming year and for the next five. If the Hon. Member wants to see about the problem of downsizing, he can look at any of those plans.

The West originates 59 per cent of CN traffic by weight and 62 per cent of CN revenues. The West will continue to have a major share of the workforce. For example, 9,773 CN people work in Edmonton and Winnipeg alone. There is no plan to downsize in any special way the workforce in the West. The hon. gentleman—

Mr. Rodriguez: Downsize the answer.

Mr. Crosbie: To quote an old Buddhist saying that I came across, "It is easier to chain an elephant with lotus leaves than to teach a crazy person".

Some Hon. Members: Oh, oh!

Mr. Speaker: It is amazing what is in the briefing notes.

Some Hon. Members: Oh, oh!

* * *

HEALTH

ALZHEIMER'S DISEASE—ADMINISTRATION OF RESEARCH FUNDS

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, an estimated 300,000 Canadians are victims of Alzheimer's Disease, a 20th century disease. This disease which strikes as early as age 40 has no cure. The Minister of State for Seniors, the first in Canada, knows this well through his consultations with over 1,500 seniors and seniors' groups. I must congratulate the Government for providing $4 million for research into this disease.

• (1450)

Will the Minister of National Health and Welfare inform Canadians how the research fund will be administered? Specifically, what will be the eligibility criteria and when will it get under way?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member has taken an interest in this area along with my colleague, the Minister of State for Seniors.

Ms. Copps: They are laughing.

Mr. Epp (Provencher): I take it the Hon. Member for Hamilton East does not like to hear about success.

Miss MacDonald: Or anything else.

Mr. Speaker: The Hon. Minister has the floor and is answering a question which I know all Hon. Members will appreciate is a serious one.

Mr. Epp (Provencher): The Minister of State for Seniors has had very extensive consultations, the result of which was the announcement in Saskatoon of additional funds for research into Alzheimer's and osteoporosis beyond what is being done by the Medical Research Council. The money is available April 1, 1988, and the program will be conducted through the NHRDP of the department of Health and Welfare. People can apply through the department with the kind of peer review that we have had before in the NHRDP in order to get the best research.

As my colleague, the Minister, pointed out, this program was requested by the Alzheimer Society. It has been received very well and we look forward not only to additional research but the fact that Canada will be involved in some of the leading research in this area. That is why I am pleased that the Member asked me about the program which the Hon. Minister of State for Seniors brought forward in this way.

Mr. Speaker: The Hon. Member for Kenora—Rainy River.

Some Hon. Members: Hear, hear!

Mr. Parry: Mr. Speaker, I am sure my colleagues' applause reflects relief rather than adulation.

* * *

TRADE

SOFTWOOD LUMBER EXPORTS—LAWSUIT LAUNCHED BY CERTAIN COMPANIES

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I will direct my question to the Minister for International Trade. She is responsible for the Government's mishandling of the

softwood lumber export dispute and introduction of the softwood lumber export tax.

Now that yet another chicken has come home to roost, this time in the form of a lawsuit against the Government by some companies which were taxed and which cite the case of other companies that were not, will she explain why the Government permitted that fundamentally inequitable situation to arise?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I would just remind the Hon. Member that the export tax has been removed in five provinces, as anticipated and planned, enabling those provinces to carry out management of their own forestry resources. Negotiations with other provinces are continuing.

May I also point out that the IWA, the union involved, said last year was a record year in the forest industry. There was not one job lost, not one iota, or one tittle, to quote my colleague from St. John's West, of negative impact on the industry because of the tax.

As the Hon. Member well knows, the case he brings before the House is before the courts and it is not appropriate for me to comment.

Mr. Parry: Mr. Speaker, I am sure the Minister's answer will be noted as an evasion by all those affected by this tax.

TAXATION OF COMPANIES—REQUEST FOR COMPENSATION

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, since some companies paid this tax and other companies in identical situations did not, what compensation will she offer to the companies that were unfairly taxed?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Hon. Member raised the fact that this matter is before the courts. Therefore, if he has any basic knowledge of how procedures work in this House, he will know it is not appropriate for me to comment on it.

His Party is the same Party that maintained all sorts of evil things would flow from the export tax. Again I take delight in having the opportunity to quote from the IWA report which says the massive job losses which many Canadian observers believed would result from imposition of the export tax simply have not occurred. The report goes on to point out that 600 sawmill jobs were added in British Columbia alone during that period. This was a very realistic and helpful way to deal with a distressing situation and brought benefit, not harm, to the industry.

FINANCE

MINING DEPLETION ALLOWANCE—REQUEST FOR REINSTATEMENT

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Finance. He knows that hundreds of representatives of mining communities across the country are meeting here in Ottawa today to protest the Government's plan to remove the mining depletion allowance. Will the Minister, even at this late date, reconsider his decision in view of the thousands of jobs that will be lost in exploration and development, and reinstate this program which provided thousands of jobs and kept hundreds of communities operating over many years?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I know the Hon. Member did not want to leave the impression that flow-through shares have been removed from the tax Bill. He said reinstate the program.

Mr. Foster: I said mining depletion allowance.

Mr. Wilson (Etobicoke Centre): I understand he does not want to leave that impression and that flow-through shares are still in place. There have been some changes in the provisions. The changes we announced last June were improved upon in the changes announced in December, 1987.

I am sure the Hon. Member is also very much aware of the fact that equity financing in Canada prior to October 19, the stock market crash, amounted to some $7 billion. Since that time there has been less than $500 million worth of equity financing and that had an impact on some companies. Whether they are flow-through share financing or other forms, they have all been affected, and that is one of the major causes.

However, I have indicated that I am prepared to meet with the companies, and officials have been meeting with them over the past few days, and will do so into the future.

EFFECTING OF CANADA-UNITED STATES FREE TRADE AGREEMENT

Mr. Maurice Foster (Algoma): Mr. Speaker, can the Minister confirm a report in *Mining Week* quoting Mr. Karl Glackmeyer, Director of the Prospectors and Developers Association, who indicates that the Government's position is that incentives have to be eliminated in accordance with the recent Canada-U.S. free trade agreement?

Could the Minister comment on that press report and will he take into account in reinstating this program that if it is wiped out now, under the terms of the free trade agreement it could not be reinstated?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I responded to that question in a probably more colourful way than I will with this Hon. Member. I responded to some totally unfounded comments made by the Leader of the NDP, who

made such an enormous flip-flop on this issue. In the past the NDP were against flow-through shares and now, for straight political partisan reasons, they are doing a flip-flop.

Mr. Speaker: We are getting into a highly partisan statement. The Hon. Member for Winnipeg North.

* * *

PUBLIC SERVICE

COLLECTIVE BARGAINING PROCESS—POSITION OF TREASURY BOARD

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct a question to the President of the Treasury Board concerning the lack of progress in the collective bargaining between Treasury Board and the Public Service Alliance of Canada.

The Alliance proposed streamlining the procedure, reducing the number of bargaining units from 31 to 7, which it says would save a great deal of money. Why is Treasury Board refusing to deal with this?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the Hon. Member knows there was a two-tier bargaining system set up by my predecessor. The unions have now chosen to withdraw from that and want to reduce the number of bargaining units from 31 to 7. We have refrained from doing that. We said we would go to 16.

The fact of the matter is that there is negotiation and binding conciliation in two stages and the unions have requested some change in that. We had hoped we could continue to work along the very effective approach established by my predecessor. Unfortunately the unions have chosen not to follow that. We hope they will come around to agreeing with the position they originally agreed to so that we can get on with the collective bargaining process in the manner in which it was carried on so effectively by my predecessor.

• (1500)

NUMBER OF BARGAINING UNITS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in the case of the Post Office, the Canada Labour Relations Board reduced the number of bargaining units from 28 to 4. In this situation the unions voluntarily offered to reduce the number and the Government is opposed to it because the unions do not want to be bound by a no-strike rule. The Minister knows that the unions have hardly ever used the right to strike. Why does the Minister not accept this proposition which the union says will save the Government $1.5 million?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, very simply put, the union wants the right to strike right across the board and the employer has to refrain from this common front type of bargaining approach because it would put the employer at a great disadvantage under that particular scenario.

* * *

FISHERIES

SCALLOP FISHERY IN BAY OF FUNDY—ISSUANCE OF LICENCES

Mr. George Henderson (Egmont): Mr. Speaker, my question is for whoever is responding today for the Minister of Fisheries and Oceans. In October, 1986, the inshore and offshore sectors of the scallop fishery in the Bay of Fundy area came up with a management plan for this very important resource. For instance, all sides agreed that the fishing zone for New Brunswick fishermen would be extended to the middle of the Bay of Fundy.

Now we learn that the Minister has issued licenses which allow some of these same fishermen to fish over the entire Bay. Why has the Minister taken this decision which violates the 1986 scallop agreement?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, as all Members know, life is never as simple as we would like it to be. The situation is that there were three individuals who said they had certain historical rights with regard to fishing for scallop stocks in the Bay of Fundy area. They appealed to the Atlantic Fisheries License Appeal Board. The Atlantic Fisheries License Appeal Board heard their cases, two in 1986, and one last year, and recommended that they should receive a full Bay of Fundy scallop license.

The Minister gave this careful consideration. After all, this is a ruling of the appeal board and these individual fishermen could suffer if they did not get the licenses. The Minister decided that individual justice should be done and that they should get the licenses.

In one case there was a long-standing involvement in the scallop fishery and in the other cases there was historical connection with the scallop fishery. That is the explanation. These three cases were heard and that was the recommendation of the appeal board.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1988-89

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-109, an Act to provide for borrowing authority, be read the second time and referred to a legislative committee.

Mr. Speaker: Pursuant to order made earlier this day the House will now proceed to the taking of the deferred division on the motion of the Minister of Finance (Mr. Wilson) for the second reading and reference to a legislative committee of Bill C-109, an Act to provide borrowing authority.

[*Translation*]

The Bells will ring for not more than fifteen minutes.

Call in the Members.

The House divided on the motion of Mr. Wilson (Etobicoke Centre), which was agreed to on the following division:

• (1510)

(*Division No. 313*)

YEAS

Members

Attewell
Bernier
Bertrand
Blackburn (Jonquière)
Blais
Blenkarn
Blouin
Bosley
Bouchard
Bradley
Brightwell
Brisco
Browes
Cadieux
Caldwell
Cardiff
Carney
Champagne (Champlain)
Clark (Brandon—Souris)
Clifford
Collins
Comeau
Cooper
Cossitt
Crofton
Crosby (Halifax West)
Crouse
Darling
de Cotret
Della Noce
Duguay
Ellis
Epp (Provencher)
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Friesen
Gagnon
Gass
Gormley
Gottselig
Graham
Grisé
Gustafson
Hamilton
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Howie
Hudon
James
Jardine
Johnson (Bonavista—Trinity—Conception)
Joncas
Kempling
King
Ladouceur
Landry
La Salle
Lewis
Lopez
MacDougall (Timiskaming)
MacKay
Mantha
Marin
Martin
Mazankowski
McCain
McCuish
McDermid
McDougall (St. Paul's)
McKenzie
McKinnon
McKnight
McLean
McMillan
Merrithew
Mitges
Moore
Nickerson
Oberle
Pennock
Pietz
Plourde
Price
Redway
Reid
Reimer
Ricard
St. Germain
Schellenberg (Nanaimo—Alberni)
Scott (Victoria—Haliburton)
Scowen
Shields
Stevens
Stewart
Suluk
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Turner (Ottawa—Carleton)
Van De Walle
Vankoughnet
Vézina
Weiner
Wilson (Swift Current—Maple Creek)
Wilson (Etobicoke Centre)
Winegard—115

NAYS

Members

Allmand
Angus
Axworthy
Benjamin
Blackburn (Brant)
Blaikie
Boudria
Broadbent
Caccia
Cassidy
de Jong
Epp (Thunder Bay—Nipigon)
Finestone
Foster
Fulton
Gagliano
Gauthier
Grondin
Guilbault (Saint-Jacques)
Harris
Heap
Henderson
Isabelle
Jewett
Keeper
Killens
Langdon
Lapierre
Marchi
McCurdy
McDonald (Broadview—Greenwood)
Mitchell
Murphy
Nicholson (Trinity)
Nystrom
Orlikow
Parry
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Tobin
Waddell
Young—45

Mr. Speaker: I declare the motion carried.

Motion agreed to and Bill read the second time and referred to a legislative committee.

• (1530)

GOVERNMENT ORDERS

[*English*]

WESTERN ECONOMIC DIVERSIFICATION ACT

MEASURE TO ENACT

Hon. William McKnight (for the Prime Minister) moved that Bill C-113, an Act to promote the development and diversification of the economy of Western Canada, to establish the Department of Western Economic Diversification and to make consequential amendments to other Acts, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, it is a pleasure to join with other colleagues from both sides of the House in speaking on the Bill that has been put forward. Bill C-113 is designed to promote the development and the diversification of the economy of western Canada, and to establish a full department of western economic diversification.

The Government came to office committed to making regional economic development work. This Bill demonstrates the commitment to the regional development in the West, and it demonstrates the Government's approach that is unique for designing developmental policies and for developing programs which are tailored to the needs of each region.

In designing this legislation, I would be remiss if I did not pay tribute to my Cabinet colleagues, particularly those from western Canada, the Deputy Prime Minister (Mr. Mazankowski), and individuals from the western region of Canada, who put forward their views and concerns and who assisted in designing this program.

The Government sees Canada as a land of mutually supporting regions in which the prosperity flows from the broad economic base throughout the country.

Mr. Benjamin: From downtown Toronto.

Mr. McKnight: I am sure that the Hon. Member for Regina East (Mr. Benjamin) will take part in this debate, and I know that he will support the legislation designed to bring benefit to his constituents as well as mine.

There have been several organizational experiments over the past 60 years to promote regional and economic development in Canada. I would suggest that there has been little measurable progress.

One thing that has been clear from those experiments is that Ottawa-based centralized approaches fail to capture the regional differences that we all recognize in Canada. They failed to provide federal policies which are tailored to the individual needs of the men and women in each region of Canada. The West's development problems are not the same as those of Atlantic Canada, northern Ontario, or Quebec.

When this Government came to office we came with ideas of how to make regional development work. We made a commitment to ensure that the regions of Canada would have a strong voice in influencing economic development.

The first half of this mandate was designed to create the right environment, the economic growth, and the investment that was needed. It was also designed to correct some sectorial inadequacies that were apparent, such as those in energy, agriculture, taxation, trade, and in other sectors. The groundwork has been done and the base has been established. Regional development can only take place when the climate for national economic development is right.

Once the climate was created, new tools for regional economic development were put in place. In June the Prime Minister (Mr. Mulroney) announced the creation of the Atlantic Canada Opportunities Agency; in July the Northern Ontario Development Fund was announced; and on August 4, 1987 the Prime Minister announced the new western diversification initiative. These are regional initiatives, and they are major undertakings to correct regional imbalances and inadequacies.

In the past under DREE, DRIE, and all the others, of which there have been several, regional economic development policy and regional economic program delivery were never successfully married.

The legislation before the House at this time brings the policy development and the program delivery together. The policy role, which would be combined with the instruments of the Western Economic Development Fund, will allow us to have the tools to do the job.

A major component of the initiative is the department with headquarters in Edmonton and offices in Winnipeg, Saskatoon, and Vancouver. It is to promote diversification from regional ideas. It is not an Ottawa-imposed approach to the economic development of the West. It is close to the people whom it is designed to serve. It is not located in Ottawa, but in the West. It will also bring a western voice to the formation of national policy. All Ministers, regardless of their ministry responsibilities, always speak on behalf of their regions and will continue to do that. What we are doing now is putting in statute and legislating a department which will speak and attempt to influence national policies in order that those national policies can better serve people in western Canada.

When we look at the areas that are important, to mention some, agriculture, forestry, transport, science and technology, it is important to draw those agencies and departments together and to examine the programs and the policies in relation to the economic development potential in western Canada.

I believe there is an opportunity to influence Government without expenditures. As an example, in the August Budget we were able to work as a pathfinder where kaolin was classified as a mineral. That is the first change in the schedule since potash was recognized as a mineral some 20 years ago. It seems strange to me, since it was not a vegetable and it was mined out of the ground, that it was not classified as a mineral. It had to be classified as a mineral in order that the tax regime available to mining could be put in place. That was recognized by the Minister of Finance (Mr. Wilson) and announced in the Budget of February 10.

I do not think it is misstating a fact, and my colleague from Saskatchewan will recognize it, but it is almost twice as far from Ottawa to Regina than it is from Regina to Ottawa. That is a fact of life that we have recognized for a long period of time.

The department will work as a pathfinder for those men and women in western Canada who have ideas and proposals, who want to do business with the Government of Canada, and who want to assist us in strengthening the economy in the West. It will serve as a voice in western Canada to promote co-operative ventures with the provinces, business, labour, and other public and private organizations. The department will also have the following responsibilities. It will formulate plans and integrate federal strategies to support the economic diversification of the western economy. It will oversee or implement such plans and strategies, if they are not implemented by other Ministries. It will promote the growth of small and medium-sized businesses. It will attempt to improve the business environment in western Canada. It will support economic and policy research. Finally, it will engage in and conclude co-operative arrangements with the provinces.

• (1540)

Fundamentally this legislation outlines how the federal Government can better serve western Canadians. It is a different approach from that of any other Government. It integrates in legislation a regional voice in government processes, policy-making, and program delivery.

Another key element of the legislation is the financial assistance which can be made available through the department for the development and diversification of the western economy. This means that the federal Government can become actively involved in the implementation of key diversification projects and programs.

The department will offer assistance to enterprises which have prospects of furthering the diversification or strengthening and expanding the economy of the West.

This assistance will be incremental. It will be "top up" or "last in" support for key business and economic projects in the West. The "topping up" or "last in" support is not to take away from assistance provided by other government Departments. We must also consider the client's own contribution to a project. Equity is important, whether it comes in the form of individual funding or from financial institutions. These projects will not be all government support; some initiative and some equity must be put forward. If we can take advantage of strategic development opportunities in the West, proposals that have the greatest potential for broadening and expanding the economic base of the West, we will do so.

This is not an entitlement program. If we take a look at previous experiences, entitlement was part of it. This program is not entitlement; it is managed with flexibility and creativity. We will see what projects must be and should be supported.

To enhance the flexibility we have a number of principles, not guidelines or automatic kick-outs. We believe that as time goes on we will gain experience and more knowledge about the way to handle the co-ordinating and funding functions of the department.

Basically one principle is aimed at business and economic projects which can expand or diversify the economy in western Canada, projects which lead to new products, new markets, new technologies, import substitution, and new long-term jobs. As I mentioned, it will be used to top up the last dollar in. Therefore, there must be a comprehensive search of other government programs and other government Departments which could and should assist in a major way to strengthen the economy in the West.

There will be a range of types and levels of assistance. For example, there will be loan guarantees, credit and loan insurance, contributions, repayable contributions, and grants. All economic sectors will be eligible, including the service sector which is the fastest growing sector in the Canadian economy, particularly in western Canada. It will also include the natural resource sector, which is very important in western Canada, wherein clearly there is an opportunity to develop new products and new lines. Projects such as research and development and marketing will be encouraged, projects which help build a business support structure. These projects will enhance the competitive capacity, so that a large number of western Canadians can take advantage of the business support structure which will be put in place. There will also be support for individual business proposals, after they have been accepted, assessed, and viewed in terms of their ability to expand the economy in western Canada.

There has been criticism of tardiness and over-long reviews in projects. Because we are working on a principle rather than a guideline, and because we do not have a slide-rule or an automatic percentage, it takes a little longer to review or assess each proposal. Because of the flexibility that has been built into it, there had to be some reorganization of Government. I think that was necessary and desirable in the establishment of the new department. The federal economic development co-ordinators and their offices in the western provinces were transferred from the Department of Regional and Industrial Expansion to form the core of the new department.

The approach for which we are looking is to develop strategic partnerships to avoid duplication. We hope to be able to optimize the process of expansion of the economy in western Canada. If something needs an extra push or more drive, if it is something we want to force- feed, there will be dollars available to top up that initiative.

We have recognized—and it was recognized by the Prime Minister western Canada needed an advocate in central Government. This legislation establishes a department of western diversification. It is already having an impact. The challenges and policies which are designed as national policies will have to take into account the country's regional dimension.

I will be interested in some of the comments of members of the federal Liberal Opposition with respect to the attention they paid to the West during all their years in office.

Mr. Axworthy: Stick around and you will hear about them.

Mr. McKnight: I will stick around. I remember a $4 billion fund which vanished, totally disappeared.

The department takes over a number of existing programs in other areas and will serve as a pathfinder for business. It will assist business in doing government work and in having access to Government. What we need is the strategic capability to seize the opportunities put forward by western Canadians. We will be able to give action and life to the visions of Canadian men and women. Basically, the new department will have the interests of small business and medium sized business as its main responsibility.

We cannot achieve this objective alone, but I believe that we have the tools to achieve it. We will have the ability to fund it, and we will have the assistance of the other Ministries. Certainly there are people in western Canada with the desire and the tenacity to make it work.

Regionally based approaches are different. This is something that is not understood by people in other Parties. It establishes relationships within line Departments. It also establishes relationships with the central agencies in the federal Government. It will have the co-ordinating role of a central agency and, in the management of the fund, it will have the operational role of a line Department. If we are to influence the national policies of the Government, we must ensure that it is properly linked with other federal Departments.

There will be an informal group of Ministers to deal with western economic concerns and a more formal Deputy Ministers' meeting, chaired by the Deputy Minister of Western Economic Diversification.

There has been a great deal of interest in the program in western Canada. Western Canadians are eager to participate. By mid-February we had received over 40,000 inquiries, had held some 3,000 meetings with individuals, and received in some form 2,355 proposals. We have processed some 262 proposals.

• (1550)

Some of the systems that have been made available to business in general, which will benefit not just individuals but have a systemic approach, is our participation in a $25.5 million program by contributing $5 million to the potash institute of Canada to diversify market opportunities in Asia and to strengthen leading-edge research and education facilities of the Saskatoon-based institutions. As a form of partnership, the provincial Government in this project has provided $6.8 million and the industry $13.8 million, for a total of over $25.5 million.

Toward the establishment of an $18 million world class cold climate engineering research facility in Edmonton, the centre for frontier engineering research, $7.5 million was contributed. That, again, was a partnership between the provincial Government of Alberta, with its contribution of $6.8 million and the balance being contributed by industry.

In British Columbia, $9.45 million of a $21 million project went toward the establishment of a marketing program for the B.C. shake and shingle industry. The industry is contributing $11.5 million in that joint initiative.

There have been other projects, some smaller and some larger. An example of a small initiative in Moose Jaw is the Huff and Puff Stitchery. It is receiving a grant to expand the capacity of its business. The western diversification office is assisting a company to design and manufacture motor control panels for the use in electrical installations. Another company will be using western diversification money to manufacture donkey heads or pump jacks used in the oil fields of the West.

There will be more, Madam Speaker. Again, I want to emphasize that in reviewing each proposal and treating each proposal as in individual initiative it does require a little more effort and time, but I believe it is very beneficial to those interested in expanding the economy of western Canada. We will not have tier systems. The West will be treated as one region. The tier system was not beneficial to western Canada in the past and it will not be beneficial at this time.

In the past seven months we have been working and designing a new department and a new approach to regional development. We have designed and determined how to administer $1.2 billion. We have responded to the overwhelming public interest in this initiative. We have made substantial and effective investments in western Canada. As always, in creating a new department, one has a challenge. I must say that although the agenda is full, I am confident that with the energy, the enthusiasm and the real knowledge of individual western Canadian men and women the new department, over the coming years, will have made an appreciable and permanent impact upon the economic diversification and strength of western Canada.

It is a program designed by western Canadians. It is a program that is headquartered in western Canada, and it is a program that will bring benefit to all of Canada by strengthening one region of Canada.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Madam Speaker, in opening this debate on the proposed legislation for western diversification, I think it is important for us to draw to the attention of the House a story that appeared in the *Winnipeg Free Press* of yesterday which quotes the Chairman of the Manitoba Conservative caucus saying that "it will very helpful if the provincial Government did not criticize. It may end up getting more assistance in the western diversification". The story goes on that it is a basically "go along or get nothing" program. That is the import of the story.

Mr. Duguay: Madam Speaker, I rise on a point of order.

Mr. Axworthy: A little sensitive, aren't you?

The Acting Speaker (Mrs. Champagne): On a point of order, the Hon. Member for St. Boniface (Mr. Duguay).

Mr. Duguay: Madam Speaker, I do not have an objection to the Hon. Member quoting from a story, but I would rather that he quote it in context and all of it, then he will not be abusing my rights as an individual.

Mr. Axworthy: Madam Speaker, the Hon. Member for St. Boniface (Mr. Duguay) is a little sensitive—

The Acting Speaker (Mrs. Champagne): The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy).

Mr. Axworthy: Madam Speaker, I know we will be touching some raw nerves in this debate. But if you read the story and the direct quotes from the Hon. Member for St. Boniface, who is Chairman of the Manitoba caucus, he said that it is not helpful to engage in fed bashing, and there are other quotes of a similar nature.

Mr. Duguay: Quote the rest of it. Do not leave the good parts out.

Mr. Axworthy: Under the present program, the Province of Manitoba has clearly been discriminated against. It has been discriminated against because it opposes the Government in certain major policy issues, according to the Member from St. Boniface.

What you have to translate is that the western diversification fund will really be a form of political blackmail. It will be used basically to extort compliance by the provinces to the particular and perverse policies of this Government—

Mr. Scowen: That is nonsense.

Mr. Axworthy: —or it will not get any grants, if they do not have to fit the particular political equation or standards.

There has been, I think, over the years, a basic standard of regional development, namely, that all regions and provinces get treated fairly and equitably, and one does not simply use things as political clubs to try to enforce compliance of specific measures if it is the considered opinion of a provincial Government that something is in the best interests or not in the best interests of its citizens. But this is not the way the so-called western diversification fund is being used. It is clearly politicizing in a highly sort of partisan way the use of federal funds in economic development, but not economic development that has any plan, rhyme, reason or blueprint to it; it is simply used as a basis of slushing those who you are in agreement with either in a partisan way—

Mr. Scowen: That is the way the Liberals did things.

Mr. Axworthy: —or where you are trying to enforce a kind of provincial government agreement to go along or give up.

The Minister in introducing his program said it was innovative, different and expansive and that it would do all these new things. I do not know where the Minister has been. This program for western diversification has far less money than was committed under previous Liberal Governments. It has a far less organizational base to it and it will be far less effective. Let me recite a few facts to the Minister while he sits there and giggles like a little boy who is caught with his finger in the plug.

Mr. McKnight: Here comes the invisible fund now.

Mr. Axworthy: Yes, let us talk about the invisible fund, the $4 billion committed under the Western Development Fund under the previous Government. Of the fund, $3.5 billion went into railway modernization. That was based upon extensive consultation with all the farms groups, all provincial Governments, and it was based on what is the single most important investment that could be made in western Canada, namely, to modernize the transportation system substantially. The Minister from Saskatchewan should know that if you do not have an effective, efficient transportation system, you do not move potash, grain or logs.

In the late 1970s the railways were refusing to invest capital in the transportation system of the West. It was absolutely necessary for the federal Government to take the initiative to ensure a major investment in the infrastructure of western Canada. That was the $3.5 billion fund. That was not invisible money. That was cash and it is still being paid out.

The other part of the money, a $250 million fund, went for native economic development, which the Minister responsible should know something about. This Minister has deliberately frustrated that fund and has not given it the kind of encouragement or incentive to develop enterprises, businesses and activities for native people in western Canada. The economic plight of the native people was also identified as the single most important social and economic problem facing western Canada. We set up a bank to provide funding so they could start their own businesses and projects to help the aboriginal peoples throughout the West and in the Territories. This Government, not happy to see that kind of self initiative undertaken by native people, basically closed down that fund and basically, again, turned it into a slush fund. The Minister giggles and laughs, but I have told you, Madam Speaker, where the money went on that program.

• (1600)

In 1983-84, $1.2 billion was committed to western Canada in a two-year period under the ERDA agreements. In fact, that generated a total of $2.1 billion because we got matching funds from the provinces. The Minister says that nothing has ever been done before, but the fact is that the commitment of a specific regional fund for western Canada was twice what this Government is committing in terms of economic development funds.

It is true that in 1984 when this Government came to power, it cut back on many of those programs. It cancelled many of those programs. It stood in the way of many of those programs. The fact is that those commitments were made.

Once again, these agreements were signed in full co-operation and consultation with the provinces and each province was able to establish its priorities. They were able to work out with the municipalities clear objectives for each of the provinces. The agreements were signed, sealed legal documents, part of the regional fund. What happened, of course, is that Tories do not like successes, particularly those of other Governments, and so if they did not like the nature of the previous Government, they stood in the way.

At the same time, we had also committed substantial additional funds for employment and training. The Economic Council report had said that one of the most important areas for investment in the West was to upgrade substantially its workforce. Last year, Employment and Immigration spent $479 million in western Canada. For the next forecast year, according to the Estimates, $339 million will be spent, a net

reduction of $140 million. Is this the kind of influence the Minister is saying the western diversification agency will have? Is the kind of clout it will have the kind that will mean we will lose $140 million worth of employment and training funds for western Canada in one year alone? That in fact is down several hundreds of millions of dollars from where it was in 1984.

This is the great example of how the new agency will show western Canadians what kind of muscle it has around the cabinet table. The West will lose $140 million unemployment and training funds for western Canada. I would say that the Minister should be embarrassed and ashamed to claim that kind of influence when in fact all that happens is that projects are lost.

We talked about the need to expand scientific research and development. Under the previous mandate, we put the hydrology lab in Saskatoon, we established a cold water lab in Edmonton, we established—

Mr. McKnight: What was that, Lloyd?

Mr. Axworthy: The cold water lab at Edmonton had been established as part of the ERDA program.

Mr. McKnight: Where was the money?

Mr. Axworthy: We had the Canertech program for energy renewal resources in Winnipeg, and we had the NRC. A laboratory was going to give Canada a world-class centre for robotics.

Mr. Epp (Provencher): And no money.

Mr. Axworthy: All those things were cancelled by the Government. All these ideas, projects and initiatives were cancelled by the Conservatives.

Mr. McKnight: Ideas, yes.

Mr. Axworthy: We know that we are touching raw nerves. We know the Tories do not like to hear about what they cancelled. They are now talking about something in the future. I would ask why they did not keep in place the things that were already there. Why did they cancel them? Why did they withdraw them? Why did they take them away? Why did they set back western Canada's economic development several years simply out of political pique and political revenge? They cancelled projects that were on the books, ready to be implemented, because they did not like the colour of the projects. They did not like who had implemented them. That is a condemnation of the Tories.

Who can believe the Tories about the future? Who really believes their commitments when they took away what we had already?

Mr. McKnight: Too bad, taking all those projects out of Fort Garry.

Mr. Axworthy: Let us deal with the projects in other provinces. We had other special kinds of projects. What are Canadians celebrating today and have celebrated in the past in western Canada? We have had two wonderful world expositions, the Olympics and Expo 86. Who provided initial federal funding for both those projects? It was the Liberal Government which initiated those projects and provided federal funding.

The Minister responsible for western diversification is now going into a laughing fit. The fact is that that is a way of covering up his embarrassment. If he thinks it is so funny, I would challenge him to rise and say who provided the initial funding for those projects.

Mr. McKnight: Madam Speaker, just on a point of order, the Hon. Member is putting forward things that are not accurate. He just drew to the attention of the House that the Liberal Government funded the Olympics, which were funded by 200 million in federal non-tax revenue dollars supplied under the direction of the Prime Minister (Mr. Mulroney) and the Minister of State for Fitness and Amateur Sport (Mr. Jelinek).

Mr. Axworthy: Madam Speaker, that is an example of how the Minister does not know what he is talking about. The federal Government also provided additional funding for all support services and for police services.

The Minister from Manitoba, the great success story of Manitoba, is here. The Minister responsible for the CF-18 is telling us how he would develop western Canada. That Minister was successful and really showed his muscle. He really showed his effectiveness when a bona fide, genuine high-technology project put forward by a western manufacturer was lost because of the political pressures of his colleagues. This Minister, who is here in the House, simply lost out because he did not know how to produce and still does not know how to produce.

Mr. McKnight: What is the Liberal position on that contract, Lloyd?

Mr. Axworthy: Let us turn now to the organizational case.

Mr. Epp (Provencher): Oh, yeah?

Mr. Axworthy: Well, if they want to hear more, I have a long list of projects. If they want to talk about the projects, I could go on all day. I have a list of cancelled projects here, but government Members will hear about them during the election campaign. I do not have to repeat them now because the people of Manitoba and the people of western Canada already know what they are. That is why we are leading in the polls in that particular province.

Let us talk about the organizational question, which is very important. The Minister spoke about the need to show organized and co-ordinated activities at the federal level. What happened to the western cabinet committee that provided a co-

ordination unit at the highest level? It was not comprised of civil servants or Deputy Ministers. The western cabinet committee ensured—

Mr. McKnight: How many Members from western Canada were on it, elected Members, Lloyd? Elected?

Mr. Axworthy: The proof of the effectiveness of that committee was in what was delivered. The Tories disbanded that cabinet committee. They got rid of its political influence. They neglected that opportunity to continue having a special committee of Cabinet for western Canada that would ensure at the highest levels of decision-making, reporting directly to the Planning and Priorities Committee, co-ordination and influence and the assurance that other activities of the Government would be properly construed.

The difference is that when we were in power, the CN was not laying off people in Winnipeg and Edmonton. The railways were not closing down. Canada Packers plants were not closing down. Projects were not being cancelled because we were able to make our case at the cabinet table. In fact, this Government is relying upon a group of civil servants to cover for it. That is what it is trying to pretend is great co-ordination.

Further to that, we had established in each of the provinces a federal economic development co-ordinator responsible for organizing and co-ordinating all the activities of all the federal agencies at that level and developing and instituting plans that would be made at the local and regional levels in full consultation with the provinces, the municipalities and the local business sector. That program was very effective and useful in ensuring that there were bottom-up developmental plans. An example of this would be the core area initiative in the City of Winnipeg and the North Portage development program. With an investment of $90 million in federal, provincial and municipal money, organized primarily by federal initiative, we were able to generate over $400 million in private capital.

This Government talks about the need to generate new activity in the private sector. However, it tends to forget that there must be a serious, clear blueprint developed in each of the regions, not simply a political slush fund. By the way, and I bring this to the attention of the House, it is unfortunate that specifically excluded in western diversification is the opportunity for urban redevelopment or community development programs. Specifically excluded is any investment in social programs that would provide incentives for people at the lower level to participate in western growth.

• (1610)

We have the example of the core area initiative started in 1980-81. It was a combination of physical redevelopment downtown, encouragement of small business, and the use of federal facilities such as the Air Canada buildings and the NRC centres. There was funding of special community-based social programs to help native people get training to move into the workforce, help senior citizens develop their own housing projects, and help residents of that area to develop some sense of initiative for self-development. We did not exclude certain groups from assistance. It was a recognition that parts of the core areas of cities in western Canada such as Winnipeg, Regina and Calgary, as well as the small communities, were suffering a terrible erosion.

One of the most important tools for economic development is the upgrading and refurbishing of the basic infrastructure of communities. You are not going to attract new business if you have a deteriorating core area. You are not going to get a new factory placed in a small community in Manitoba or Saskatchewan if you no longer have decent sewer lines, proper transportation, or if your school system is failing. You are not going to be able to attract new R and D centres if the universities in those areas are beginning to erode. Yet those areas are excluded under this plan. That flies in the face of some of the best and most useful practical examples, some of which we pioneered in the West.

The initiative we took in the core areas, while not perfect, was a demonstration of how you can combine social investment and economic development investment in a package to provide not only the refurbishing of a city but also to give people a chance.

About 40 per cent of new workers in western Canada will be native people. Unfortunately they come in without proper education or training. If they do not receive the kind of support necessary to become fully participating members of the workforce, then the economic development of western Canada will not occur. You cannot have 40 per cent of your workforce idle. You cannot have that kind of terrible tragedy taking place in front of you. Yet where is there in the plan any kind of program that addresses that fundamental issue in western Canada? Or that comes to grips with one of the most serious social and economic problems in Canada, certainly in western Canada? There is nothing here to provide the slightest bit of assistance or support to meet that very serious issue. Yet if we do not meet it, it will cost western Canada through a waste of human talent and increasing costs to our social service system.

The only proven way to provide an antidote is through development incentives. As I pointed out in my speech yesterday, why is it that even the simple provision of job training grants is being denied these kinds of organizations? Young natives in the core area of Winnipeg are no longer being given the opportunity even to get in an employment program because "it does not fit the high-tech training philosophy of the Canadian Jobs Strategy". You are not going to develop western Canada unless you deal with that problem. It seems to me that any Government sitting down and trying to analyse a blueprint of what is necessary in the West would have put that foremost. Yet we have a statement here from the western diversification office that it is premature to indicate resource allocation by organizational structure.

I am particularly surprised at the Minister of Indian Affairs and Northern Development (Mr. McKnight). He of anyone in that Cabinet should be most cognizant of and sensitive to that

issue. When the opportunity came to put this issue forward as a clear priority, he ignored it totally. He has completely forgotten it. I simply say that this is not the way we will diversify the western economy.

Let me also point out another major economic exclusion which deals with the question of the need to develop major regional infrastructure programs. If you spend time talking to mayors and reeves of the smaller towns and bigger cities of western Canada, to provincial Ministers and many people in business, they realize that much of the infrastructure of western Canada has eroded. Look at the transportation and highway systems. We all know how fundamental transportation is to western Canada. It is our life-blood. It has enormous consequences. If we do not move the goods, we cannot sell them. Yet those systems are eroding. Provincial Governments have been cutting back. With the exception of the $3.5 billion that went into railway modernization, there has been very little going on.

Our highway system is in serious difficulty. We will have to substantially upgrade the transportation system. I am thinking in particular of the Port of Churchill. When I was in government we attempted to give that port new life. We attempted to upgrade its facilities to the point where they would be capable of offering new transportation opportunities in northern Canada. Four years later many of the projects under that agreement have still not been completed. The dust control system remains undone. That means the port is still languishing and uncertain about its future. Yet it is an alternative sea water port for the entire West. Here we are in this House talking about Arctic security, yet we are neglecting one of the most important ingredients, the transportation system. We are simply not talking about it.

The Minister talked about $42 million for a soil erosion program in Saskatchewan. I agree with it, but soil erosion is not going to be handled with $42 million. Look at the report done by Senator Sparrow and the Senate committee and you will see we are talking about hundreds of millions of dollars to arrest the erosion of western Canada's most valuable resource, its soil. We need a major water bank development project from British Columbia right through to Manitoba.

What an opportunity under this program to tackle that kind of program! We can say we will not look at specific little projects here and there but we will look at the need to establish a regional plan, something that will give focus to the entire region. If you look at the Saskatchewan River basin, the Columbia River basin, and the Fraser River basin, moving over the Rockies, you will recognize that all of the West is linked by its water system. It does not recognize provincial boundaries or federal constituencies. If we do not do something about that in the very near future, as the Senate report properly indicates, then the life-blood of western Canada is going to ooze away, as it is doing now. We are losing hundreds of thousands of hectares per year under present conditions. It is not a future problem, it is an immediate problem. It has to be done now.

That should be a priority. Development of native people should be a priority. Employment training must be a priority. The infrastructure of western Canada must be a priority. Those are the kinds of initiatives I would have expected the Government to be committed to doing something about.

I am particularly surprised because the Government said it does not want to tinker or provide a bunch of meaningless little grants and subsidies. It said that the way to encourage the private sector, agriculture, minerals and others, is to put a framework in place in which private dynamics can work. Yet somehow the Government seems to have reversed its stand and gone the other way. There is nothing whatsoever in this program, as I read it, that provides the slightest opportunity for westerners to come together as a region, or bring together the provinces, the federal Government, and major business, to ask what are the priorities for the region and then use federal investment in those areas.

• (1620)

Another example is in the study done by the Economic Council on western transition. It points out that in the future there should be entitlements for western Canada. The Minister denied that there will be any entitlements. The Economic Council basically said that there should be entitlements in certain key areas, one of which, of course, is education and research and development. We are moving into the information age and if we are to apply all kinds of new techniques and innovations to our agricultural and resource industries we must have a clear commitment to ensure that the work is done in western Canada.

They talk about centres of excellence in various places. I have no argument with that. As I pointed out, the Liberal Government had centres of excellence in hydrology, robotics, and other areas. However, why have a centre of excellence when the engineering faculties no longer have money even to do typing? The research grants of the federal Government are now driven by corporate donations. We do not have big corporations in western Canada to help in those areas and, as a result, we tend to be at the low end of the scale. If we are going to fund research programs by private sector contributions, if we are not going to provide the universities with the capacity to do basic research in those areas and give proper funding to the schools and colleges in western Canada, we will not have the people or facilities to keep abreast of the modern world of information and technology. That is the new entitlement which western Canada needs.

In the 1920s when our ancestors were fighting for entitlements they fought for the Crow rate. They said that the entitlement in Confederation was to ensure that we have a transportation system based upon a cost which we can afford. The new western entitlement must be in education and research and development. We must ensure that when the Government gives out big procurement contracts there is a fair

sharing. There must be a requirement that when the Government provides support to the funding councils the regional requirement must be administered and met.

If I may digress for a moment, when we passed the Western Grain Transportation Act we wrote into the Bill a specific clause that said that the railroads must source in the region in which they are undertaking their major level of activity. We also put a $50 million Western Industrial Transportation Fund in place to enable western suppliers and producers to make bids on those projects.

Not once since 1984 when the Government began to administer the Act has it made any effort to hold the railways accountable for that responsibility, to ask the CNR and CPR to what extent they are sourcing in western Canada and to what degree they are buying their goods and services in western Canada, or to use the sanction in the Bill which is that if they do not do that the Crow benefit can be withheld.

That is the kind of tough action on behalf of western Canada that one would expect from a Government which says it believes in western Canada. The Government has never done that. If you look at the records you will see that neither the previous Minister nor the present Minister of Transport (Mr. Crosbie) ever set that as a priority. Instead the Government was piecing out the Western Industrial Transportation Fund in small projects across the West. The fund was retained, so the Conservatives must have thought it was a good idea, but they did not use it for its purpose which was to ensure that we would have a synergy between railway investment and sourcing which would have given western businesses an opportunity to move into a new area of activity. That is once again an opportunity lost. If the Minister says that that will now be a responsibility of the new agency, that is fine, but that has not happened over the past three years.

That is what I mean by an entitlement, the requirement to ensure that the federal Government, which has very large resources to invest in education, research, and procurement, ensures that there is a fair sharing. That must be done because at the present time there is not fair sharing. The record of federal procurement still is that 80 per cent of it takes place within the Montreal-Ottawa-Toronto triangle. It takes almost an affirmative action for western Canada and Atlantic Canada to change that around. That is the kind of political muscle and political priority which we would expect from this agency. However, I did not hear the Minister talking about that. I did not hear him say that that is what this new agency will do.

I would even suggest that moving the agency out of the capital of Canada, away from the action, will make it less effective in getting the influence and making the case that has to be made on a day-by-day basis. In running a government it is the small details that count, the paper that comes across your desk every day and the access you have to other Departments. You have to be there to make yourself heard, to make your influence felt.

It may be that by detaching this agency it will lose its ability to make an impact, to make a strong political statement day by day, hour by hour, in this capital, which needs to be done in order not to lose the decisions on contracts, research, and grants which take place in Ottawa on a daily basis. In fact, the organizational base that has been constructed may be weakening the ability of western Canada to get the entitlement that it needs. That may in fact be the problem that we are facing in terms of this kind of organization.

There is less money than was put in before, there is a questionable level of co-ordination, and there is certainly less influence at Cabinet level. A number of things have already been cancelled and taken away which are not being replaced. Most important, there is no blueprint, no vision. There is no compelling set of priorities for western Canada which can be responded to. It does not have to be unilateral or arbitrary, but it should set out what must be done.

Only the federal Government has the capacity to do that at the regional level. It is very hard to get the Premier of Alberta to speak up for the Province of Manitoba. Certainly we have never seen that, as evidenced in the CF-18 case. However, because the federal Government represents a larger jurisdiction it should represent a larger vision. It should use its capacity as a national Government to set forward those kinds of priorities and ensure that they are implemented and organized on a regional level.

There is no such aspiration or sense of objective, which is so essential if western Canada is going to keep pace. I return to the basic point that we have seen in this country in the last three or four years a highly unequal, unfair level of growth. If you look at the growth rates in Canada you will see that the concentration of economic activity, jobs, investment, and placement has taken place in the central regions of Canada.

I am not arguing with those regions, but I am saying that it has increased the disparity. It is making the gap grow wider. To arrest that will take a very singular and strong-minded federal government setting out a whole new set of objectives and priorities for the regions.

That is not what we have had, that is not what we are receiving. The IRDP has been cancelled. It runs out in June. One of the important tools of the direct grants industry will cease to operate in June, and there is no sign that the federal Government intends to replace it. There have been major cutbacks in programs that the regions need; support in the fishing industry, in agriculture, and in research. There have been cutbacks in education and in major areas in which the regions have been able to develop specialized programs. If we allow that to continue the gap will grow wider and wider.

• (1630)

The only organization that has the ability to stop that and rewrite the balance is the federal Government, in effect the Parliament of Canada. The philosophy behind this measure is

not the way it will happen. It is effectively separating the regions in trying to deal with the problem in isolation.

I would be much more supportive of a strong, effective department of regional industrial development which had a firm mandate, with real resources and a Minister that had real clout, rather than the fumbling Ministers we have seen in the last three or four years. We need a Department and a Minister that could exercise that kind of influence in Ottawa to ensure that the priorities set for the regions at the national level would be carried out with effectiveness and efficiency.

Much like a centrifugal force, if Canada is left to its market forces, and, in some cases, to its natural forces, it will tend to separate into fragments because the central agencies cannot hold it together. Generations of federal Governments have had the responsibility to try to control that centrifugal force through coherent leadership and direction from the central part of the country in terms of the national Government.

I submit that this program will not accomplish that goal or provide those opportunities. Western diversification is one of the most important issues in Canada in light of the problems I have already enunciated. If we allow the condition of native people in western Canada to deteriorate any further, we will face one of the most serious condemnations in our history. Canadians must come to grips with this issue.

We cannot allow the regions to become further alienated so that westerners increasingly feel they can no longer trust their national Government or federal institutions. This is already happening according to a survey last summer which showed that 30 per cent or 40 per cent of westerners would be prepared to vote for a western separatist Party. One hardly wants to see such a condition enhanced.

I believe this issue requires much more thought and creative ability than we see in this western diversification program. This is far more motivated by the political concerns of the Government rather than the national concerns. That is why I believe it is very important that we must and will have a new kind of western development program when a new government takes office in a very short period of time.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Champagne): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Papineau (Mr. Ouellet)—Official Languages—The Promotion of Bilingualism and Linguistic Minorities—Role of Government/Commitment of Conservative Candidates Concerning Bilingualism—Prime Minister's Position; the Hon. Member for Cape Breton East Richmond (Mr. Dingwall)—Regional Industrial Expansion—Government Funding and Policy/Cape Breton Development Corporation; the Hon. Member for York East (Mr. Redway)—Environmental Affairs—Acid Rain—Plan to Reduce Emissions.

GOVERNMENT ORDERS

[*English*]

WESTERN ECONOMIC DIVERSIFICATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mulroney that Bill C-113, an Act to promote the development and diversification of the economy of Western Canada, to establish the Department of Western Economic Diversification and to make consequential amendments to other Acts, be read the second time and referred to a legislative committee.

Mr. Riis: Madam Speaker, are there not questions and comments at this point?

The Acting Speaker (Mrs. Champagne): When the Bill is first brought forward for second reading, the first three Members to speak are allowed 40 minutes. There are no questions or comments following those speeches.

Mr. Lorne Nystrom (Yorkton—Melville): Madam Speaker, I believe the principles of the department we are discussing are certainly supported by all Members of the House and people in western Canada. The principles are that we have an office that will attempt to diversify the economy of western Canada. This is something we have needed for many years.

As well, coming from my populist CCF roots, I am a strong believer in the need for more decentralization in this country to allow local people more input into decisions that affect their lives and their communities. I certainly support those two principles which are very important in the establishment of this office.

The first requirement in order to make those principles work is money. While I suppose every Minister will agree that they do not have enough money, my concern as a western Member of Parliament is that there may not be enough money in the program to make it effective.

Many other government programs have been cancelled, to be rolled into this particular department. The Minister tells us that there is $1.2 billion over five years, which is roughly $60 million per province per year. I recognize that he is treating the West as one region rather than four provinces, but it still works out to $60 million per year per province.

Furthermore, there is a debate about how much of that is new money and how much is old money. I am sure different economists will give different opinions, that the Government will say it is mostly new money, and many others will say it is primarily recycled money from existing programs.

The former Finance Minister in the Government of the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) who just spoke, announced the Western Development Fund in the amount of some $4 billion at that time. When one compares the $4 billion in 1980, which was spent over some four years, with $1.2 billion, it is not very much, even if it is new money.

I have said privately and publicly that the Minister is one of the more competent and sincere Ministers in the Cabinet. I am sure he will do a good job with what he has. I sincerely hope that this particular office is more than just the western Conservative political office in anticipation of the approaching election, and that it will really mean something and develop into a meaningful institution.

My friend from Winnipeg mentioned in closing the problem of western separatism and alienation. He referred to a poll in which a large number of western Canadians would consider voting for a western independence or separatist Party in certain circumstances.

This debate is crucial because it is important that western Canadians be not misled and that the office being established will diversify the economy in western Canada. It is important that it be an office that is funded with a meaningful amount of new money. If not, it will only add to the western alienation that already exists.

We know about westerners turning to new political forces. That is how my Party began, with the CCF and Tommy Douglas many years ago. That is where a certain brand of the Conservative Party began, with John Diefenbaker in the 1940s and 1950s in Saskatchewan and across the Prairies. There is the Social Credit Party, which arose with western populism, and the western Canada concept. We now see Preston Manning's Reform Party in western Canada.

There is a significant feeling in western Canada that we have not received our fair share from Confederation. The worst that could happen is to have a new and promising department with a promising Minister which does not deliver in the way western Canadians believe it should.

• (1640)

The program before us today had several false starts over the last year or so. It was formally announced last August by the Prime Minister (Mr. Mulroney) when he spoke in the City of Edmonton, Alberta. It was unveiled about three weeks before the Government had tabled in this House two studies detailing the reasons for a $79 million overrun at the Department of Regional Industrial Expansion. I am sure you recall that overrun, Madam Speaker, in the Department of the former Minister, the then Hon. Member for Longueuil who is no longer in Cabinet.

We have also seen since this Government took office a tremendous cut-back in regional and economic development spending. In 1984 the Government spent some $14.8 billion on economic and regional development. The Estimates for 1987 were cutback to $11.8 billion. There is a cut-back of around $3 billion which is a very big drop. In its place, we have the western diversification office, the Atlantic Canada Opportunities Agency, and FEDNOR which is the equivalent in northern Ontario.

I really wonder whether or not, when all the calculations are in, these new agencies will actually have as much money to spend as the old regional development program itself. As I have said, there is a certain amount of *déjà vu*. I mentioned the Liberal Western Development Fund in 1980 of some $4 billion. I have also mentioned the fact that that was more money at that time than in our Budget today. In many cases, even that $4 billion is a bit of a phantom fund in terms of where all that extra money went. There are some more similarities. The bureaucratic head of the Liberal Western Development Fund was a gentleman named Bruce Rawson. After spending some time at the Department of Indian Affairs and Northern Development, he has now taken up Deputy Minister duties at the Edmonton headquarters of the western diversification office.

I have already mentioned the fact that there is some $1.2 billion allocated to this particular department. There is a debate as to what is new and what is old. That is a very interesting debate because what we should be emphasizing here is that there are three program instruments, once the responsibility of DRIE that have ended or are about to end in the very near future. The first program is the Industrial Research and Development Program, IRDP, which will terminate in June of 1988. The lesser known program is the Western Transportation and Industrial Development Program, WTIDP. That is now finished but there are several ongoing projects which are funded fifty-fifty. The third program is the Economic and Regional Development Agreements, ERDA. These agreements expire in 1989 and 1990.

The Western Transportation and Industrial Development Program was re-jigged, in a sense, to become the western diversification office's main funding instrument, known as the Western Economic Diversification Program. Some of the ERDA agreements are the responsibility of Departments such as the Department of Agriculture, the Department of Science and Technology, Transport Canada, and so on. In other cases, the responsibility formerly with DRIE is transferred to the western diversification office. You can see, Madam Speaker, that the other programs that were there at one time will now no longer be in place.

The Minister stated in the House today a number of the purposes for the western diversification office and for the Bill before the House today. The Prime Minister himself, when he made the announcement, stated the mandate of the western diversification office. First it was important we have an office to co-ordinate and communicate all federal programs and activities that contribute to the economic development and diversification of the West. Second, the program will support business infrastructure to further the economic development and diversification of the western economy. Third, the office

will undertake activities that will facilitate the creation of new enterprises and business consistent with our evolving international treaty policy. Fourth, it will represent the interests of western Canada in the development of national policies and the design of national programs to ensure that western Canada is effectively linked to decision-making in Ottawa. Those are the four things the Prime Minister spoke about, and the Minister also mentioned them earlier on this afternoon.

While the western diversification office views itself as a funder of last resort, its most interesting role is that of co-ordinator of federal programming in western Canada. Considering the important presence of larger and more powerful Departments such as the Department of Agriculture, the Department of Energy, Mines and Resources, the Department of Transport and the Department of Fisheries and Oceans in the West, the co-ordinator function will take considerable determination by the Minister and his Deputy. It is easier to imagine these Departments locked in a tense policy struggle with the western diversification office, and with the western diversification losing in the end despite the good intentions of the Minister or the Deputy Minister.

This will be a small department without the clout of the Department of Finance, for example. There is a dispute taking place right now with respect to interest rates where the Bank of Canada is saying that interest rates should not come down because the economy is overheated in southern Ontario. I argue that interest rates in western Canada should come down because when interest rates are high they tend to drive up the Canadian dollar and make it more difficult for us to export to the United States. What kind of clout will this Minister have in his new department when it comes to arguing with the Department of Finance, with the Minister in charge of Energy, Mines and Resources or the Minister of Agriculture or, indeed, with the Minister of Fisheries and Oceans? The Minister suggests that his regional department will be guiding the expenditures of departmental A bases. That will be quite an accomplishment given the eminence of the Departments I have already mentioned. Therefore, I am not sure what influence, in the final analysis, this department will have, particularly when the headquarters of the new department will be in Edmonton rather than in the City of Ottawa where there would be contact with other key policy makers in the normal course of duties.

Another role of the western diversification office is to act as a "pathfinder" which ties in with the role of being a "funder of last resort", and the Minister referred to that earlier. When a prospective applicant for funding arrives at one of the four western diversification offices, the first thing the officers will do is to determine whether or not the project can be dealt with by another funding agency or department. In other words, the first thing they will look for is a way to refer the applicant to another department or to another agency. It appears that only after an applicant has exhausted all other avenues, will the western diversification office step in and consider being a funder of last resort.

Judging from the projects announced thus far, and many offers have been made, as the Minister has announced in the House and elsewhere, the small and medium-sized businesses can take little comfort in the trend. Perhaps it is only a trend. I am not sure whether this will be the record after two or three years. So far, there does not seem to be much of a bias towards smaller and medium-sized businesses by this particular department. By way of example, the Canadian Federation of Independent Business expressed considerable exasperation with the western diversification office.

The Canadian Federation of Independent Business is not exactly a radical socialist organization. It is a fairly conservative institution, as the Minister himself would agree. There have been many big ticket projects announced, including some which ought to have been funded through normal departmental spending, for example, millions of dollars for a salmon enhancement program that ought to have been funded through the Department of Fisheries and Oceans in a regular departmental budget. Perhaps the Minister at some time will explain why this particular program, costing millions of dollars, was funded through the western diversification office.

The title of this Bill is the Western Economic Diversification Act. Some of the programs funded so far do not have anything to do with diversification. They are for development. We have nothing against development, but it seems to me that the main purpose here is to diversify the western economy. Perhaps the salmon program should have been an ongoing development program, funded through the Department of Fisheries and Oceans.

There are two notable large private sector projects that leave some people in western Canada wondering. The American-owned B.F. Goodrich company picked up some $418,000 for a project that would create no new jobs at the plant. This is money that it states will maintain existing jobs. The press release itself stated that there would be the creation of no new jobs in this particular case.

• (1650)

In addition, the second largest pulp and paper company in Japan will benefit from a $9.5 million contribution from the western diversification office. This is the second largest plant in Japan in the pulp and paper business. One might have expected that these huge companies could have generated their own funds internally or could have borrowed money from the banks or financial institutions, but that was not the case. On the one hand, it is B.F. Goodrich, and on the other hand it is Daishowa, the second largest pulp and paper company in Japan.

Perhaps it is only circumstance that in these first announcements some money has gone to large foreign-based companies. But it is a bit of a trend-setter that has many westerners in small and medium-sized business concerned about the priorities of the Government across the way.

It might also be suggested that $9.5 million that was offered to the shakes and shingles industry was to make up for past transgressions of the Minister of International Trade (Ms. Carney). There was the dispute in the shakes and shingles industry where the Minister of International Trade was on the hot seat in terms of how she had handled that portfolio vis-à-vis the forest industry in British Columbia. The Fraser Valley Independent Shakes and Shingles Producers Association is receiving the $9.5 million to attempt to put up U.S. demand for its products. All this is after that controversial tariff that was in place.

Since the outset of the program there have been complaints from many observers, and some people say most observers, that $1.2 billion over five years is a very small amount of money. I know that there have been complaints about this, and earlier I referred to the fact that it works out to approximately $60 million per province per year divided between the four western provinces.

The Premier of Manitoba has stated that Manitoba should be receiving some more money. The Minister of National Health and Welfare (Mr. Epp) has been quoted in the newspapers in Manitoba as stating that he supports the Premier of Manitoba and that Manitoba should receive around $300 million as its share.

If one looks at the projects approved from August 4, 1987 up to February 22, 1988, in a survey of the four offices, there have been projects worth $275.8 million allocated for expenditure. Using the information that we have, we find out that Manitoba appears to be losing the race. British Columbia has received commitments for $152 million; my province of Saskatchewan is not doing too badly with commitments of $95 million; Alberta has received commitments of $22 million; and Manitoba has received commitments of $6.8 million.

I suppose that is why the Minister of National Health and Welfare is a little concerned, and why Premier Pawley is rightfully concerned, about the moneys allocated. I am sure that the Hon. Member for St. Boniface (Mr. Duguay) will rise in the House in the next couple of days and say that he too is concerned about the fact that Manitoba is thus far on the lower end of the scale.

I know that the Minister across the way is treating the West as one region, but even although he treats it as one region he must be very careful that there is equity between the provinces and equity between the regions within the region of western Canada. There are varying unemployment levels and varying needs from one province to the other, and indeed within the provinces. A concern that a number of people have is where the funding and the money is going.

Is the western diversification office going to be a vehicle for patronage? In 1984 the Prime Minister stated that it was only the Liberal Party that exercised this terrible thing called patronage, and that he would end that particular practice. Since the Prime Minister took office there has been an awful lot of patronage handed out to the friends of the Prime Minister and other people in the Cabinet of the Conservative Party that sits across the way.

In this particular case there is no board of directors dominated by Tory appointees, as is the case with the Atlantic Canada Opportunities Agency. However, a noted friend of the Tory Government, a gentleman named Michael Walker of the Vancouver-based Fraser Institute, stated, "Unfortunately the way they're going to spend it will be determined by political interests, not economic interests . . . the reason they're doing this is not to improve the western economy, but to improve their political fortunes".

That was stated by a friend of the Conservative Party in the Fraser Institute. I wish to point out that there is always a danger here that there could be considerable political patronage.

I wish to return to the $1.2 billion. I said it was very important that, if we do have a diversification office, it diversifies the economy of western Canada and it also has enough money to make it meaningful and significant for western Canadians.

Recently, when discussing the $1.2 billion, the current Minister of State for Grains and Oilseeds (Mr. Mayer) stated, "It sounds like a lot of money, but in the over-all scheme of things it is not that great". I suppose you often hear, Madam Speaker, Members of Parliament saying that they need more money or more funding.

I remember the time when many years before I was elected to this place C.D. Howe lost the election to Doug Fisher in Thunder Bay when he rose in the House and said, "What is a million?" But $1.2 billion in western Canada over five years is not that much money, particularly because a lot of it is not new money. The Minister in charge of Grains and Oilseeds and in charge of the Wheat Board has stated, "It sounds like a lot of money, but in the over-all scheme of things it is not that great".

A *Financial Post* editorial stated, " . . . There is no doubt whatever that the potential contribution of Ottawa's western diversification initiative is truly piddling. Fifty million dollars per province per year won't diversify very much".

One of the more prominent members of the Conservative Party, the Hon. Member for Edmonton—Strathcona (Mr. Kilgour), when speaking to the Downtown Rotary Club of Edmonton stated, "The recently announced western diversification strategy, though inadequate in its funding, is certainly a modest step in the right direction". The Hon. Member talks about it being "modest", going in the "right direction", but certainly "inadequate in its funding".

Frank Came, a senior officer with the western diversification Ottawa office, stated, "The fund is not all that big when you look at the amount of capital".

I wish to return to the Hon. Member for Edmonton—Strathcona. When he left the Conservative caucus approximately one year ago, one reason for doing so was his impatience with the Government's launching of the western diversification office. The following was written by the Hon. Member for Edmonton—Strathcona in 1981 in response to the Liberal Western Development Fund. "The sending of Bruce Rawson to Edmonton as the federal Government's senior adviser on Western Canadian affairs will be seen by many westerners as another in a long series of gimmicks from a regime which sees our region primarily as a convenient whipping boy in an attempt to shore up political support elsewhere".

The Acting Speaker (Mrs. Champagne): It is with deep regret that I must interrupt the Hon. Member. When the House resumes debate on this Bill there will be 16 minutes left, if the Hon. Member wishes to continue.

It being 5 p.m. the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*Translation*]

REGIONAL DEVELOPMENT

IMPORTANCE OF SAVING GULF OIL REFINERY

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie) moved:

That, in the opinion of this House, the government should consider the advisability of intervening in the matter of the Gulf refinery of Montreal East in order to save the hundreds of jobs which are threatened and to protect Quebec consumers, thus respecting the unanimous resolution of the National Assembly of Quebec.

He said: Madam Speaker, first of all, I realize it seems a bit odd to be talking about the Gulf refinery today. However, we must not forget I put this motion on the Order Paper on October 1, 1986, and that despite the delay, and in the present circumstances, the problems of the petrochemical industry in Montreal East and what remains of the Gulf refinery are still very much with us.

I would like to start by providing some background to explain the reasons for this motion. First of all, all the facilities belonging to Gulf Canada had been purchased by Petro-Canada, and this included all refinery and service operations, all facilities located in Ontario, Western Canada and Quebec.

The House may recall that the Reichmann brothers and the Atlantic provinces had decided to sell the refinery and service station operations because, according to our information, the Conservative Government did not want Petro-Canada to invest more in upgrading these operations. Now, following the purchase proposals, another company, Ultramar, announced it would buy all installations in Quebec and the Maritimes, with the admitted intention—this is a British company—of closing down the Gulf refinery operations in Montreal's east end, while maintaining service operations. Gaz Métropolitain was bidding on the same installations, but unlike Ultramar, it intended to continue to operate the Gulf refinery as well as the service stations.

Under the rules of Investment Canada, the Conservative version of FIRA, Ultramar, as a foreign company, required the Government's authorization to purchase the Gulf refinery. We know that the Minister at the time, and Cabinet, in full possession of the facts, agreed. However, this was not what the National Assembly and most groups wanted, and at the time, several Conservative Members resigned to make the federal Government say no to Ultramar, because it had the power to do so, and I think it had a duty to say no to Ultramar, which was a foreign company. If two Canadian companies had been involved, the Conservative Government could hardly have been blamed for acting the way it did, because it did not have the power to prevent normal competition and thus would not have been responsible for the consequences.

But in view of the fact that a foreign company had to have Cabinet approval, and this is unfortunate, at that point there has even been Conservative Ministers who supposedly resigned over that. But that is not the important point to recall, in my view. It is rather the fact that at the time, the Hon. Member for Rosemont (Mrs. Blais-Grenier) on the Conservative side, who was Minister of Transport, stated that people in Cabinet, people in caucus and the Ministers when they gave that approval lacked important information. That statement did not come from a Liberal, or an NDP, or a labour leader—it was made by someone in Cabinet, who had access to information and who blamed her colleagues for blindly approving, and we know very well that it has been proven there was a lack of refining capability in Quebec and there were surpluses across Canada.

But it must be stated today that while there were 450 employees at that time, that company has now been converted to Kemtec and there are now 250 employees, and if that industry was not completely shut down it is thanks to the representatives of the Gulf refinery employees, that is the former refinery, Messrs. Chouinard, Baril and Tremblay who never stopped fighting. At the time they got involved, they formed a coalition and so on. It will be remembered that the Hon. Member for Duvernay (Mr. Della Noce) came to make a show, by signing the petition . . . he would not sign it in front of the cameras for fear of his Leader—he wanted to have a cake and eat it too.

But we succeeded in saving the industry, thanks to the actions of the Quebec Energy Minister, Mr. Caccia, and the Bourassa Government, with Lavalin corporation, to ensure that the company would be saved, and today there are 250 jobs, there is no more refining work done and consumers are not protected. The Hon. Member for Terrebonne (Mr.

Toupin) who was sitting on the Conservative side at the time, who was sitting in caucus, himself recognized the situation we are now in, namely that consumers are footing the bill for this Conservative Government's action! But at least some jobs were saved.

But that is part of a whole and we must consider that in the case of the eastern part of Montreal, as I was saying this afternoon, people have been pushing for 27 months . . . and today I feel that the people of East Montreal should be proud of the fact that they stuck together, that they took certain steps, that they were patient and of what they were able to obtain for the eastern part of Montreal, even if they had to go against what some people wished at the municipal, provincial and federal levels . . . and I know that it is not easy for part of a large center such as Montreal, even though the western part of Montreal is doing well, even though in some regions industry has been successful and has forced governments at all three levels to come up with what people have been asking for—

Mr. Speaker, I can remember when I first set up the Committee for the survival of East Montreal on October 15, 1985. At that time we had Vickers, Bombardier, Canadian Steel Wheels, Laforge, Parisette, SKD. As a result, it is certain that we can be proud of the City of Montreal, given that $90 million have been announced to help develop East Montreal. The provincial Government will provide $105 million in financial assistance.

But what is important is not that the $50 million which the Quebec Government has committed were for upgrading and restructuring businesses but also, and here is where I touch upon the petrochemical sector, were earmarked for manpower retraining since it will be remembered that 150 of the 250 Gulf employees still have to be repositionned. A percentage of the workers have been able to take early retirement, but others need new placement. There is no doubt it costs money to re-train a refinery worker for a job with Bombardier in the building of engines, and the companies do not have that money.

So what is interesting in the provincial Government's announcement of $105 million is that, besides modernizing and re-structuring industries, the Government will allocate funds to industries who will settle in Montreal East so they will be able to change the situation—the Soligaz project that will contribute to the development of the petro-chemical sector comes to my mind—hire those people, finance their training and later recover the costs.

I think the provincial Government should be congratulated for its handling of that matter. Even though the federal Government did not deliver all the goods, as was to be expected, I am happy because there was nonetheless an amount of $37 million. If we had not applied those pressures, I do not think our needs would have been recognized. So the Government had no choice. It had no intention of helping the people of Montreal East, but it could not do otherwise from a political point of view. Municipal and provincial governments took the initiative, as were groups and various parties who forced the hand of the federal Government. Still, I believe that without that concerted effort, that money would not have been allocated to Montreal East, and today we can be proud.

There is, however, another timely and important project which the Quebec Minister of Energy, Mr. Ciacia, will have to address. He is currently pressing the Minister of Energy, Mines and Resources (Mr. Masse) to respond and to promote the Soligaz project in Montreal East not only to ensure survival of the petrochemical industry but also to create employment and so on.

• (1710)

Madam Speaker, I think that although the resolution is no longer timely as far as helping the Gulf refinery, it is still important to consider what renamed Kemtec is now doing, the important Soligaz project in Montreal East as well as the economic restructuration of that area . . . From articles that appeared in newspapers when the governments made the announcements, I suggest there was general agreement when the City of Montreal announced its action plan to restructure and help Montreal East. All the people present—management and union representatives as well as politicians—were unanimously satisfied.

If we look at newspaper articles reporting people's reactions, we see that when Minister Johnson announced before all the concerned parties the Quebec government action plan, everybody was openly invited without discrimination: management, union, municipal, provincial and federal representatives of all political stripes, and everybody was unanimous, everybody was proud.

When the federal Government made its announcement, once again as for many important issues dealing with Montreal, there were disappointments and disputes. Unfortunately, the workers at the Vickers plants and those at the Gulf refinery were unable to get relocated, but everybody expected that the federal Government would announce that an important part of the program would be an early retirement plan for older workers which would allow those workers to get a decent income and at the same time would have created jobs for younger workers as well as training programs which had been announced by the Quebec Government.

This clearly indicates the response of Canadians who are unbiased. When the Liberal Government in Quebec made its announcement, people at the meeting, representatives of the CNTU, the QFL and the Steel Workers as well as representatives of other groups who were not Liberal partisans were proud and pleased with that announcement, especially the human approach to the proposals made in the Pichette report which recommended that substantial funds should be earmarked for the modernization and restructuration of businesses and that he also allotted funds to support employability. All those who were there gave the same response to the City of

Montreal even if they had not voted for the union but they were happy about it.

However when we read the comments from various sources, we even learn about the tantrums of the Hon. Member for Montréal-Mercier (Mrs.Jacques) at that meeting, which caused great disappointment. However, after two years or 27 months of struggle, I have to thank the federal government for its response even if it was strained.

However, there still remains the important issue of Soligaz and I know that the Tory members will rise as usual. They will say that the federal Government has done this and that. However each time you ask people involved in the industry, they realize full well that as far as railways are concerned, the decision of the Tory Government in 1984 has been disastrous and this is why they made a racket at the press conference, because they felt that the answer was inadequate.

You will be told just about the same thing by Mr. Beaubien of Vickers. As for Serge Baril, who is president of the union of Gulf refinery workers, and other workers at the former Gulf refinery and Kemtec, they will all tell you that it is a disappointment.

I therefore trust that the Hon. Member for Duvernay (Mr. Della Noce) and some of his colleagues will have good news for us about the Soligas project. Or, as in the case of the development of the Old Port in Montreal, the space agency and the Port of Montreal, will it be necessary to form another survival or action committee for the Soligas project, which is related to the petrochemical industry and which will have a direct impact? At this very moment, Kemtec exists and is in operation. It is part of the former Gulf refinery. However, without the Soligas project, this industry will develop much more slowly and its future will be much more uncertain in coming weeks.

As I had 20 minutes, or until 5:20 p.m., Madam Speaker, I still have four or five minutes left. I would like the Conservative Member for Duvernay (Mr. Della Noce) and the Conservative Members from East Montreal to take part in the debate. It is unfortunate that no Conservative Member representing East Montreal is doing anything in this matter. I would have liked to hear their views and I am sure that the residents of East Montreal would like to hear what those Members believe their Government should do. Unfortunately, they seem to have other concerns. As I was saying, I would like them to take part in this debate to tell us when the Soligas project will come on stream. When will the Minister of Energy, Mines and Resources (Mr. Masse) have enough backbone to speak to the Energy Board and convince certain oil multinationals that this project is feasible? He should tell them that the project should be approved and the funds allocated.

When the Western banks were in trouble, the Government did not wait very long before taking action. There was no need to create survival committees, to go through all kinds of red tape and to organize protests. Someone at the Prime Minister's Office immediately said that the Government should help the banks.

When the farmers in Western Montreal were in trouble, and I have nothing against the fact that they received some assistance, they did not have to do anything, perhaps because the Conservative Members of Parliaments and Ministers of that region did their job. The problem in Quebec is caused by the Conservative Ministers and Members of Parliament who are not doing their job. We saw this in the case of the shipyards. We were led down the garden path in the matter of the frigate contract. Even the Hon. Member for Lévis (Mr. Fontaine) rose and said: It is not true; the figures are not right. His own Minister then said that the figures were true and accurate.

I believe that we were had in the case of the shipyards. Then, there is the question of the railway workers. Jobs have been lost and the CN is talking about transferring more jobs from Montreal to Toronto. In the matters involving the Gulf refinery, the footware industry, Domtar, as well as Canadair for the F-18's, there had to be public consultation, because there was a lack of truly efficient representation within the caucus and Cabinet.

I will conclude, Madam Speaker. Do you realize that there is no one with enough clout to sit in the Cabinet, no representative of the City of Montreal, with enough strenght, importance and competence to act as Parliamentary Secretary to protect the interests of Montreal.

There are four or five Tory Members, but they cannot do anything for the City of Montreal for lack of clout. When you realize that Mr. Péladeau, from *Le Journal de Montréal*, and Mr. Landry, from *La Presse*, had to pay for advertising spots to say: "Montréal, c'est spatial", when you realize that a Liberal MPP and a PQ MPP had to say that they feel Montreal is "spatial", the situation is very serious.

In Toronto, they do not have to do anything like this, for they have people to represent them. In Greater Montreal, give me the names of the Ministers or the Members of this House . . . Well, you can forget about the Ministers, for there is not a single one representing that area, and there is not even a Parliamentary Secretary to protect Montreal's interests.

Madam Speaker, I still have a few moments left. I dare hope that Tory Members, including the Hon. Member for Duvernay who advocated doing away with Petro-Canada and tax reduction on gas, will tell us that the Government will announce tomorrow that the Soligaz project will go ahead and that the Government will inject $50 million in it.

• (1720)

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and Minister Responsible for Multiculturalism): Madam Speaker, as a Member for the Conservative Party, I welcome this opportunity to speak in response to my hon. colleague, who is not exactly covering new ground. He

presented this motion in 1986, and today, it looks a lot worse for wear than the refinery in question. It is really too bad the Hon. Member is getting all fired up about things he should be thoroughly ashamed of, Madam Speaker. Today, I would like to put the closing of the Gulf refinery into its real perspective, and I will then try to get the Hon. Member's head out of the clouds, because as far as I can see, he still does not have his two feet on the ground, and it is really too bad we have only ten minutes to respond to this kind of 20-minute speech.

First of all, Madam Speaker, I don't know whether you realize that Gulf was the thirteenth refinery to close in Montreal East. At the time, in February 1983, the Texaco refinery closed. And believe it or not, I was all alone on Sherbrooke street with my small team of union people, and one of the youngest, one of the best is still with us, Mrs. Madeleine Parent. The union had invited my colleague, the Hon. Member from Montreal—Sainte-Marie (Mr. Malépart). The Hon. Member answered he could not take part in our demonstration because of party solidarity, and of course I always respect Members who stick with their Party. And what happened, madam Speaker? Texaco, with 420 employees, closed down. We never heard a word about this from the Hon. Member for Montreal—Sainte-Marie. In Montreal, in case my colleague does not remember, the four that closed were Texaco, BP, Esso and Gulf.

I may also remind the House there were four in 1982-83, with a fifth in 1985. However, as you know, Madam Speaker, in this kind of business, you don't lose 40 per cent of your production in twelve months. It was the destructive energy policy. And that is why I entered politics, because I did not like the system we had under the Liberals. Subsequently, in 1983-84-85, ten refineries closed, including four in Quebec. We never heard a word about this from the Hon. Member for Montreal—Sainte-Marie. He never came to see us in Montreal East. Never! In fourteen months, Madam Speaker, between February 1983 and May 1984, and I looked at my old notes, the former Liberal Government saw nine Canadian refineries close down, including three in Montreal. These closings meant that 1,870 employees were laid off, of which 1,080 in Montreal. During the last ten years, the demand for oil has dropped considerably, a total of 40 per cent in Quebec.

Why did it drop? Madam Speaker, you will remember the Liberal Party's subsidy program. I happen to be an expert in the field, and I got sucked in to this program. I said to myself: Okay, we will stop our dependence on Arab oil and plug into James Bay. And so we did. So what is happening today? Gulf refinery employees are out of a job. Texaco employees are unemployed. Madam Speaker, nobody wants to heat with oil, after all the publicity for electric appliances in Quebec, for James Bay and electric power. The campaign was so successful that today, now that 40 per cent of Quebecers have switched to electric power, the price of heating oil, which was 40 cents a litre under the previous Government's energy policy, has now dropped to 20 cents a litre. What about electric power? Every year, every month ... there is an increase. When it used to cost $700 to heat a house, it now costs $400. A house which used to cost $700 in heating oil thanks to the National Energy Program now costs $350.

My Hon. friend said earlier that it was bad for consumers. I should like him to explain to me why it was bad for the consumer who used to pay 60 cents a litre of gas, to pay 51 cents now in Laval. I have just received an hour ago confirmation that the price of a litre of gas in Laval is down to 51 cents a litre. It was 60 cents under the National Energy Program. Does this penalize the consumer! I know a number of consumers back home who feel that it is not enough and wish they were penalized more.

Mr. Malépart: Ask Wilson, he is the one who raised the price.

Mr. Della Noce: Yes, Wilson raised the price, because he needs these taxes to pay your debts, gentlemen. Let me tell you something: Even in spite of Wilson's tax on gas, you have not yet admitted that the price is still lower then before.

Madam Speaker, my Hon. friend said earlier that the Federal Government had to take $50 million instead of giving them. It gave us some money, but not much. How strange it is, for they killed Pétromont in Varennes. They have never been forced to put $50 million. They killed it. They said: Let's kill it. The Conservative Party has revived it. Go to Varennes or ask the Hon. Member representing this city and he will tell you that the people there are not going to forget what you did then.

Madam Speaker, the Liberals have never yielded to Pétromont. Maybe we have yielded in Montreal East. Under these circumstances, it is a pleasure to yield. Maybe we are more humane than others ...

Madam Speaker, it is possible that my Hon. friend did not do so on purpose, but he spoke against Ultramar. Just the same, Ultramar is a Canadian company. It is a company which is doing a good job in the Quebec area. At a Quebec caucus, Ultramar had promised ...

Mr. Malépart: Madam Speaker, I rise on a point of order.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Montréal—Sainte-Marie (Mr. Malépart) rises on a point of order.

Mr. Malépart: Madam Speaker, it is not enough for him to be employed by a British company to make the mistake of saying that Ultramar is indeed a British, and not a Canadian company, and that's why it had to apply to the Agency ...

Mr. Della Noce: Madam Speaker, Ultramar put it this way: If we buy the service stations we would even be prepared to to move our head office from Toronto to Montreal. I can tell you today that at least they did live up to that promise, not to mention the fact that Ultramar is quite an innovating company. They are not forever asking for grants. These people can

indeed hold their own in the industry. There are 960 stations and 960 gas dealers, all of them quite happy, a far cry from what I witnessed in the past. It used to be that some oil companies did not exactly bring happiness to their . . . There is another one which my colleague opposite has forgotten. Let us stop blaming the Conservatives for everything. There must have been another government which created problems because they were there when we took over.

Madam Speaker, a great politician whom I have always admired even though he was a Liberal made a guest appearance on Radio-Canada's *Le Point*. I am referring to Mr. Jean Chrétien who openly admitted that this shutdown had been expected for some years. My colleague was not aware of that, but I will take the word of an outstanding politician like Jean Chrétien.

This also came about as a result of a 40 per cent drop in demand for petroleum products. My colleague forgot to mention that. There was a sharp decline because the Liberals gave us grants to switch from heating oil to electricity, so we are all responsible for the Gulf refinery demise because all those who made the switch did not stop to think that some day someone would be out of a job. The same thing can be said of a Member or any other Canadian who stops at a self-service station: that is like taking a job away from somebody. How many have done that? How many here can stand and say: I never did stop at a self-service station. Those who do are responsible for job losses. In gasoline distribution alone there has been a loss of 18,000 jobs, yet nobody said anything about that.

Another thing I should like to put on the record because it is important, Madam Speaker, is that to this day nobody knows who is telling the truth in the sale of Gulf, and journalists have yet to clear the issue. The offer from Gaz Métropolitain, is it from Conservative Members, from my colleague from Montreal—Sainte-Marie, or from Mr. Pierre Martin of Gaz Métropolitain?

Well, Pierre Martin did mislead us. He was supposed to make an offer of about $120 million. He failed to come through before midnight Sunday, but he made another offer after the deadline. This man misled us because earlier in the week he had promised he would make an offer.

Indeed, Madam Speaker, Mr. Martin said that had he offered $120 million he would now be the owner of the Gulf refinery. Mr. Martin did acknowlege he was wrong.

In conclusion, Madam Speaker—I know I have little time left and that I cannot respond to all questions because my colleague had 20 minutes while I have only ten—better a bad medicine than a mere band-aid! Madam Speaker, we all know that often the best medicine is the worst tasting.

Then there was a great poet who once suggested that the less the cart carries the noisier it is.

• (1730)

Mr. Mike Cassidy (Otawa Centre): Madam Speaker, I find it surprising that the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) has decided to use the debate on his motion to talk about the future of Montreal East, the future of its industry and its jobs.

Madam Speaker, first of all I think a few comments are in order, and I would like to point out that the Hon. Member for Montreal—Sainte-Marie experienced a political resurrection after the election in 1984, when he became a Member of the Opposition. Before he was silent. In fact, he had hardly ever taken the floor in the House of Commons. Since 1984, however, he has become a man of the people. I appreciate his contribution because he does a very good job. However, why didn't he start sooner, before he became a Member of the Opposition?

Madam Speaker, I think it is pretty obvious that the deterioration of the industrial complex in Montreal East started before 1984. In fact, it started when the Liberals were in power, under the Party to which the Hon. Member belongs.

Madam Speaker, at the time the Liberals had 74 out of 75 seats in Quebec. They had all the seats on Montreal Island, but not a single Member from Montreal ever mentioned this question in the House of Commons.

How come unemployment, the deterioration of the industrial complex and plant closings started under the Liberals, when Prime Minister Trudeau, Pierre Deniger and Mrs. Hervieux-Payette all came from ridings near Sainte-Marie?

Mr. Don Johnson from Westmount, Marc Lalonde, Serge Joyal, Francis Fox, Monique Bégin—they all had a strong voice in the Liberal Cabinet. Nevertheless, the deterioration we are talking about today started under the Government represented by those Members and Ministers. As the Hon. Member for Duvernay (Mr. Della Noce) pointed out earlier, even when the refinery in Montreal was closed down, there were no objections from backbenchers like the Hon. Member for Sainte-Marie.

Madam Speaker, the problem is not just one that was created by the Liberals. It is a problem that has continued to exist under a Conservative Government that has been in power since 1984.

Madam Speaker, the House will recall that the Prime Minister promised "jobs, jobs, jobs". Today, however, 20,000 people in Montreal East are unemployed and 10,000 are on welfare.

And despite the openness and progressive policies promised by the Prime Minister (Mr. Mulroney) during his campaign in 1984, what did he do? He did his very best to ignore what was happening to the people of Montreal East.

Madam Speaker, the Conservative Goverment set up all kinds of task forces to assess the disastrous economic situation in Montreal East and make recommendations.

Need I repeat that unemployment has risen to disastrous proportions in areas like Maisonneuve, Rosemont, Rivière-des-Prairies, Pointe-aux-Trembles, and so forth?

So, Madam Speaker, even in 1987 we saw that unemployment in those districts was much higher than the average for the whole Montreal area.

Madam Speaker, under such a difficult situation, we would have thought the Conservative Government would take strong action, especially since there was a series of recommendations from various reports urging the Prime Minister and his colleague the minister of Regional Industrial Expansion to act in order to stop the loss.

Last week, the Minister in charge of the Montreal area finally came up with his response after many months of delay. His answer was that over the next five years, $35 million of new money would go to industrial renewal in East Montreal.

So this Mulroney Government could not live up to the expectations of the Quebec people, and especially the people in Montreal.

With a financial package that is much smaller than the monies previously announced by the City of Montreal, $90 million over five years, and the Quebec Government, $106 million over three years, Madam Speaker, the Canadian Government abdicated its responsibilities. It has proved incapable of exercising the leadership that should be expected from a national government.

No wonder the two other levels of government preferred not to join with the Minister of Regional Industrial Expansion and Minister in charge of Science and Technology (Mr. de Cotret) at the time of announcing the respective programs. The Mulroney Government's contribution was so insignificant they would have appeared ridiculous.

Madam Speaker, it is a matter of deep concern that the views of the various parties that made recommendations, for instance in the report submitted by the committee for economic and job renewal in East Montreal, the CREEM, were totally ignored.

Madam Speaker, as a member for that area, you know that the CREEM recommended the establishment of a bureau to help companies in that area restructure and modernize, but those recommendations were ignored by the government. The CREEM recommended a policy of preferred procurement under which the Government would be bound to favour companies in East Montreal. Now, such a policy of concentrated procurement is difficult to support even for this party. However, buying Canadian is something that could be done, but governments ignore that. The CREEM recommended the establishment of a special training fund to help workers in restructuring companies.

Madam Speaker, this Government's only response was: We gave training courses to 500 workers. At that rate, it could take some 40 years before the 20,000 unemployed in the area are retrained.

Another recommendation suggested that East Montreal be identified as a target area in order that older workers may benefit from manpower adjustment programs, which was ignored by the Government, Madam Speaker, and also to put forward specific measures to promote the hiring of East Montreal workers. Once again, Madam Speaker, we could have followed that program, but those recommendations were made to no avail and once again were ignored by the Government.

So what should we say? We have to say that neither the Liberals who were in power previously nor the Tories who have been in power since 1984 have endeavoured to restore a real insdutrial basis in that important district of one of our largest cities, the Montreal metropolitan area. As New Democrats, we believe that in our quest for economic and social justice for our fellow citizens, we have to include the greater Montreal area. We must, Madam Speaker, accept almost all recommendations of CREEM, since there are people in the field who have made suggestions and drawn up a plan which would establish a partnership among the three levels of government which could co-operate.

It is clear that our Minister of Regional Industrial Expansion has been brushed aside by the other two levels of government which were dissatisfied with the issues discussed by the three governments.

Madam Speaker, we believe that it should be possible for the three levels of government to work with the private sector; on one hand, to ensure the retraining of human resources in the area and on the other hand, to provide some industrial revitalization and ensure a true industrial future for that region, a real renaissance in Montreal East since it is one of the key sectors of the industry in Quebec and in the country.

[*English*]

Hon. Bob Layton (Lachine): Madam Speaker, it is indeed regrettable that the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) insists on taking up valuable House time to respond to an old problem that no longer exists. The closure of the Montreal Gulf refinery in 1986 did not and will not lead to problems with refining capacity in Quebec. Closure of the refinery did not lead to high prices for gasoline or home heating oil. As my hon. colleague has pointed out to the House, the rationalization of the industry in the middle of this decade did not create problems. On the contrary, conditions have improved.

• (1740)

After the Gulf closure, refining capacity, in fact, was close to being on balance with internal oil product requirements, and the province even developed a small surplus capacity as Quebec oil consumption continued to fall. This, of course, was directly due—and I must give credit where it is due—to the former Government's off-oil and conservation programs which

we have continued. The fortunate fact remains, however, that Quebec has continued to enjoy a state of surplus capacity since the refinery closure.

My hon. colleague, the Member for Duvernay (Mr. Della Noce), noted earlier that the closure had no effect whatsoever on the price of gasoline and home heating oil in Quebec. Gasoline prices, after deducting provincial taxes, are within five cents of the Canadian average. Home heating oil prices, with or without Quebec's provincial tax, are significantly below those in Toronto and Maritime cities.

The situation with independent retailers has improved immensely. The number of outlets operated by independents climbed from 256 in December, 1984, to 331 in 1988. The independents' market share also increased. In Montreal their share of retail motor gasoline sales rose from 13.4 per cent at the end of 1984 to 16.7 per cent in early 1988. This shows that consumers in Quebec have been well served and should continue to enjoy the benefits of free market prices and the competition which dictates oil product price levels.

The industry itself has also acted in a responsible manner in utilizing the components of the former Gulf refinery. Lavalin bought and recommissioned the Gulf facilities to produce petrochemicals. Bitumen bought the asphalt plant and resumed asphalt operations. Together with Shell's new catalytic cracker in Montreal and Petro-Canada's total residual oil "cat-cracking" unit, it is evident that the industry in Quebec, like the Government of Canada, is committed to efficiency and flexibility. They are well positioned to adapt to changing market conditions from which both consumers and industry can benefit.

You have the facts, Madam Speaker, on the healthy situation in Quebec, but there is another related area which is sometimes misunderstood when talking about Quebec's energy situation, that is, the question of security of supply. What would happen if Quebec's supplies were disrupted? Although this event is unlikely, it would not be prudent to dismiss completely the possibility of a short-term disruption. Ample surplus refining capacity exists in Ontario and the Atlantic provinces to meet any temporary interruption in Quebec supplies. Aside from Quebec's surplus capacity of 42,000 barrels a day in 1986, the Atlantic provinces enjoyed a surplus of 85,000 barrels and Ontario a surplus of 124,000 barrels.

Other contingency plans could also be implemented immediately, such as accelerated use of existing stocks. These inventories at the refinery and wholesale levels could be replenished within a few days using rail or truck deliveries from adjacent provinces. In addition, stocks could be imported from the United States and Europe in a week or two. The impact of a short-term supply disruption of inventories at the retail level would probably be marginal, if any. I can assure you, Madam Speaker, that the industry, if ever faced with higher than average depletion rates from its storage facilities, would take the necessary corrective action to avert any supply tightness at the retail level.

Although a temporary supply rupture would result in a mild price hike, little likelihood exists of consumers going without oil. Suppliers will incur almost any cost to ensure that customers are not lost because of a temporary slow-down of product delivery.

In addition, the reduction in refinery capacity due to equipment failure or operating problems can also be off set by the ability of refineries to operate in excess of their rated capacities for sustained periods. In western Canada, for example, refineries have often run at 103 to 120 per cent of rated capacity for several months during periods of refinery expansions and additions.

It is clear to me that, in view of the available alternatives to meet supply contingencies, maintenance of surplus refinery capacity in Quebec is an unnecessary and expensive insurance premium.

The Government's contingency plans are not limited to domestic disruption. Canada's membership in the International Energy Agency, an autonomous organization within the organization of economic co-operation and development, further enhances the collective energy and economic security of Canada and its major trading partners. The 21 member participating countries have agreed to an emergency oil sharing system and to reduce dependence on oil imports through conservation, energy research and development, and the development of alternative energy sources.

The International Energy Agency is committed to determining requirements for an embargo on one or more IEA member countries and minimizing the adverse economic impacts arising from an international oil supply disruption.

Member countries are asked to maintain emergency reserves equal to 90 days of net imports—from which Canada is exempt, being a net exporter—to have ready emergency programs which would reduce consumption by at least 7 per cent, and to participate in the equitable sharing of available supplies.

In addition, Madam Speaker, Canada actively participates in an allocation supply test conducted by all IEA member countries every three years. The sixth such international test, called AST6, will be conducted from October 1 to November 30 of this year. The exercise tests the supply sharing and allocation mechanisms of each member country to ensure that each member can react quickly, efficiently, and judiciously in an international emergency.

The test scenario asks each country to establish, first, its domestic needs, and then to determine what it can give up for those countries that have less supply. Each country cuts back equally and shares equitably the available surplus. The worst case international scenario, for example, a total cut-off from Middle East sources, would precipitate no more than a 10 per cent depletion in supply. I submit, therefore, to the Hon. Member for Montreal—Sainte-Marie that Quebec enjoys an enviable position in terms of its energy security. Quebec's

excess refining capacity, its lower dependence on oil and oil products compared with neighbouring provinces, its abundant hydro electrical and alternative energy sources, and its proximity to neighbouring supplies rule out any major inconvenience to consumers in times of a short or even long-term supply disruption, either domestic or international.

The partnership that Canada enjoys with the International Energy Agency offers protection on the international level that cannot be matched by any other group of oil consuming countries. These are just a few of the reasons why the motion by the Hon. Member for Montreal—Sainte-Marie to intervene in the matter of the Montreal Gulf Refinery is in fact a non-issue and should, without question, be defeated.

The Liberals adopted policies that demanded correction by the new Government in 1984 and 1985. The adjustments in the Western and Atlantic accords and the rationalization which continues in the industry will be a benefit to all Canadians.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Madam Speaker, as the Member of Parliament for Saint-Léonard—Anjou in East Montreal, I wish to take part in this debate in view of its great importance for my region. First, I would like to congratulate my Hon. colleague for Montreal—Sainte-Marie (Mr. Malépart) who has been fighting quite hard for a number of years and who was able to get results on quite a few occasions. At the same time, Madam Speaker, as my colleague for Montreal—Sainte-Marie mentioned, it is regrettable, not so much that Ministers from East Montreal and Parliamentary Secretaries are absent today, but that the only Government Member to take part in such an important debate would be a Member from West Montreal, and I would like to thank the Hon. Member for Duvernay (Mr. Della Noce) for taking part in this debate on behalf of the Government, even though he represents Western Montreal. Sadly enough, Madam Speaker, the Members from East Montreal are not here for this debate to defend their constituents.

Of course, we heard from the Hon. Member for Duvernay (Mr. Della Noce), who is quite familiar with gasoline. Before entering politics, he represented service station operators—

Mr. Della Noce: On a gratuitous basis.

Mr. Gagliano: I am not interested in knowing whether it was on a gratuitous basis or with pay, but he represented service station operators, and I remember seeing him on television taking part in big debates on this issue—

An Hon. Member: No tax.

Mr. Gagliano: —asking that gasoline not be taxed, and so on. The Hon. Member told us this afternoon that gasoline prices have gone down since the election of the Conservative Government, but he forgets that this is an international phenomenon. Gasoline prices have gone down, but he forgot that the Conservative Government has increased the tax on gasoline by 23 per cent. Without this increase of 23 per cent, since the price has gone down, it could be lower still. I hope that my colleague will correct this—

Mr. Della Noce: On a point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Duvernay (Mr. Della Noce) on a point of order.

• (1750)

Mr. Della Noce: My colleague is perhaps not aware of the energy policy under the Liberal Government. If prices have gone down, it is because we at least had the courage to change this policy and to align Canadian prices on world prices. I just wanted to put things in their proper perspective, Madam Speaker.

Mr. Rossi: Madam Speaker, I would like to point out that this is a debate and not a point of order.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Bourassa (Mr. Rossi).

Mr. Rossi: I simply wish to point out that this is not a point of order, and that the Hon. Member is taking up the time allotted to my colleague for nothing.

The Acting Speaker (Mrs. Champagne): I can assure the Hon. Member for Bourassa (Mr. Rossi) that I was about to intervene, but that I thought it wiser to wait and see what the Hon. Member had to say before interrupting him. The Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano).

Mr. Gagliano: Indeed, Madam Speaker, four Members from Montreal East are here to defend their region and they are all Liberals.

I should like to follow-up on what the NDP Member said a while ago when he referred to the Quebec issue. He may have forgotten about the frigate matter but it occured in Quebec City and, in order to win votes, in a demonstration of NDP opportunism, he announced that he was prepared to cancel the New Brunswick contracts, and his Leader had to come to Montreal to contredict him. So we have witnessed here again tonight another demonstration of NPD election opportunism.

Madam Speaker, the problems which Montreal East is facing are quite serious. It is a fairly industrialized area which, notwithstanding the current crisis, is faced again with serious problems, and it is sad to see when we realize the enormous difference between the amounts announced by the Tory Government not so long ago and those announced by the Provincial Government and the City of Montreal. Can you imagine, Madam Speaker, that the Quebec Government indicated its intention to invest $105 million in the Montreal East area, the City of Montreal $90 million, and the Federal Government a measly $37 million! After all the studies commissioned by the Federal Government with great fanfare it announced the meagre sum of $37 million and no pre-retirement policy. What will happen to this area? In this heavy industry, a great many employees are 45, 50 and even 55 years

of age. What will happen to these employees who have lost their jobs because of the Tory policies and who will have no possibility of getting pre-retirement benefits.

I should like to emphasize here that it did not announce any pre-retirement program for Montreal East, but not so long ago, in August 1986, it did cancel the pre-retirement program in the footwear and textile industies. If memory serves this program was abolished in August 1986. Today, we are still waiting for replacement programs. In the announcement made by the Minister of Regional Industrial Expansion, there was no pre-retirement programs to help all these employees who have lost their jobs as a result of the recession of this Tory Government bad policies, and under different circumstances, to all those who cannot take an early retirement . . . Today, they have run out of unemployment insurance benefits and now they are only entitled to welfare benefits. It's unbelievable how a Government can fail to recognize its responsibilities to its own people.

Of course, there are definitely other matters which are important to Eastern Montreal! Earlier, my colleague the Hon. Member for Duvernay (Mr. Della Noce) referred to the closing of refineries. He referred to the fact that under a Liberal Government, several refineries were closed. What did he forget to say, Madam Speaker? He forgot to say that when Texaco and other companies decided to close their refineries, it was their own decision. In the case of Ultramar, the Government had an option, it could have decided to intervene to help the sale between Ultramar and Gaz Métropolitain. On the contrary, the Governement did its utmost to prevent that sale.

Well, Madam Speaker, there is now an issue under consideration in Montreal East and it could be quite important, that is Soligaz. I should like to take this opportunity to pay tribute to the Minister of Energy in Quebec, Mr. Ciacca, who has shown leadership in the matter and also to the member for Lafontaine in Montreal East who has become involved in the matter. Such is the role which a member of Parliament in co-operation with ministers, can play to bring the matter to a successful outcome and give some hope to workers so that their region may enjoy some economic development and create jobs. I hope that as far as Soligaz is concerned, the federal Government will play an active part and that citizens in Montreal East can hope to see that industrial and economic sector given a new impetus. I realize that I have only a minute and a half left and I would like to end my comments, Madam Speaker, to allow members of the Government and all other members to pass the motion of my colleague from Montreal—Sainte-Marie (Mr. Malépart) whom I congratulate for his outstanding contribution since he has succeeded on several occasions in making the Government budget.

Mr. Ricardo Lopez (Châteauguay): Madam Speaker, the Quebec market for petroleum products is in constant evolution, just like the world market for similar products. I do not think this is something new, especially now that we have just concluded a very healthy free trade agreement with the Americans. Markets are bound to become ever more diversified.

Madam Speaker, you know that Quebec is a leader when it comes to innovating, when it comes to new technology or know-how. It has demonstrated that in the past and will continue to do so.

The oil market has been declining ever since it peaked so high in the early 1980s, a time when we were victims of unstable markets over which we had no control. But since then Canadians—and Quebecers in particular—turned to their own source of energy, namely electricity. This is the kind of energy which we can control right here and whose economic fallout stays within our own borders. Quebecers were aware of these facts and the federal Government encouraged them to change their approach to energy consumption through grants to help them switch to electricity and even natural gas, so it was only logical that the oil market would shrink. Quebec . . .

The Acting Speaker (Mrs. Champagne): It is with regret that I must interrupt the Hon. Member. The hour provided for consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1) the order shall be dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

OFFICIAL LANGUAGES—THE PROMOTION OF BILINGUALISM AND LINGUISTIC MINORITIES—ROLE OF GOVERNMENT/COMMITMENT OF CONSERVATIVE CANDIDATES CONCERNING BILINGUALISM—PRIME MINISTER'S POSITION

Hon. André Ouellet (Papineau): Madam Speaker, on February 23, I asked the Prime Minister a question about the division in his party on Bill C-72, an Act respecting the status and use of the official languages of Canada.

First, I should point out that this Bill is now before Parliament and that, up to date, it has been the subject of a very short debate. The only leader of a political party to speak in this debate has been the Leader of the Opposition, the Leader of the Liberal Party (Mr. Turner), who spoke on February 9, and I wish to congratulate him on his intervention, especially as he was Minister of Justice when the original Act was passed in 1969, and, in this capacity, be piloted the initial version of the Official Languages Act.

He is the only party leader to have spoken in the current debate in support of this very important piece of legislation.

I would like to remind the House of what he said at the time:

—I believe that now the time is right to proceed to consolidate and enhance the Official Languages Act. Now is the time to weave in the many advances made since 1969 to keep the Act abreast of a changing mood and a positive tolerance in Canada. Therefore, the time is right.

The Leader of the Opposition also said, and I quote:

We cannot proclaim equality and then simply let it happen by accident. We must adjust our laws to accepted constitutional principles. The laws of this country must accord with the Constitution. That is a primary impetus behind bringing this law up to date.

One of the reasons why we Liberals support this Bill is that it is part of a very long tradition of our party. We introduced the 1969 legislation and we naturally observed what happened between 1969 and 1984. We were the instigators of the statement by the House of Commons in 1973 and of the Canadian Charter of Rights and Freedoms of 1982, and under the able chairmanship of the Hon. Member for Ottawa—Vanier (Mr. Gauthier), we supported the work of the Joint Committee on Official Languages between 1980 and 1984.

The Liberal Party has always considered bilingualism to be the corner stone of our electoral and political programs.

I must say that the position of the Conservative Party has changed over the years. I recognize that more and more Members of the Conservative Party accept and recognize the importance of bilinguism in Canada. There are quite a few Members representing various areas in this country, whether Quebec, the Maritimes, Ontario and even Western Canada, who can now speak both official languages, and I am quite pleased to say that the Conservative Cabinet is now made up of Anglophone Ministers who can speak French very well.

Unfortunately, there still remains a significant pocket of resistance, the BBC within the Conservative Party. And even if the Prime Minister and the Deputy Prime Minister try to minimize this resistance, there is no doubt, as reported in *Maclean's*, that there are bones of contention. And I quote:

• (1800)

[*English*]

With respect to the language revolt, as *Maclean's* cited, there is a profound difference of opinion between the Hon. Member for Winnipeg Assiniboine (Mr. McKenzie) and the Hon. Member for Calgary East (Mr. Kindy), who have very strong views, on the one hand, while the Hon. Member for Charlevoix (Mr. Hamelin) and the Hon. Member for Richelieu (Mr. Plamondon) have expressed a different point of view.

• (1805)

Probably more eloquently than any other group, the *Winnipeg Free Press* expressed this division when it stated:

The revisions to Bill C-72 which the anti-bilingual (Tory) caucus asked for this week would make English the language of federal civil service offices in all parts of Canada except New Brunswick and part of Quebec.

The article in the *Winnipeg Free Press* further stated:

This proposal is insulting to French-speaking people who rightly regard their language as being every bit as good as Mr. McKenzie's and worthy of equal treatment in the federal administration . . .

Language policy for Canada can be discussed in rational terms. Emotion is always present in the debate about clan symbols but the duty of responsible political leaders is to appeal as little as possible to hatred and as much as possible to reason. Proposing to stamp out the use of French in wide sections of the federal public service is such an appeal to communal hostility. The Mulroney Government should make clear in all parts of Canada that it will not for a moment entertain such insulting proposals and will not join in playing the game of clan hatreds.

[*Translation*]

It is clear, in my opinion, that the Prime Minister should imitate his predecessor and indicate to the Members of his Party that bilingualism is a fundamental policy of his Party and that, as Mr. Stanfield had refused Mayor Jones as a Conservative candidate, the Prime Minister, faced with the Opposition of a number of his own Members, should clearly indicate to them that they will not be able to be candidates under the Conservative ticket during the next election if they do not support the Government's policy on bilingualism.

I suggest that to act otherwise would not be in the interest of Canadians and would be, on the part of the Leader of the Government, speaking from both sides of his mouth, something I hope he would never do.

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, the Hon. Members understands, I am sure, that our Government has reiterated on several occasions its commitment to make the Official Languages Act consistent with the Constitution and to promote both official languages in Canada.

Bill C-72 meets the commitment which our Government made in the 1984 Speech from the Throne and reiterated in the 1986 Speech from the Throne. It is consistent also with our commitment to national reconciliation which ranks first among our priorities.

[*English*]

The Member may also recall that the Prime Minister of Canada (Mr. Mulroney), the Leader of our Party, as a brand new Member of Parliament in his maiden address in this House on October 6, 1983 stated:

There is no obligation more compelling and no duty more irresistible in Canada than to ensure that our minorities, linguistic and otherwise, live at all times in conditions of fairness and justice.

I suggest to the Hon. Member that there has been no deviation from that initial speech and those initial remarks. Both the Member opposite and myself have lived through a Government which he served, and preceding Governments. I have been here close to nine years.

One of the real disfavours that can be done in this Chamber is to attempt to use linguistic policy to divide. I simply say to the Member opposite that, by choosing quotes from a particular Member in a particular newspaper or periodical, he is treading dangerously close to the line where he is seeking to use language policy to divide Canada.

That is not the perspective of this Government. We think that language policy can be used to unite us, to help us, and to express to all Canadians, be they of French-speaking or English-speaking origin, that they can live in this country, prosper, and experience equality.

It is not particularly helpful to concentrate remarks of that nature on something that might indeed inflame passions and emotions and lead to division. It is much more helpful if all Hon. Members of Parliament work together on the things which unite us and give us hope for the future.

• (1810)

That is the Government's perspective, and that is what we will follow.

REGIONAL INDUSTRIAL EXPANSION—GOVERNMENT FUNDING AND POLICY/CAPE BRETON DEVELOPMENT CORPORATION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, on February 23 I raised in the House of Commons my concerns about the funding and policy of the Government of Canada with regard to the Cape Breton Development Corporation. This issue is not something new that I have brought to the attention of the Government. I have been bringing the matter to its attention for quite some time.

I was somewhat concerned and disappointed with the Estimates tabled by the Minister of Finance (Mr. Wilson). Equally so I was concerned and once again expressed the view that the commitment of the Government of Canada to the coalfields in eastern Nova Scotia left a lot to be desired.

It has been clear from the outset that there is a bias against the facilitation of and indeed assistance to the coal industry in my province. Some years ago a former Premier of my province initiated a policy which indicated that Nova Scotians, as their energy policy, would utilize coal from eastern Nova Scotia to produce electricity for their homes and businesses. It has been a difficult task for many workers involved in the coal industry to sustain a reasonable and viable living in order to provide for their families.

Early on in the administration of the Government, the Deputy Prime Minister (Mr. Mazankowski) took it upon himself to initiate a committee to look at the possibility of utilizing Canadian coal in Ontario Hydro. I have asked the Minister repeatedly to include representations from Atlantic Canada, in particular eastern Nova Scotia. To date that request has fallen on deaf ears, and there has been no action from the Government of Canada.

Coal miners in Cape Breton would dearly love to have the opportunity to provide their particular product to the Nova Scotia Power Corporation at a fair and reasonable price. They would also like to have similar opportunities to the ones which seem to be given to coalfields in western Canada in order to supply coal to Ontario Hydro. I would have hoped that the Minister, and in particular the Deputy Prime Minister, would have been able to see the importance of having that particular matter addressed in a positive way. Instead, that has not been the case.

With regard to the Estimates provided by the Government, no new moneys are being provided to the coal industry. What we see is a Government which is following through on a promise and commitment made by my Government in 1984. At that time, because of a tragic fire in the coalfields, a coal mine went out of existence, namely, No. 26 Colliery. My Government committed in excess of $200 million for what is known as the "Lingan Phalen".

We do not see any new commitments. We do not see any new moneys whatsoever in the Estimates for this year or for last year for the expansion of the coal industry on the Island of Cape Breton. It is a cornerstone industry, not only of Cape Breton Island, but of the Province of Nova Scotia. It is Nova Scotia's largest employer. It provides an economic spin-off second to none in the Atlantic region.

We have a Government which does not want to commit itself to the expansion of the coal industry. The idea that miners are supposed to go a mile or two underneath the ground, seven miles out underneath the ocean floor and merely reap the product from underground, take it out, ship it domestically or abroad, must come to an end. A new thinking, a new approach must be put in place. They have to get that product and they have to redefine the product in Nova Scotia in order to find more jobs so that it will be environmentally acceptable domestically as well as internationally.

• (1815)

In the Estimates there is no new money, none whatsoever to address that fundamental concern that all of us have in Cape Breton about our cornerstone industry. Union representatives, time after time after time, have impressed upon local provincial and national authorities that a clear unequivocal commitment was needed for our coal industry. The Estimates do not provide that, Madam Speaker.

Probably weeks prior to a federal election we will have the Minister responsible roll into the island of Cape Breton with a piece of paper saying "Now we are committed to the coal industry", and announce expenditures that may take place years and years ahead. But those expenditures are not in the Estimates, Madam Speaker, nor were they in last year's Estimates as to what the Government believes and where it wants to take the coal industry. It leaves many in my constituency, and certainly within the coal industry, suspicious, apprehensive and concerned about the future of that industry. I say that with great sincerity for we have witnessed in recent years the gutting of in excess of 600 jobs in the Cape Breton Development Corporation. That is a very serious matter.

I hope that the Parliamentary Secretary today will give us more information with regard to new dollars for the expansion of the coal industry in a variety of ways, many of which he already knows because he has heard me announce them. I hope he addresses the issue of why we in eastern Nova Scotia cannot

be part and parcel of the committee which was struck by the Deputy Prime Minister.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the Member's comments, of course, are completely unfounded but, I might add, typically predictable.

The simple fact is that under this Government, DEVCO has just completed what was described in the *Cape Breton Post* as "the most ambitious capital development program in DEVCO's history". The Member has said that if this Government is committed to Cape Breton's coal industry, it should put its money where its mouth is. Well, how about the $218.4 million level of that concern? That is what we have invested in the development of the Phalen Colliery and the expansion of the Victoria Junction wash station. This, I might add, was done on time and within budget. For that, Cape Breton workers can take due congratulations.

If the Hon. Member were to look at normal ongoing capital expenditures in isolation of these major projects, he would see—and he knows—that DEVCO's capital spending is forecast to increase by more than 17 per cent this year, to $43.1 million. At the same time, DEVCO expects the coming year to be the best in its history with coal production approaching a record four million tonnes. Several daily production records have already been set in the first two months of 1988.

The Hon. Member was also critical of the level of funding directed toward research and development of new coal technology. Again, the Member finds it expedient to criticize success. Our commitment to Carbogel and related technologies is firm, and DEVCO, already acknowledged as a world leader, will continue to refine and develop this technology at a rate of about $2.6 million a year in each of the next two years at least.

The Government is behind the people of Cape Breton, their coal industry and their general economy like no government before it. The Member says we should put our money where our mouth is. Let me tell you, Madam Speaker, there is $218 million for a major development at DEVCO; $110 million for Sysco modernization; $5 million to date on Carbogel and millions under the Cape Breton initiative. To date, projects under Enterprise Cape Breton have created over 2,000 jobs and there are more on the way. Cape Breton's labour force has increased by nearly 4,000. Industrial and commercial construction is up substantially for three years in a row. What about Clearwater lobsters, Highland Breweries, Multiflex Inventions, Magna, Cape Breton Mold, Nova Smolt, Highland Fisheries and many others? The Government has more than put its money where its mouth is in Cape Breton. The Hon. Member had better watch it because we are liable to keep right on doing it.

• (1820)

ENVIRONMENTAL AFFAIRS—ACID RAIN—PLAN TO REDUCE EMISSIONS

Mr. Alan Redway (York East): Madam Speaker, I do not know what it is like at your home. As you know, I have not been over to visit. However, if you came to visit my house, you would find that I have two really magnificent maple trees on the front lawn of my house.

I do not want you to get the impression that those are the only trees that I have around my home because I have a lot of them. I have some beautiful spruce trees, a sumac tree and cedar trees. We used to have an ash tree and an elm tree before they died and had to be taken down. We have a lot of trees around our home, but the two that I am really proud of, the trees I have a real feeling for, are these two magnificent maple trees.

My house is on a corner, the corner of McRae Drive and Hanna Road. One of these maple trees is on the front lawn on the McRae Drive side of the house right in front of our big living-room bay window. This is a wonderful tree. The house was built in about 1937 and the tree has probably been there for about that long. It has a lot of character. It has a bit of a lean, of course. There are squirrels living in that tree and it is just a wonderful tree.

On the Hanna Road side of our house, up in front of one of the bedrooms, there is another tree. That tree has not been there for quite as long, but it is a big, mature tree as well. I really have a lot of feeling for those trees, but both trees have a problem.

Every year in the spring, the leaves burst out and they mature, but around the beginning of July recently, those leaves have started to shrivel up and die. After they shrivel up and die, they fall off. They look terrible, the trees look terrible and it is a real tragedy.

I wonder to myself what is the cause of what is happening to those trees. Some people say it is acid rain. That may very well be the case, I am not sure. I have a neighbour down the street, Jim Hannah, who is a tree lover. He tells me that my trees and perhaps hundreds and maybe even thousands of others in our neighbourhood will die. He cannot say for sure that the reason is acid rain, but that is a good probability.

Even if it is not acid rain that is causing the leaves on my trees to shrivel up and apparently die, we know that acid rain has to be stopped. It is our job and the Government's job to stop acid rain because that is what the people of this country expect us to do.

I know as well that for the first time in the history of Canada, our Prime Minister (Mr. Mulroney) has put acid rain on the agenda as a top priority in discussions with the United States and has made an enormous effort to make progress in having the Americans reduce their acid rain emissions. This is

the first time that this effort has been put forward by a Canadian Prime Minister.

We know as well that we simply cannot force the Americans to cut acid rain emissions. The United States is a free and independent country. We are not going to go to war with the Americans and start shooting at them. Some people think we would not be able to beat them anyway. Regardless, we know that if the Americans will not agree to cut their acid rain emissions, we will not be able to do it for them and we will not be able to force them to do it.

At the same time, we have been trying to cut domestic acid rain emissions. We have agreements with all the eastern provinces to cut acid rain emissions by some 50 per cent by 1994. As the Parliamentary Secretary said, we are putting our money where our mouth is. There is a commitment of some $335 million on the part of the Government to help reduce acid rain emissions domestically here in Canada.

• (1825)

Now the U.S. comes along and says that is not a real commitment to cut acid rain emissions in Canada by 50 per cent. It is only 35 per cent. On top of that *The Toronto Star* has agreed with them editorially and says the Government is trying to mislead us. I think that is a bunch of baloney. You know and I know that the U.S. is always trying one way or another to weasel out of its commitment to cut acid rain. As far as *The Toronto Star* is concerned, this Government could raise the old age pension 1,000 per cent or 1 million per cent and we would still be criticized. I just hope its readers take those criticisms with a grain of salt.

It does not matter to me or to you, and I know it does not matter to the Parliamentary Secretary, what the Americans think or, for that matter, whether *The Toronto Star* agrees with them or not on this issue. However, it does matter to us what is going to happen to my maple trees. I want to hear tonight from the Parliamentary Secretary what she and her Minister and the Government is going to do to save my maple trees.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, let me say first that I thought the Hon. Member was advertising the sale of his house, but I know he wants to remain in the great riding of York East. It was a great introduction to his question which we wish to respond to in a more comprehensive way.

Canada set a clear, straightforward objective of solving this problem of damage caused by acid rain. To protect the Canadian environment, acid fall-out in all vulnerable areas must be reduced to less than 20 kilograms per hectare per year. We have found that damage occurs when the acid fall-out is above this number. We also have evidence that when acid fall-out drops below this threshold, recovery of the environment starts to take place. I visited the University of Toronto yesterday and its Environmental Studies Institute, and indeed they are finding some evidence in the Sudbury area of recovery starting to take place.

We have gone through the calculations to tell us how many tonnes of sulphur dioxide can be released into the atmosphere and from what areas in order to achieve the 20 kilogram per hectare objective. We have concluded two things. First, total annual sulphur dioxide emissions from the Saskatchewan-Manitoba border eastward must be reduced to 2.3 million tonnes, or about 50 per cent of the emissions allowed in 1980. Second, the transboundary flow of sulphur dioxide from the U.S. into eastern Canada must be reduced by about two million tonnes per year. Again, about 50 per cent of the 1980 level.

Canada is well on the way to delivering what it has to. More than 90 per cent of the emission reductions required to get down to the 2.3 million tonne level are in regulatory or program form and have been formally ratified in federal-provincial agreements. All seven eastern provinces have now signed agreements. That is a great credit to the Minister of the Environment (Mr. McMillan), indeed to our Government. Under the program, the necessary emission reductions will be achieved by 1994 at the latest. Currently, eastern Canadian sulphur dioxide emissions are down to about 2.8 million tonnes.

We know that Canadian actions alone cannot solve the acid rain problem. For this reason we have been pressing the U.S. administration to negotiate a bilateral accord with specific emission control targets and schedules to reduce the transboundary flow of acid rain pollutants to acceptable levels. Canada's objective is based on sound scientific information and existing principles and obligations under international law. Canada recognizes that how the United States goes about reducing its transboundary pollution flow to 2 million tonnes is its business. Canada's legitimate interest is in the extent to which transboundary pollution flows are and will be reduced. Canada will judge all U.S. initiatives against this yardstick.

• (1830)

I welcome the opportunity to put on the record once again the Government's outstanding achievement in having federal-provincial agreements now in place in order to accomplish our goals in the reduction of sulphur emissions.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.31 p.m.

HOUSE OF COMMONS

Wednesday, March 2, 1988

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*English*]

TAXATION

DESIGNATION OF AREAS—NORTHERN TAX BENEFITS

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, recently, the Minister of Finance (Mr. Wilson) has received close to 1,000 letters from the residents of Geraldton, Ontario protesting their exclusion from northern tax benefits. As well, I wrote to the Minister in December with a proposal to make the current regulations fairer. To date, there has been no response from the Minister.

On Monday of this week, each resident of Geraldton, Ontario received by mail directly from Revenue Canada a copy of the tax guide along with the form required to claim the northern benefits tax deduction. This mailing was taken to mean by taxpayers in the community that the Minister had changed his mind. Several residents have now mailed in their returns claiming this northern benefit. Revenue Canada, however, continues to state that Geraldton does not qualify.

I call on the Minister of Finance and the Minister of National Revenue (Mr. MacKay) to take the necessary action to eliminate the confusion and to name Geraldton, Ontario as a prescribed area immediately, giving the residents the tax deduction they deserve, which they are now denied merely by being a few kilometers short of the required distance.

* * *

HOUSE OF COMMONS

PAGES AND MEMBERS HOCKEY GAME

Mr. Gordon Taylor (Bow River): Mr. Speaker, last night the all Party MP hockey team playing against the House of Commons Pages won the gold. With a million dollar goalie, defence and forward lines, the MPs scored seven goals to five with Dave Dingwall being the top scorer.

Stephen Cassivi, the able captain and coach of the Pages, starred by beating the indomitable MP goalie, Moe Mantha, three times while Suh Won Kim and Dominic Peltier-Rivest each put the rubber in once. It was a hard fought battle throughout with both teams performing with skill and excellence. The silver winners, cheered on by their fellow Pages, one with a bugle, kept the MPs on their toes and the gold winners were not known until the final whistle.

Every MP came out of the game with an increased admiration for all of the Pages. Their skill, dedication and sportsmanship made each of them worthy of an Olympic medal. With young people like these Pages we can be sure that Canada will be in good hands in the future.

Viva the Pages!

* * *

• (1405)

[*Translation*]

TELEFILM CANADA

REQUEST NOT TO REVIEW IMMEDIATELY JEAN SIROIS' MANDATE

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I would ask the Minister of Communications not to renew the mandate of Telefilm Canada President Jean Sirois before the next meeting of the Standing Committee on Communications and Culture.

At my request yesterday the committee agreed to ask Mr. Sirois, Mr. Peter Pearson and other individuals to give evidence.

[*English*]

I think it would be appropriate for the Minister to hold off on the reappointment of Mr. Sirois until the committee looks appropriately at the allegations that have been made, including allegations of aggressive, strident interventions at every level of the decision-making process, allegations about the expense accounts of the chairman and allegations about the finances of Telefilm Canada. It would be appropriate to wait before reappointment, if any at all.

S.O. 21

REFUGEES

ALLEGED DISTORTION OF VOYAGE OF S.S. *ST. LOUIS*

Mr. John Oostrom (Willowdale): Mr. Speaker, Members of Parliament must rely on their researchers to provide accurate information on issues they raise in the House. On February 1 and 2, two members of the NDP, speaking on Bill C-84, distorted the historical record of the tragic voyage of the S.S. *St. Louis*, a ship full of Jewish refugees fleeing Europe.

The Hon. Member for Kamloops—Shuswap (Mr. Riis) stated, as recorded on page 15512 of *Hansard*, that the Canadian Government forced it to return to Europe. Further, he said that sources tell us that virtually all these people eventually met death. This is not what the historical record states.

The Canadian and American Governments communicated to the ship that it would not be allowed to disembark any of its passengers if it came to one of their ports. The ship spent its entire voyage in a Cuban port or steaming off the Florida coast. At no time did the ship even approach Canadian territorial waters.

Of the 907 people aboard the S.S. *St. Louis*, France took 224, Belgium took 214, Holland took 181 and Britain took 288. Of the 907, 528 escaped the Nazi Holocaust.

The *St. Louis* incident was a dark day for civilized society and is an example of the brutality of which mankind is capable. However, the use of history must always be exact—

Mr. Speaker: The Hon. Member's time has expired.

* * *

TAXATION

NORTHERN TAX ALLOWANCES—REQUEST FOR EXPLANATION

Mr. George Henderson (Egmont): Mr. Speaker, I want to call to the attention of Members of the House yet another unfair tax policy of the Tory Government. Sixty-five communities in Nova Scotia are on the qualifying list for the northern allowance, a standard tax deduction for residents of isolated areas effective for the 1987 taxation year. This deduction could mean $800 to $1,200 extra in taxpayers' pockets. Not one community in either Prince Edward Island or New Brunswick is on this qualifying list.

To make matters worse, many of the communities on the prescribed area list do not even meet the set criteria, yet they are eligible for the deductions anyway. It appears that many other maritime communities deserve this tax assistance as much as those 65 Nova Scotia communities already on the list. Why this B.C. preferential treatment? The whole matter reeks of unfairness.

The people in the western end of Prince Edward Island and elsewhere in the Maritimes deserve an explanation. I now urge the Minister of National Revenue (Mr. MacKay) and the Minister of Finance (Mr. Wilson) to give these taxpayers the explanation they deserve.

* * *

EXTERNAL AFFAIRS

HUMAN RIGHTS VIOLATIONS

Mr. Don Ravis (Saskatoon East): Mr. Speaker, recently, I had the privilege, as a member of the External Affairs Committee, to travel to three Middle Eastern countries at the request of the Secretary of State for External Affairs (Mr. Clark). Our purpose was to gather information and to learn more about the conflict from leaders and elected officials as well as from the people who live in the villages of the West Bank and Gaza.

As a Canadian parliamentarian, I was disappointed and frustrated in witnessing a conflict involving loss of life and human rights violations which are unacceptable, regardless of political differences.

I urge the Secretary of State for External Affairs to denounce the human rights violations which have been occurring during the past several months and to strongly support an international conference which will begin building trust and confidence between Israel and the Palestinian people.

We as Canadians pride ourselves on tolerance for each other's religious and cultural differences. While we are not perfect, I urge countries in the Middle East to follow our example.

* * *

EXTERNAL RELATIONS

VISIT OF PRIME MINISTER TO LAHR—SPEECH TO ARMED FORCES

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, the Tory agenda for turning Canada into a banana republic came closer to completion the other day with the spectre of the Prime Minister (Mr. Mulroney) giving a political speech to the army in Lahr, conjuring up images, not of a secure Prime Minister of a mature, democratic nation, but of some tin-pot dictator who is so insecure that he has to abuse well established democratic traditions in the way the Prime Minister did in Lahr.

The Prime Minister brought shame on himself and he brought shame on Canada. It is something that all Members of Parliament, if they have a shred of respect for parliamentary tradition and for the traditions of Canada, would find unacceptable.

• (1410)

AGRICULTURE

LIVESTOCK FEED ASSURANCE PROGRAM

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, the livestock feed assurance program in Manitoba is failing to meet the needs of Manitoba farmers. This program is intended to insure hay production in Manitoba and is operated under the auspices of the Manitoba crop insurance program. It is funded 50 per cent by the federal Government and 50 per cent by the farmers. The province provides the administration. It is that administration which is failing the farmers.

A large number of farmers in my constituency are steaming hot mad at the NDP Minister of Agriculture and have informed me that the entire structure of the program is not serving their needs. If the program is not serving the needs of Manitoba farmers, it is not serving the needs of the federal Government.

Farmers, who last year had their first hay production failure in 20 years, failed to get a pay-out under the program. The program is poorly structured, poorly administered, and poorly designed. I ask the federal Minister of Agriculture (Mr. Wise) to investigate the problems in that program to ensure that money belonging to the farmers and the federal Government is being properly utilized. I ask the Minister to help make sure that the interests of Manitoba farmers are well taken care of.

* * *

HOUSE OF COMMONS

PAGES AND MEMBERS HOCKEY GAME

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, last night a great tradition was upheld at the annual hockey game between Members of Parliament and the Pages. The game, superbly organized by the Hon. Member for Bow River (Mr. Taylor) was full of action and excitement. After three periods of play the MPs and Pages were tied at five goals each. The decision was made to push the game to a fourth period. The fans were ecstatic. There were many confrontations but with the strategic coaching and strong leadership of the Hon. Member for Bow River, the MPs put on the pressure. The Pages kept the MPs in check but to no avail. Two quick goals scored late in the fourth period allowed the MPs to take home the trophy with a seven to five victory.

I join with my friend from Bow River in thanking and congratulating the Pages for exhibiting enthusiasm and sportsmanship. As well, on behalf of all Members of Parliament and all the Pages, I would like to salute and thank the Hon. Member for Bow River for organizing this annual tradition of Parliament.

Some Hon. Members: Hear, hear!

* * *

MINES AND MINING

FLOW-THROUGH SHARE PROGRAM

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, yesterday at the Holiday Inn 200 leaders from across Canada involved in mining, prospecting, and investment, along with municipal representatives, witnessed the White Knight of the NDP come in on his horse to say to them that he now believes flow-through share funding is vital to the mining community across the country. Does he really believe that Canadians have short memories and do not remember statements made by him in Kirkland Lake in February, 1987, to the effect that only wealthy investors benefit from flow-through shares? Does he think they do not remember his Party's critic who voted against amendments in this House to extend flow-through shares because he said it is only Bay Street that will benefit?

It sickens me to see that with a little smell of power the socialist party will throw its principles out the door. Since 1982 Timiskaming knows where its Member of Parliament stands. He believes that the socialist party still does not know what flow-through shares are all about.

* * *

RAILWAYS

BRANCH LINE REHABILITATION PROGRAM—INCLUSION OF BENGOUGH SUBDIVISION

Mr. Les Benjamin (Regina West): Mr. Speaker, the west is betrayed again. The Government has failed to honour a commitment to spend all of the money allocated to the rehabilitation of railway branch lines in western Canada. After four years of Tory Government, $36 million of the money allocated has not been spent. In the coming year only half of what is allocated is to be spent. The Government is deliberately trying to jeopardize the existence of many hundreds of miles of branch lines in order to abandon them and force grain farmers to truck their grain to places many miles further away.

The Bengough subdivision from Weyburn to Willow Bunch is one in which I and the Hon. Member for Assiniboia (Mr. Gustafson) have more than a passing interest. Some $10 million was spent on that line over two years ago. Some $13 million more must be spent to complete the job. I call on the Minister of Transport (Mr. Crosbie) to immediately announce the inclusion of the Bengough subdivision in this year's program, and all of the remaining lines in 1989.

Oral Questions

THE CONSTITUTION

MEECH LAKE AGREEMENT—REPORT OF SENATE TASK FORCE

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, yesterday the Senate task force on the Meech Lake Constitutional Accord, in the Yukon and Northwest Territories, published its report. The report makes sensible recommendations with respect to appointment mechanisms for Senators and Supreme Court judges. It addresses the outstanding questions of territorial representation at First Ministers Conferences, changes to territorial boundaries, and the eventual creation of new provinces.

• (1415)

The task force listened to northern Canadians who so often before have been disregarded. Their recommendations are sound and ought to be incorporated into the Canadian Constitution.

The Senators, Sir, are to be complimented on a job well done.

* * *

[*Translation*]

LABOUR RELATIONS

LE DROIT—REQUEST THAT PARTIES RETURN TO NEGOTIATING TABLE

Mr. Gaston Isabelle (Hull—Aylmer): Mr. Speaker, all Canadians residing in the National Capital Region, particularly francophones, are wondering about the future of the newspaper *Le Droit* whose survival is threatened should the strike last too long.

Le Droit has been the carrier of the francophone torch and the standard bearer of its cultural dissemination since 1913. We should not let this symbolic flame go out, especially here in the National Capital Region, the mirror and reflection of bilingualism in Canada, the main centre of Canadian biculturalism.

It would be a deplorable and even disastrous blow to information and democracy if francophone residents of the region were to lose their privileged spokesman.

This is why I strongly urge both parties in this dispute to resume negotiations in an effort to find an honourable and dignified solution, even though they may have to backtrack from their respective positions. By so doing they would preserve an essential asset of Canada's heritage.

ORAL QUESTION PERIOD

[*English*]

FINANCE

FLOW-THROUGH SHARES—REQUEST FOR EXPLANATION OF DECISION TO PHASE OUT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question or two for the Minister of Finance. In June of last year the Minister of Finance announced, to the applause of the New Democratic Party, that he was eliminating the 33 per cent earned depletion allowance for flow-through shares to investors in mining companies.

That may sound technical to a lot of Canadians, but it means thousands of jobs to miners in Canada. Flow-through shares have helped sustain thousands of jobs in small mining companies and small mining communities across Canada.

The Liberal Party was opposed to the Minister's decision then and is opposed to that decision now. This program was working. It was bringing hundreds of millions of dollars of investment into the mining industry. Why is the Minister phasing it out?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not think the Hon. Member wanted to leave the impression that this is only being phased out on flow-through shares for small mining companies. It is being phased out for large mining companies, large oil and gas companies, as well as other players in the industry. It is being phased out in total.

The Hon. Member has asked precisely why we are making this change. It is part of the over-all balance in tax reform, part of the way in which we are reducing tax expenditures, tax breaks, and tax write-offs, as a means of broadening the tax base so that we can reduce the personal tax paid by 85 per cent of individual Canadians across Canada.

That is the substance of the reason. It is part of a broad reduction in tax expenditures, tax breaks which, as my colleague knows, have been criticized by the New Democratic Party as providing a tax write-off to wealthy investors.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the New Democratic Party seems to have changed its mind on the issue of earned depletion.

POTENTIAL LOSS OF MINING COMMUNITIES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the measure which the Minister has in his so-called tax reform will eliminate hundreds of smaller mining communities in the country if it is persisted in. The miners in Canada are rightfully insulted by the twisting, turning, and phoney rhetoric of both the Government and the New Democratic spokesman on this particular issue.

The Minister of Energy, Mines and Resources stated yesterday that the Government is prepared to consider other

measures "if the tax reform changes put forward affect the viability of mining operations".

In other words, the Government is prepared to let the smaller mining communities in the country close down before it considers whether to take any action. Why did the Minister not analyze the potential effect on the mining communities of Canada before he took this decision and introduced it as part of his so-called tax reform?

• (1420)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me caution Canadians about the overblown rhetoric that the Right Hon. Leader of the Opposition has used. This change will not eliminate the mining communities in Canada. This will not eliminate the centres. It will not—

Mr. Fulton: It will create 200 Scheffervilles.

Mr. Wilson (Etobicoke Centre): It will not eliminate the flow-through shares—

Mr. Fulton: Two hundred Scheffervilles.

Mr. Wilson (Etobicoke Centre): If the Hon. Member in the back row would listen, he might learn something. It will not eliminate the flow-through share mechanism.

In fact, the Leader of the Opposition is very well aware that from the time of the initial proposal in June last year to the proposal that I announced in December, and which is on the table now, we made some significant changes. We increased the time when earned depletion will be available. Second, we made two significant changes that will maintain the attractiveness of the $500,000 capital gains exemption which the Hon. Leader of the Opposition has said on many occasions he would pull out altogether. He is talking out of both sides of his mouth, the same as the Leader of the New Democratic Party.

[*Translation*]

AID FOR THE UNDERPRIVILEGED REGIONS—REQUEST FOR RESISTANCE TO AMERICAN PRESSURE

Right Hon. John N. Turner (Leader of the Opposition): Why won't the Minister admit his Government made a serious mistake, a mistake that according to the Quebec Minister of Mines is due to a lack of information?

Since he failed to give any economic reasons for making this decision, will the Minister admit that the decision was made because of pressure from the Americans who don't like programs that support our country's disadvantaged areas?

Mr. Speaker, why won't the Minister stand up to the Americans for a change? Why won't he defend this country's disadvantaged and remote areas and reverse his decision? Why not?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Leader of the Opposition should be aware that one of his colleagues asked that question just yesterday and I say—

Ms. Copps: We did not get an answer.

Mr. Wilson (Etobicoke Centre): I will give the answer a little bit more strongly than I did yesterday. That is a red herring. It is absolute garbage. We brought in the flow-through share changes in June, 1987. If the Hon. Leader of the Opposition would reflect on that, he would see it is four months before the free trade agreement was signed.

Mr. Turner (Vancouver Quadra): Right during negotiations.

Mr. Wilson (Etobicoke Centre): After the free trade agreement was signed we made changes to improve the flow-through share mechanism. I say to him and to Canadians that the flow-through share mechanism stays in place. We have improved the flow-through share mechanism as a result of the changes in December.

We also said that we are monitoring the situation. As my colleague said yesterday, we are prepared to make changes should circumstances necessitate it.

I also say to him that there has been a significant drop in equity investment financing from the first nine and one-half months of last year, of $7 billion to approximately $450 million. That has affected flow-through share financing and has affected equity financing for all types of issuers in Canada.

MINING DEPLETION ALLOWANCE—POSSIBLE EXPANSION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, if what the Minister of Finance just said is true, why does he not decide to keep the earned depletion on flow-through shares?

We know that the trade agreement with the United States has eliminated the possibility for the Canadian Government to have a made in Canada policy on investment, energy and culture.

There is a new twist. The Minister said that our point of view was garbage. I do not know whether he would agree with the statement made by Clarkson Gordon, a very well known and respected accounting firm. That firm said in its publication of January 15, 1988: "Although the existing tax incentives will be grandfathered according to the trade agreement, it is important for Canadian business people to recognize that expanding the list of such incentives could induce a responsive trade action by the U.S".

• (1425)

Does the Minister agree with that interpretation by Clarkson Gordon of the deal he signed himself and which, in a general spirit, says that the Government has put aside the

possibility of helping the regions of this country with tax incentives?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, Clarkson Gordon may be very good accountants but they are not very good trade specialists.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): There is no basis for them to make that particular comment. Flow-through shares and tax considerations related to flow-through shares are generally available in the tax law to any Canadian company. Any changes in that are not governed by the terms of the free trade agreement.

[*Translation*]

FLOW-THROUGH SHARES—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, as I see it, the Minister has a mental block and refuses to understand the problem. We are not saying the mechanism was abolished, we are saying that now that earned depletion has been abolished, the mechanism is no longer operational. That is what 250 people from all our regions came to tell us.

I would therefore ask the Minister, after the representations made to the Minister of Energy, Mines and Resources and to all Members of this House who attended yesterday's symposium, whether he does not agree that he made a mistake—isn't he admitting as much now?—by not bringing back the 33 1/3 per cent earned depletion allowance before the Trade Agreement is implemented, as they would like him to? If he does not change his mind more regions will lose jobs, investment will disappear and although the Minister won't admit it now, he will not be able to reintroduce earned depletion if the Canada-U.S. Trade Agreement is approved.

[*English*]

Michael Wilson (Minister of Finance): Well, Mr. Speaker, I say to the Hon. Member that he knows as much about it as does Clarkson Gordon. The Hon. Member said I do not understand the significance of flow-through shares. I am the Minister, I should remind him, who made improvements to the flow-through share mechanism in 1986. I am the same Minister who made improvements to the flow-through share mechanism in December of 1987. So I can indicate by my own actions that I am quite aware—

Mr. Garneau: Why are all those people coming here to complain, then?

Mr. Wilson (Etobicoke Centre): The Hon. Member asks why the people have come to complain. I think those people are concerned about the state of play in the equity markets in Canada which have affected—

Mr. Turner (Vancouver Quadra): Oh, no!

Mr. Wilson (Etobicoke Centre): —flow-through shares, and I admit that. I understand that. But it has also affected equity financing on a broad range of companies. As I indicated, and I repeat the numbers, $7 billion worth of equity financing was done in Canada up until the stock market crash on October 19. Since then, I think it is $450 million of equity financing which has taken place. That has affected all parts of equity financing.

As I indicated, Mr. Speaker, we are monitoring the situation closely. We are holding discussions with the industry and will continue to hold those discussions in order to understand better its point of view.

* * *

LABOUR

IMPLEMENTATION OF OLDER WORKER ADJUSTMENT ASSISTANCE PROGRAM

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Minister of Finance. Later today the Economic Council is releasing an important statement on labour adjustment policies for trade sensitive industries. Such policies are absolutely crucial, especially for older workers. Statistics Canada, for instance, found that 41 per cent of such workers dropped out of the labour market when they lost their jobs through a plant closing.

Given these facts, why has the Government still not put into place its program of older worker adjustment assistance which it announced in the 1986 Budget? Can it not see that this lack of action is a human tragedy?

• (1430)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have responded to that particular question. My colleague, the Minister of Labour, has had numerous discussions with the provinces. This is a joint program with the provinces. Something in the order of four provinces have agreed to participate in it. He is endeavouring to encourage other provinces to participate in what we believe is a very important program. We want to move it along. As soon as we have the agreement of the provinces we will have further announcements to make.

DELAY IN IMPLEMENTATION—EFFECT ON OLDER WORKERS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, in fact it has been over two years since this discussion took place with the provinces. Surely at this stage the Government should see that it has to move, and that it has to move itself, otherwise we will have situations in which thousands of older workers will be thrown on the scrap heap in what is a human tragedy that the Government should be doing something about.

Mr. Speaker: I am not quite sure whether there is a question there or not. The Minister may want to respond.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not think there was a question. I think it was a reiteration of the points that the Hon. Member made in the preamble to his first question.

We believe that it is important to involve the provinces in a program such as this because of their involvement in the labour market, because of their involvement with labour policy and because of their involvement with adjustment policy in the broader sense, as are we in the federal Government. We will continue to work with the provinces.

I hope that the Hon. Member, in his attempts to focus solely on the federal Government, will not ignore the importance of the provincial Governments in this matter and direct some of his attention to encouraging them to come on board in regard to what we believe is a very good program.

ASSISTANCE TO UNEMPLOYED OLDER WORKERS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, it seems to me that the Government is just trying to pass the buck. I wish to ask this of the Minister of Finance. What will the Government do to help people such as Robert Pereault, who is 49 and was laid off for a year from a closed plant, and who now must pay his UI back because he has finally received severance pay?

Mr. Speaker: The Hon. Member raises an example, and there may be many more. However, I do not think that the preamble is the place to list them all.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not think that there is much difference from the first two questions in what the Hon. Member has said in his third. We both agree on the importance of the program. We also believe that the provinces should be in there. We are continuing to work with them. I hope that he will support us in that.

Mr. Allmand: Mr. Speaker, a supplementary question.

ALLEGED EXCEPTION IN RESPECT OF OLDER WORKERS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, why pass the buck to the provinces in the case of the older workers when, in the past, we had totally federal programs for older workers and when we still have federal employment programs for women, native people, the disabled and minorities? Why make an exception for older workers? They are just as important as the other groups.

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am sure that the Hon. Member is aware of the components in the Canadian Jobs Strategy that are there to help train older workers who have lost jobs and who want to move on to a new ones. The Canadian Jobs Strategy is a very important part of the program that we brought in as a Government.

What the program for older worker adjustment does is add another dimension to that which we think is important. We also think it is important to have the involvement of the provinces, as I have said in answer to previous questions.

* * *

[*Translation*]

EXTERNAL AFFAIRS

IMPORTATION BY SOUTH AFRICA OF CANADIAN STRATEGIC MATERIAL—GOVERNMENT POSITION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Secretary of State for External Affairs.

I have here a copy of an order by South Africa for germanium crystals that can be used for infrared weaponry. The Department of External Affairs did not reject this order.

My question to the Secretary of State is this: Doesn't this point to a weakness in Canadian sanctions, when certain types of equipment that can be used to develop weaponry can still be exported and shipped to South Africa?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not have the paper to which the Hon. Member just referred. I will have to look at this document and make inquiries, and once I have all the details, I will be in a position to answer the Hon. Member's question.

[*English*]

TOTAL EMBARGO ON EXPORTS TO SOUTH AFRICA

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my supplementary question is as follows. Given recent events is it not time as a part of the imposition of universal, comprehensive and mandatory economic sanctions against South Africa that all exports to South Africa be embargoed immediately?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think that the Hon. Member would agree that if Canada were to take a decision of that kind we should not take it because one order had gotten through the regulations that are now in place. I will look at the questions raised by the Hon. Member and at the documentation with respect to this particular case.

He knows, and I will be referring later to it this afternoon, of the Government's policy with regard to economic sanctions. He knows the concern and the outrage that all of us in the House feel with respect to the recent developments in South Africa. I believe he shares my view that what is important is not for Canada to make dramatic gestures that might end up empty, but rather for Canada to try to continue to find ways in which we might have a positive influence upon events in South

Africa and not leave abandoned people who are now the opponents of apartheid in that region and in that country.

* * *

[*Translation*]

FINANCE

IMPORTANCE OF MAINTAINING FLOW-THROUGH SHARES

Mr. Robert Toupin (Terrebonne): Mr. Speaker, my question is directed to the Minister of Finance and concerns flow-through shares because these are important to Quebec.

On October 1 last year, I asked the Minister not to tinker with flow-through shares and told him these tax measures were essential to the economies of Northern regions like Abitibi-Temiskaming.

My question is this: Is the Minister again going to ignore the fact that flow-through shares helped Abitibi-Temiskaming bring its unemployment rate down from 23 per cent to 6 per cent and attract investments worth several hundred million dollars annually, investments that totalled half a billion dollars last year?

Why is the Minister turning his back on regional economic development? There is more to Canada than just Toronto, Mr. Speaker!

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, again, this is an example of overblown rhetoric. The Hon. Member accuses us of denying all regional development in that part of the country. That is simply unfounded. It is not true.

What we have done is make some adjustments in the flow-through share mechanism consistent with the objectives of one of the former Parties of the Hon. Member, in which there was some suggestion that there were practices leading to abuse of the system. We have toned down some of the elements of the flow-through share mechanism in order to avoid that type of abuse. But the flow-through share mechanism remains in place. We improved the elements of the flow-through share mechanism in the December 16 paper on tax reform.

As I have indicated, we are continuing to consult with the industry to monitor the situation and to get its understanding of the effects of these changes.

[*Translation*]

IMPACT ON REGIONAL ECONOMIC DEVELOPMENT

Mr. Robert Toupin (Terrebonne): Mr. Speaker, my supplementary is directed to the Minister of Energy, Mines and Resources.

What amounts to the abolition of flow-through shares will have a direct impact on economic development. What does the Minister intend to do to help Abitibi-Temiskaming and our small mining companies? Is he again setting himself up as the defender of the big multinationals, or is he prepared, for a change, to defend the interests of small mining companies in Quebec?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, first of all, I would like to point out to the Hon. Member that the program was not abolished but revamped by the Minister of Finance.

Second, I can assure Hon. Members that all sectors in my Department, including the mining sector, are keeping a very close watch on developments, and as in other cases, the Government will make a contribution if the need arises.

Third, I fail to see why the Hon. Member is attacking big corporations in the mining industry.

Major investments in our industries have always been well received, and have always been welcomed by all Members of this House. In the mining industry, investments are always welcome, whether they come from big corporations or junior mining companies.

* * *

• (1440)

[*English*]

ATLANTIC CANADA OPPORTUNITIES AGENCY

DECISIONS RESPECTING ALLOCATION OF FUNDS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the purpose of the Atlantic Canada Opportunities Agency, as stated in its brochure, is to provide "financial and other resources for Atlantic entrepreneurs" and "working with provincial governments—to improve the entrepreneurial climate".

Why did the Minister state yesterday, "Some of the Premiers may want us to just turn over money to them and let them spend the money, but that is not something that is going to find favour with us".

Is that why there are more employees of this agency in Ottawa than there are in Newfoundland? The Prime Minister stated that the decisions would be made in Atlantic Canada.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the hon. gentleman sounds like he has a tear in his tights.

We are working in co-operation with the Atlantic Premiers. Senator Murray, the Leader of the Government in the other unmentionable place, visited all four Atlantic Premiers within the last two weeks. We are working in co-operation with them.

We do not think that Members of this House expect us to turn over the $316 million that the Atlantic Canada Opportunities Agency is going to spend in the year coming up, to the

Atlantic Premiers to spend. We are going to spend it in accordance with the policies and directions of the Government to overcome regional disparity in Atlantic Canada.

In addition, any lapsing funds from this year—here's good news for the hon. chap—will carry over into next year for pay-off.

ALLOCATION OF FUNDING—ACCOUNTABILITY TO ATLANTIC PREMIERS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, yesterday the Minister also stated, when asked whether there was any new money spent by ACOA, "I cannot tell you that right off the bat". What an informed Minister. It is like asking him did he wake up this morning. "I can't tell you that right off the bat, I have to ask Jane".

I ask the Minister, who speaks on behalf of the real Minister in the—

Mr. Speaker: I know that the Hon. Member is about to ask the Minister something. I would ask him to put his question.

Mr. Baker: —who speaks on behalf of the other Minister in the unmentionable place, does he not agree that the people of Atlantic Canada and the Premiers of Atlantic Canada deserve more accountability than that from this Government?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, as I said to Jane this morning when I got up, there are no quick fixes—

Some Hon. Members: Oh, oh!

Mr. Crosbie: —for whatever ailed her.

Mr. Speaker: I hope the Hon. Minister is not going to tell us what she said.

* * *

SHIPYARDS

REQUEST FOR BID ON REPAIR CONTRACT FROM CANADIAN NATIONAL

Mr. Jack Harris (St. John's East): Mr. Speaker, we know from the Minister of Transport's comments in the House yesterday that the Government is mainly interested in making announcements and taking credit rather than real progress and real results when it comes to Atlantic Canada development.

I must ask the Minister whether he is willing to discharge his responsibility to the people of St. John's, and to Canadian National Dockyard workers, and insist that the dockyard management bid on the repair contract for HMCS *Nipigon* that will bring 200 jobs to St. John's, in his own riding, instead of letting management make phoney excuses for not trying to get work for the shipyard?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the hon. gentleman has gone over his depth in this particular issue. What has happened is that the Newfoundland dockyard has been asked to bid on the refit of the HMCS *Nipigon*. It would be a job costing somewhere between $12 million and $15 million and it would keep 250 men working there for one year.

Three of the seven railway unions are refusing to enter into a no-strike, no-lock-out agreement during the term of this repair. Therefore, the yard cannot undertake the work nor put in a bid, because it would be wasting money to put in a bid.

I suggest that the hon. gentleman speak to his friend who he was defending in St. John's yesterday, Mr. Rosner, and get him and the three unions to co-operate in order that 250 men can have a job for one year in a Newfoundland dockyard.

UNION OFFER TO OPERATE UNDER EXISTING AGREEMENT—POSSIBLE PRIVATIZATION

Mr. Jack Harris (St. John's East): Mr. Speaker, if the Minister was paying attention he would know that yesterday these unions offered, as they had before, to carry on their existing agreement which contains a no-strike clause until the end of their contract.

Why does the Minister not admit that this is part of some plan, which he supports, to either bankrupt or shut down the CN Dockyard so that it can be handed over to private interests?

Hon. John C. Crosbie (Minister of Transport): I am not going to chastise the hon. gentleman. He is a new Member here. It just so happens that two years ago the Government agreed to put $14 million into the Newfoundland dockyard. We are meeting its operating losses to the tune of $2.4 million a year. We are meeting capital expenditures of $4 million.

Since 1976 I have done everything humanly possible to assist that yard. But I cannot assist it if some of the labour movement and the hon. gentleman are going to sabotage our efforts to get work for that yard.

* * *

[*Translation*]

CANADA POST CORPORATION

DATE OF RECEIPT OF MATERIAL—POSITION OF REVENUE CANADA

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is directed to the Minister responsible for Canada Post Corporation. The delivery standards of Canada Post are now so low that even Revenue Canada will no longer recognize the Canada Post date of reception as proof of payment, thereby penalizing several thousands of small businesses. My question to the Minister is this: Does he agree with Revenue Canada's position and how could he reconcile

this with this Crown Corporation spending millions of dollars in advertising to enhance its image, at a time when even the Government repudiates the Corporation?

[*English*]

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I apologize, but I did not get the entire thrust of my colleague's question.

From what I heard, I can only point out that the deadlines and the requirements for filing income tax and source deductions are well known. We run a self-assessment system in this country.

I take the opportunity to point out that we have extended the deadline for filing income tax from April 30 to May 2, so there will be some extra latitude.

I apologize, because I did not quite get the thrust of my colleague's question.

ALLEGED REFUSAL TO HONOUR CANADA POST POSTMARKS

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my supplementary question is directed to the Minister responsible for the Post Office, because it is a postal issue. At the beginning of January, National Revenue informed all employers that once they had postmarked envelopes sending their monthly remittances by cheques they would be accepted as remittances made on time. Since this notice every small business in the country is penalized because National Revenue is not honouring the postmarked envelopes.

How can the Minister say that this service is good? How can the Minister encourage people to use the Post Office service when, by the actions of National Revenue, the Government is not honouring the Post Office service?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, there is an old joke about the three most common lies, one of which is, "The cheque is in the mail".

An Hon. Member: What are the other two?

Mr. Speaker: I am sure that we do not need to hear the other two. Perhaps the Hon. Minister will answer the question.

• (1450)

Mr. Andre: Mr. Speaker, National Revenue in requiring taxpayers to pay their taxes on time are presumably reflecting the fact that too many people use that excuse. Indeed, the Post Office has been encountering some difficulty with companies having their own postal machines. In sending out invoices through the use of the postal machine they backdate the mailing date and the mailing date sometimes has the eighteenth of the month when, in fact, these items are put in the mail on the twenty-second or twenty-third. The Post Office has the same problems as National Revenue.

The Government is calling on taxpayers not to use the Post Office as an excuse for not paying taxes.

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ENVIRONMENTAL AFFAIRS

LEVELS OF POLLUTION—GOVERNMENT MEASURES TO ENSURE SAFETY OF SEAFOOD

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is for the Minister of the Environment. In spite of growing anxiety about dangerous dioxin levels in waters near the Crofton pulp mill on Vancouver Island, neither the federal nor the provincial Governments have done anything to stop this pollution of our environment. Tests have shown unacceptable levels of 2378TCDD, one of the most dangerous dioxins known in samples of crab and oyster.

In light of this, what steps is the Government taking to ensure that this poisoning of our environment by pulp mills will stop, and what steps is the Government taking to guarantee to Canadians that the seafood they eat is safe?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member has said that Environment Canada has done nothing in the area to protect human health and the natural environment in the face of the problem he has identified. Nothing could be further from the truth.

The Department of my colleague, the Minister of Fisheries and Oceans, and my own department have been working together intimately in this area. We are conducting extensive analyses and have been monitoring the situation carefully. Our respective officials have been instructed to keep the two of us well informed and the issue is being dealt with as a matter of real priority and urgency.

ALLEGED DUPLICITY IN TEST RESULTS—RELEASE OF ALL TEST RESULTS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, the analysis and the monitoring is way behind time. The poisoning continues.

On January 18, the Minister of Fisheries announced test results for the Harmac area which showed that dioxin levels were within acceptable range. Why did the Minister not announce earlier test results which showed unacceptable levels of dioxin near Crofton? Why is there this duplicity?

Will the Government make a commitment now to release all test results so that Canadians will know what is in their waters?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Member talks about duplicity. There is no such duplicity. Analyses are being conducted. We have employed the top experts in the country. We have consulted experts beyond our shores on this subject to make sure that the

Government of Canada has the very best advice in the world on the matter. Nothing has been kept secret. These analyses take a lot of time. Some of them take weeks in order to get the level of scientific certitude we think we need to make the relevant decisions.

I will be more than pleased to share with my hon. friend, and through him with any other interested Member of the House, the information that flows from the analyses.

* * *

AGRICULTURE

PROPOSED POTATO STABILIZATION PROGRAM

Mr. Mel Gass (Malpeque): Mr. Speaker, my question is for the Minister of Agriculture. Some time ago it was announced that money would be forthcoming for potato stabilization.

I know there have been discussions regarding how this money should be paid to the producers and there have been numerous suggestions as to how it could be paid. There are great expectations and uncertainty in the industry.

On what basis will this money be paid and when can the producers expect the cheques to be in the mail?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I welcome this question because it provides me with an opportunity to again announce on behalf of the Government more good news for Canadian potato farmers. We indicated some time ago that we would honour the 1985 commitment. Indeed, we are doing that today.

The Hon. Member should recognize that some time ago we entered into an agreement with the Province of Prince Edward Island and the Province of New Brunswick under which we contributed to a diversion program on a 50-50 basis. At the same time, in that same crop year, we also paid $1 million in lieu of a surcharge in the Province of British Columbia. Therefore, in all fairness, we had to net out the amount of potatoes that qualified for the diversion program in Prince Edward Island and New Brunswick. Indeed, we had to net out the amount of potatoes in relation to the $1 million payment in lieu of surtax. We did that to ensure fairness and equity in the calculation.

The cheques will be in the mail within the next two weeks, but we do not work in isolation or unilaterally. I am aware of the debate that continues in the Province of Prince Edward Island with respect to the method of payment and we will withhold the cheques to that province until such time as I am satisfied that the people in the industry have decided what manner we should follow in making the payment.

[*Translation*]

EMPLOYMENT

WOMEN—PART TIME WORK—POSITION OF GOVERNMENT

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Yesterday, we were informed by Statistics Canada that 61 per cent of the labour force is made up of women, that as much as 62 per cent of mothers with children under six years of age are working full-time and that, as far as women are concerned, part-time employment is progressing more quickly than full-time employment.

I should like the Minister to tell us why the Tory Government has done absolutely nothing on the issue of part-time employment, in view of the fact that in 1984 the Prime Minister had promised to take very quick action. It was one of his election campaign. When is the Government going to take action on this issue and give something to part-time female employees?

Hon. Benoît Bouchard (Minister of Employment and Immigration): In my opinion, Mr. Speaker, my Honourable friend should recognize first of all that this Government has probably the best record over the past several years in the area of job creation. According to the same statistics, 90 per cent of all jobs are held by women. As far as improving the situation is concerned, I feel again that my Honourable friend should fully recognize that the real employment situation for all Canadians, and especially for women, has improved.

Again, in the area of part-time employment, a large percentage of women in the labour force are involved in it voluntarily. I will admit with my colleague, however, that there is room for improvement, and suggest that if we had not been saddled with the situation which prevailed before 1984, it would be lot easier to go ahead now.

PARENTAL LEAVE—GOVERNMENT POLICY

Mrs. Lucie Pépin (Outremont): Mr. Speaker, it seems that the Minister and myself have different ways of reading the statistics. I would like to tell the Minister that the majority of women who work part-time do not do so voluntarily. The statistics clearly show that there have been a greater number of part-time jobs, and I would simply like to remind the Government that one of its promises was to provide social benefits for part-time workers, which it has certainly not done to this time.

In addition, Mr. Speaker, the Prime Minister and the other Conservatives promised in 1984 to extend parental leave to provide easier access to the labour market for women. I would like to know why the Conservative Government has not followed up the two reports tabled in this House which dealt with parental leave, namely the Forget report and the report on child care. In its response to the report on child care, the Conservative Government did not even refer to parental leave. Is it the new policy—

Mr. Speaker: I am sorry, but I think that the Hon. Member has asked her question.

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I am sorry to contradict my colleague, but we have indeed provided social benefits for part-time workers, by allowing them to contribute to the pension plan, for instance. The Hon. Member must admit that we have extended eligibility to the pension plan. I must also contradict the Hon. Member on another point and tell her that 85 per cent of all jobs created have been full-time jobs.

Mr. Speaker, I have another correction to make as concerns maternity leave. As I have already told the Hon. Member, the Conservative Government has done more than any other Government before, for instance in the matter of employment equity, and I would remind my colleague about the Employment Equity Program and the Federal Businesses Program. Mr. Speaker, I know that the Hon. Member has to ask her questions, but she is well aware that, if her party had done as much as we have done, we would be 20 years further ahead as concerns jobs for women.

* * *

• (1500)

[*English*]

ENVIRONMENTAL AFFAIRS

POLLUTION IN MIRAMICHI—CLEANUP

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Minister of the Environment and concerns pollution by dioxins on the other coast, in the Miramichi.

Will the Minister confirm that he inadvertently, I am sure, misinformed the House when he replied to a similar question the last time, and that in fact there is no cleanup going on there and the citizens in the area have not even been given the results of tests which have been conducted?

Will the Minister assure the House that he will exercise the powers he has to ensure that there is a thorough cleanup and that we will not have an increase and spreading of the pollution which has been there for some decades?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I think the Hon. Member is referring to an answer I gave in the House to a question she posed on February 4. I must confess to the Hon. Member, and to you, Sir, that I probably over-stated the case when I did respond. I said that a cleanup was under way and that an excavation had begun. The truth is that preparatory work had been started but it was entirely preliminary. The actual cleanup had not actually been started.

The Government of Canada, through my Department, is riding herd on the company. The provincial Department of the Environment is the main instrument for government action in this area because of the jurisdictional question, but we are co-operating hand in glove. The Hon. Member can have from me the assurance she has sought.

Mr. Speaker: I regret to say to the Hon. Member that given the hour, she is limited to one question. I recognize the Hon. Member for Glengarry—Prescott—Russell on a single question.

* * *

CONFLICT OF INTEREST

REQUEST FOR EARLY SECOND READING DEBATE ON BILL C-114

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, in the absence of the Prime Minister, my question is directed to the Deputy Prime Minister. On February 24, the Prime Minister tabled in the House his new Bill concerning conflict of interest.

Notwithstanding the fact that the Bill does not cover all applications or senior civil servants, it still enjoys the support of at least a majority of members of all Parties of the House. Given that the Bill enjoys that kind of support with all Parties, can the Deputy Prime Minister commit himself here and now to bring forward the Bill for second reading no later than this week or, at the latest, Monday of next week?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, we intend to move with this legislation very soon.

Mr. Speaker: I recognize the Hon. Member for Lambton—Middlesex on a single question and that will end Question Period.

* * *

AGRICULTURE

ALLEGED PROBLEMS REGARDING MEAT INSPECTION

Mr. Sid Fraleigh (Lambton—Middlesex): Mr. Speaker, my question is directed through you to the Minister of Agriculture. A cloud is hanging over the federal meat inspection system due to media reports in the Kitchener-Waterloo area and some poorly phrased questions in the House. Not only is the system under attack but also those people who supply the services, the inspectors.

Will the Minister today inform the House if there exists a particular problem with meat inspection in southern Ontario and, if so, what has been done to correct the situation?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the question. The direct answer to the Hon. Member's question is no. I think we have to appreciate that there are some 1,500 competent, well qualified, dedicated meat and food inspectors working on a day-to-day basis in over 800 plants across the country. They approve wholesome food for the Canadian public and, indeed, for people in our export markets, well in excess of three million metric tons a year.

We have to recognize that on a day-to-day basis, these inspectors search for improvements in the system, they find improvements and they implement improvements. Our staff continues to strive for perfection. I can assure the House that, indeed, at no time was the quality of Canadian food for Canadian consumers ever jeopardized.

ROUTINE PROCEEDINGS

[*English*]

SUPPLEMENTARY ESTIMATES (E), 1987-88

A message from Her Excellency the Governor General transmitting Supplementary Estimates (E) for the financial year ending March 31, 1988, was presented by the Hon. Don Mazankowski (President of the Treasury Board) and read by Mr. Speaker to the House.

REFERENCE TO STANDING COMMITTEES

Mr. Mazankowski: Mr. Speaker, pursuant to the provisions of Standing Order 83, I move, seconded by the Hon. Minister of State for the Treasury Board (Mr. Lewis):

That Supplementary Estimates "E" for the fiscal year ending March 31, 1988, laid upon the Table earlier this day, be referred to the several Standing Committees of the House as follows:

Because the list is rather long and there is a detailed allocation of the Supplementary Estimates to the committees, I would ask that the list be printed in *Hansard* as if it had been read.

Mr. Speaker: Is that agreed?

Some Hon. Members: Agreed.

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

To the Standing Committee on Aboriginal Affairs and Northern Development

Indian Affairs and Northern Development, Votes 15e, 26e 35e.

To the Standing Committee on Agriculture

Agriculture, Votes 1e, 15e and 35e.

To the Standing Committee on Communications and Culture

Communications, Votes 1e, 10e, 25e, 30e, 45e, 70e and 85e.

To the Standing Committee on Consumer and Corporate Affairs

Consumer and Corporate Affairs, Votes 1e, 5e and 23e.

To the Standing Committee on Energy, Mines and Resources

Energy, Mines and Resources, Votes 25e and 55e.

Tabling of Documents

To the Standing Committee on Environment and Forestry

Agriculture, Vote 20e.

Environment, Votes, 5e, 10e, 20e and 25e.

To the Standing Committee on External Affairs and International Trade

External Affairs, Votes 1e, 10e, L17e and 30e.

To the Standing Committee on Finance and Economic Affairs

Finance Vote, L11e.

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

To the Standing Committee on Fisheries and Oceans

Fisheries and Oceans, Votes 1e, 5e and 10e.

To the Standing Committee on Government Operations

Consumer and Corporate Affairs, Votes 10e and 17e.

Governor General, Vote 1e.

Parliament, Vote 1e.

Public Works, Votes 1e, 2e, 10e, 25e, 35e, 36e, 40e, 50e, 55e, 80e, 85e and 90e.

Supply and Services, Votes 1e and 5e.

Treasury Board, Vote L35e.

To the Standing Committee on Justice and Solicitor General

Justice, Votes 1e, 5e, 15e, 25e and 40e.

Solicitor General, Votes 5e, 25e, and 30e.

To the Standing Committee on Labour, Employment and Immigration

Employment and Immigration, Votes 1e, 5e, 6e, 15e, 20e, 21e and 30e.

Labour, Votes 1e and 10e.

To the Standing Committee on Multiculturalism

Secretary of State, Votes 1e and 5e (portions dealing with Multiculturalism)

To the Standing Committee on National Defence

National Defence, Votes 1e, 5e and 10e.

To the Standing Committee on National Health and Welfare

National Health and Welfare, Votes 1e, 5e, 10e, 15e, 35e, 45e and 65e.

To the Standing Committee on Regional Industrial Expansion

Atlantic Canada Opportunities Agency, Votes 1e,5e and L10e.

Indian Affairs and Northern Development, Votes 50e and 55e.

Regional Industrial Expansion, Votes 1e, 10e, 11e, 15e, 51e and 55e.

To the Standing Committee on Research, Science and Technology

Science and Technology, Votes 1e, 25e and 30e.

To the Standing Committee on Secretary of State

Secretary of State, Votes 1e and 5e (except Multiculturalism portions) and Vote 25e.

To the Standing Committee on Transport

Transport, Votes 1e, 10e, 11e, 20e, 21e, 22e, 23e, 30e, 60e, 65e and 70e.

To the Standing Committee on Veterans Affairs

Veterans Affairs, Votes 1e and 25e.

That the Privy Council Vote 15e be referred to the Standing Joint Committee on Official Languages. That a message be sent to the Senate to acquaint Their Honours thereof.

Motion agreed to.

Petitions

CROWN CORPORATIONS

TABLING OF QUARTERLY REPORT

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I wish to table, in both official languages, the Crown Corporations quarterly report to Parliament, fourth quarter, 1987.

* * *

SIKH ORGANIZATIONS

TABLING OF MINISTER'S LETTER TO PREMIERS

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, pursuant to Standing Order 67(2), I rise to table, in both official languages, the text of my letter to a number of provincial Premiers concerning the activities of three Sikh organizations in Canada.

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to Petitions Nos. 332-3714 to 332-3720 incl., 332-3729 to 332-3738 incl., 332-3744, 332-3746, 332-3823 to 332-3832 incl. and 332—3901.

* * *

APARTHEID

SOUTH AFRICA—GOVERNMENT POSITION—STATEMENT BY MINISTER

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have been away from the House and I wanted to take the first opportunity available to me to report to Parliament upon recent events in South Africa and to discuss what Canada should do.

Canada's position in the international fight against apartheid is both important and well known. Part of our strength is that we have taken our decisions deliberately and generally kept the issue beyond the normal divisions of domestic Canadian partisanship. I report today in that spirit.

One week ago, the Government of South Africa banned political activity by 17 organizations including trade unions and the major coalition committed to non-violence. Three days ago, it arrested peaceful marchers. Yesterday, it introduced legislation to prevent foreign funding of anti-apartheid activity and to restrict peaceful dissent still further.

Pretoria seems intent on closing the door to peaceful change. Its actions invite violence because they leave nothing else. Those actions are perverse and they are brutal. One might hope that they are designed merely for temporary electoral advantage, but we fear that they reflect a policy of deepening repression. A situation already bad has been made much worse.

In these circumstances, countries like Canada which oppose apartheid must review the nature and the effect of all our relations with South Africa. We hope that will happen in all countries that prize democracy.

[*Translation*]

Sir, the Government of Canada, guided by the Prime Minister, has played a leading role in the fight against apartheid. Our previous governments followed the line taken by Western countries. This Government is trying to orient that line. Because of our considerable interest in the African continent, our role within the Commonwealth and la *Francophonie*, and our commitment to human rights, we feel this is a question on which we can speak with authority and where we can wield some influence. We have tried to use our political and economic influence to greater effect in the fight against apartheid. We are of course disappointed in the response of the South African Government. We have also had to re-examine the need for maintaining economic and diplomatic relations with a government that seems determined to put itself above the law.

Canada's policy has been, and still is, to do everything in our power to avoid a disaster, to put an end to apartheid and to bring in a representative government that would not be based on racial divisions. The Prime Minister and I have clearly stated on many occasions that if these attempts failed, we will break off diplomatic and economic relations with South Africa. Our policy has taken various forms: economic and other sanctions, diplomatic pressure, and assistance to victims and opponents of apartheid. I would like to deal with each of these elements separately.

• (1510)

[*English*]

With respect to diplomatic relations, Sir, the choice is basic. Do we walk away in disgust or do we try to use and build our influence despite our profound disappointment? The powerful temptation is to walk away, to conclude that the South African regime is so profoundly anti-democratic that only violence will change it. Certainly the latest actions by the Pretoria Government carry South Africa away from any pretense of democracy as western nations know democracy. South Africa's apologists claim their society is part of the West. If that is so, their actions now betray their heritage.

Some Members of the House call for the end now of diplomatic relations. I wonder, with respect, whether they have considered what that would mean. For example, the South African Government has embarked upon an intensified campaign of censorship and propaganda deliberately designed to mask the reality of apartheid. Maintaining an embassy in that country is effectively the only way in which we can continue to know what is really going on. There is a value to that, and a high cost if we close.

Again, a large part of our aid program, now valued at about $5 million a year, is delivered through the embassy. Without representation on the ground it would be much more difficult to identify, supervise and monitor projects which bring real help and visible support to the victims of apartheid. Literally hundreds of small people-to-people projects, the kinds of projects we mount through our mission administered funds, literally hundreds of those projects which help the victims of apartheid in South Africa would be ended if our embassy were to close. The growing use of travel restrictions imposed upon South African opponents of apartheid means we can maintain contact with them only through our embassy. They cannot come to us, we have to go to them. We cannot do that if we are not there.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): Again, in the world as it is, if we were absent from Pretoria we would have more difficulty mounting an aid program in Namibia, more difficulty advancing Canadian and Commonwealth—and I underline "and Commonwealth"—interest in South Africa, and no ability to demonstrate within South Africa itself our solidarity with anti-apartheid leaders.

The House may not know this, but whenever there is a trial on apartheid charges in South Africa accessible to our embassy, Canadian representatives are there. Whenever there is a need for solidarity with opponents of apartheid to be demonstrated physically, as when Bishop Tutu was marching three or four days ago in Pretoria, Canadian embassy representatives, the spouse of the ambassador among them, were there. Those are the kinds of things, those are the kinds of symbols that we put at risk if we close our embassy, and I ask Members who recommend that measure to consider carefully what it means.

There are countless other examples that must be considered in any serious discussion of the future of our embassy. Of course, it is valid to ask, as the Hon. Member for Windsor—Walkerville (Mr. McCurdy) asked yesterday in this House, when would it be appropriate for Canada to withdraw? Sir, I do not know the answer to that question. Probably no one knows the answer to that question today. However, in all the circumstances it is the Government's considered view that this is the wrong time for Canada to walk away or cut ourselves off.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Clark (Yellowhead): The issue of our economic relations is not as clear-cut. The South African Government is very anxious to maintain its economic links with the rest of the world, and is also keenly aware of its increasing isolation from the international community. Economic sanctions undoubtedly have an economic and psychological impact. The impact is even greater when sanctions are more broadly based. As I pointed out to the House on February 5 this year, the Commonwealth Committee of Ministers of Foreign Affairs is now gathering data and hearing recommendations that my lead to expanding, reinforcing and intensifying the application of sanction. This is becoming an increasingly urgent task, and I have already contacted my colleagues on the Committee to see how we could accelerate this program.

[*English*]

In addition, Sir, there are independent economic and political actions which Canada might take, including the relatively small measures for which I already have cabinet authority. Our experience is that since Canada's trade with South Africa is less than 1 per cent of South Africa's total trade, our action is more effective when it is in concert with or as catalyst to actions by nations whose economic impact is greater.

We are actively reviewing two aspects of that policy. First, to see if there are new economic measures which Canada might take effectively alone. Second, to encourage broader action, particularly by countries who prize democracy, in specific response to South Africa's multiple assaults upon freedom during the last week.

With that in mind, on the political side, we have contacted several other western Governments. Those discussions must remain confidential for the moment, but I would certainly be prepared to discuss privately with the two opposition spokesmen, the Right Hon. Leader of the Opposition (Mr. Turner) and the Leader of the NDP (Mr. Broadbent), the kind of thing we are considering in discussions with other countries.

A third focus of our activity has been upon the opponents and victims of apartheid. Their need is suddenly more urgent. The peaceful opponents of apartheid are under renewed attack. They need our assistance and we intend to provide it. We have already increased our aid for education, to the labour movement, and for humanitarian and legal aid. The challenge now is to move more money, more quickly, to the opponents and victims of apartheid.

An obvious priority is the labour movement. We provide funds to various unions in South Africa and we will provide more. Most of these funds will be channelled through the Canadian Labour Congress, the Canadian Teachers Federation, and the *Confédération des syndicats nationaux*. I have instructed my officials to act urgently on precise programs submitted by those organizations.

We will also provide new forms of assistance. For example, undoubtedly there will be challenges in court to the regulations and laws just introduced. We will take up with anti-apartheid organizations in South Africa the ways in which we would be able to help fund those court challenges.

Canada has objectives which we must pursue in support of peaceful change and dialogue. They are legitimate objectives and they are reasonable objectives. We intend to pursue them. Up until now we have been able, through our embassy, to carry out our programs in South Africa. That is why the embassy is there. If implementation of the various measures announced this past week by Pretoria prevents us from accomplishing our goals, then we will have to consider again whether our presence is justified.

The struggle in South Africa, Sir, has entered a new stage, more dangerous, more frightening. The Eminent Persons Group warned of massive bloodshed, and last week the South Africa Government pushed the region closer to that nightmare. As new rules repress opponents of apartheid within South Africa, those of us outside must become more effective and more imaginative in our initiatives. The response of Canada is particularly important because of the practical leadership we have exercised since the Nassau Conference. This is not a time for Canada to withdraw.

• (1520)

Quite the contrary. Our position is known and respected. What we need, indeed what I need from this House and other Canadians, are practical suggestions and initiatives that we can take, little steps and large steps, to make progress against apartheid. An interesting suggestion was made yesterday by my colleague, the Member for Winnipeg—Birds Hill (Mr. Blaikie), regarding the Security Council of the United Nations, and we are examining that proposal.

We are increasing our help to the victims of apartheid, considering how we respond specifically to the Draconian new measures of last week, and we are discussing with our allies of the Commonwealth, the summit and elsewhere what new actions nations might take together.

Our Ambassador to South Africa has been back in Canada for a meeting of African Heads of Post and will be staying here a little longer for consultation. As there are new developments, I will report them to the House.

This Parliament has shown an active and nonpartisan interest in the fight against apartheid. The Prime Minister (Mr. Mulroney) and I accept and exercise the Government's responsibility to lead on this issue, but naturally we would continue to be interested in practical suggestions from other Members and other Parties in the House of Commons.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, first, I wish to thank the Minister for his kindness in sending me a copy of his statement earlier today. I also wish to welcome him back to this House after being kept at home by the flu for a short time, and I hope that he is now better.

Unfortunately, there is nothing new in the statement we have just heard. I must say from the start that it certainly does not surprise me. In fact, the Minister has restated what he told this House on February 5 following the meeting of the Committee of Commonwealth Foreign Ministers in Lusaka, Zambia. Indeed, his statement that time was not that much different from what he said on November 18, 1987, when he announced the first meeting of the Committee. In fact, Mr. Speaker, the Minister is working quite hard.

We do not question his good will. On the contrary, we congratulate him for his faith in the future and his determination to find a solution to apartheid through normal diplomatic channels.

[*English*]

We Liberals have to say that we have been frustrated over many years while in Government by this slow process which, we must say, is going absolutely nowhere. We absolutely no longer believe in it. We are of the opinion that the Botha Government cannot and will not be influenced by kid-glove diplomacy. I must add with regret that the recent actions of the Pretoria Government sustained our convictions on this side of the House.

Last week South Africa banned 18 predominantly black organizations from political activity, including the largest anti-apartheid coalition and the largest labour federation. Yesterday the Government introduced legislation, the latest of a series of moves clamping down on opponents of the apartheid regime.

What we know so far of this legislation, called the Promotion of Orderly Politics Bill, is that it will prohibit all organizations from receiving money from abroad for political purposes and will empower the South African Justice Minister to seize foreign sums received by certain groups. His powers will be indefinitely retroactive. Clearly, the move could cripple anti-apartheid groups and churches thus far spared from the new crack-down on opposition. Even worse, we are told that no court challenge of the restrictions would be allowed.

The Minister told us today that he urgently wants to send more money. Will the money arrive on time? Will this money have any impact under the current circumstances? Is it not too late? The clear intention of this Bill is to stop Canadian funding in South Africa. It will inevitably kill what has become one of the most visible policies in Canada's battery of attacks on the apartheid regime. Clearly, the actions of the South African Government are not aimed exclusively at Canada but certainly undermine whatever action the Canadian Government wants to take in South Africa.

We know, as the Minister certainly knows, that the trade and economic sanctions are almost fully imposed and are having little if any effect at all. The Canadian Government has

rested all of its presence in South Africa on one thing—not the sanctions, because they are not working, but on the aid that Canada could send through South Africa, reaching into South Africa to support the victims of apartheid.

We Liberals believe that as honourable as these efforts are, they are no longer, and I am afraid to say have probably never been, a solution. It is clear now that the Government of South Africa will never accept the introduction of non-racial representative governments. Unless bold action is taken, the diplomatic soft glove approach will never succeed.

I submit that the Pretoria Government has made a declaration of war on peace, justice, and human rights. We are now, more than ever, in a position to cut our relations there. The time has come to do it in the face of what has been taking place in South Africa.

The Minister may have genuine aspirations, but I submit that his declaration is a repetition of a number of things which have been said in the past and it will not work. When the Prime Minister of Canada (Mr. Mulroney) spoke at the United Nations he got applause and praise, not because of his effort there but because he said that he was ready soon to cut diplomatic relations with South Africa. That is when he got the applause.

I regret very much the Minister's portrayal of our suggestions of breaking diplomatic relations as walking away, as cutting ourselves off from this problem. This is not true. This is not what we have been saying and it is certainly not the view of the Liberal Party of Canada which has been constantly, for many years, against apartheid and continues to be against apartheid. We continue to be against apartheid. But we want to venture into new avenues to find a breakthrough in this area.

• (1530)

We have never said and are not saying that the Government should stop its actions within the Commonwealth. We have never said and will never say that the Government should stop supporting the South African Development Co-ordinating Conference.

Canada could show leadership by breaking relations with South Africa, bringing about the realization once and for all that there is no future in trying to convince the Botha Government through the diplomatic route.

[*Translation*]

Canada will host the next Economic Summit in Toronto, next June. The Prime Minister (Mr. Mulroney) should use this opportunity to convince his allies to apply real economic pressures in an effort to weaken the will of the Pretoria Government.

I believe that the Minister can and should continue his work with the Commonwealth Foreign Ministers but to do so, he does not have to maintain diplomatic relations with South Africa.

[*English*]

He said in his remarks that the question of economic relations is less clear-cut. The South African Government is extremely sensitive to both its economic link with the world and its growing isolation in the international community. Economic sanctions undoubtedly have an impact economically and psychologically. That impact is greater when those sanctions are more broadly supported.

[*Translation*]

This is what we are saying. The Government must initiate talks with the United States and the member countries of the Group of Seven, which could impose strong enough economic sanctions to make the South African Government change its position.

I was suprised that the Minister did not refer to the comments of the Secretary General of the Commonwealth, who proposed yesterday a five-point plan which should receive our enthusiastic support. The Secretary of the Commonwealth said the following:

[*English*]

"A widening, tightening and intensification of economic and other sanctions should be imposed by the United Nations". We support that. Second: "Increased pressure by Third World countries on those western countries that have not imposed tough economic sanctions". This is a route to follow.

Third: "A ban by black-ruled African countries on the use of their air space by airlines flying to South Africa". That is another proposal that should be very carefully considered and implemented.

Finally: "A concerted international demand on the Botha Government to enter into power-sharing negotiations with South Africa's black majority". Clearly, this demand will not be answered by the Botha Government unless countries like Canada are prepared to take bold initiatives. One of those initiatives is for us to show the lead and cut our ties.

I note that our ambassador is now in Ottawa and that the Minister said he wants to retain him for further consultations. I suggest that he should retain him as long as possible. In other words, until the Botha Government has not begun talking with the black leaders of South Africa to share authority in government in South Africa.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, let me begin by thanking the Minister for reporting to the House. We are glad to have him back on his feet after his having been confined to bed for the last week or so. I must say that we have missed him due to the many questions we would have liked to ask him. We will try to make up for that in the coming weeks.

The Minister began his statement by saying that he reports in the spirit of nonpartisanship which has attended this issue. While that is certainly the case with respect to the mutual and commonly felt abhorrence of all Canadians and Members of Parliament toward the apartheid regime in South Africa, I

hope the Minister will also respect the fact that within the boundaries of that nonpartisanship there is room for honest and profound disagreement about the appropriate Canadian response to that issue. It is in that spirit that I, on behalf of my Party, offer our criticisms of the statement made by the Secretary of State for External Affairs (Mr. Clark).

I honestly believe that the measured tone and lack of new initiative today does not do justice to the fundamental objections Canadians have expressed to the actions taken by the South African Government in recent days. When one considers the obvious slap in the face given to the Minister and his colleagues in Lusaka recently by the South African Government, basically ignoring the Commonwealth group, it seems that the Minister spoke more calmly than might have been in order. The South African Government has made it clear that it does not really care about what the Minister and other Commonwealth leaders think. It has basically told them to get lost.

I suggest the time has come not only for action but for more passion in the response of the Canadian Government to what has happened in South Africa.

Nothing could be more offensive to me and, I am sure, to many others than knowing that South Africa permits neo-Nazis to march down the street without government harassment while, only days later, Bishop Tutu, Reverend Boesak and other leaders in the Christian community are arrested for a peaceful demonstration against apartheid. As a Christian myself, I am sure all Canadians, Christian and non Christian, feel the same repugnance at this obvious affront to democratic principles, freedom of speech, and the very possibility of non-violent action against apartheid in South Africa.

The approach taken by the Minister in his statement suggests a certain innocence. I am not sure whether it is a studied innocence, or a naive innocence, but it is there. For instance, he acknowledged that only yesterday it was announced there would be legislation to prevent foreign funding of anti-apartheid activity, yet later in his statement he talked at great length about how the Canadian Government intends to step up its support of anti-apartheid activity in South Africa through the Canadian Labour Congress and various other avenues open to the Canadian Government. Does the Minister not see that this declaration of war on peace and justice that the Liberal spokesman referred to is also a declaration of war on Canada's anti-apartheid activity? Some of the Minister's own officials have implied that this legislation may indeed be targeted at Canada. Perhaps it would have been appropriate for the Minister to respond to that and indicate how the Canadian Government intends to overcome the obvious intention of the South African Government to frustrate the very policies on which the Minister states the Government will now put even more emphasis.

Not only are the Front Line States that are opposed to apartheid in South Africa to be harassed, those in Canada and other parts of the world who choose to actively support anti-apartheid groups in South Africa are to be harassed as well.

• (1540)

The Minister says that as a result of recent events, South Africa policy is under review. I would have thought that the Department of External Affairs would have had at least anticipated that something like this might happen some day. It might have had a contingency response available so that when the South African Government did act in the way it has, Canadian action could have been swift. It could be shown that we do not have to dither over our response to this kind of action. Unfortunately, that is not the case.

It seems to me and my colleagues that the Minister, at the very least, could have proceeded—and we realize this is a significant action, but significant events are taking place which call for a significant response—to announce a Canadian policy of mandatory and comprehensive economic sanctions against South Africa. That would have been a clear response on behalf of Canada. That would have been in concert, I believe, with the level of concern all Canadians feel about apartheid in South Africa.

We might constitute 1 per cent of trade with South Africa, but we are not talking about a statistical reality, we are talking about a political reality, a symbolic reality and a moral reality. Whether it is 1 per cent, 10 per cent or 40 per cent, in the final analysis it does not matter that much.

With respect to the question of diplomatic relations, the position of the New Democratic Party is different from that of the Liberal Party. We accept some of the arguments made by the Minister for maintaining some kind of diplomatic presence in South Africa. However, we certainly take the view that the time has come for a downgrading of our diplomatic recognition of South Africa. The opportunity presents itself because the ambassador is here in Canada. It is certainly an opportunity for the Minister to discuss with the ambassador how that might be done. I believe we have to take action both on the economic and the diplomatic front. I would recommend that to the Minister. Other avenues which are available on the diplomatic front are things we suggested yesterday, having to do with the United Nations and the Security Council. We hope some of those avenues might be constructively pursued.

With respect to the question of breaking off diplomatic relations, I say to the Minister that I believe what he has found frustrating about the current debate is due in part to the repeated assertions by the Prime Minister (Mr. Mulroney) that this is something that Canada is prepared to do, and not in some far away mythological time, but a very real possibility under certain circumstances. The call from some quarters for a break-off in diplomatic relations is attributable in part to the Prime Minister repeatedly mentioning this as a possible Canadian response when the time comes. As to that time, I agree with the Minister that it is never possible to know when that time is.

With respect to economic sanctions, I think sometimes there is a tendency to talk about them without anyone actually elucidating exactly what that would involve. What do we export to South Africa? I am told, having checked with the Interchurch Task Force on Corporate Responsibility, that one of our major exports to South Africa is sulphur. In 1986, the last year for which statistics are available, sulphur made up some 39 per cent of our exports to South Africa. This is one step the Government could take if it were to impose mandatory sanctions. The sulphur that goes to South Africa is used to make fertilizer which is, in turn, sold to the Front Line States. It has been suggested, I am told, that instead of being exported to South Africa, this sulphur could be exported to the Front Line States as part of an aid project and they could begin to make their own fertilizer with the sulphur, which would have the double effect of instituting both sanctions and less dependency by the Front Line States on South Africa. This proposal, I understand, is only in the embryonic stage, but I suggest to the Minister that it is a course of action which should be looked into.

We export small amounts of many other things to South Africa, potash from Saskatchewan, wheat, wood pulp, mining machinery and man-made fibres from Ontario, tungsten from British Columbia, folding cardboard boxes from Quebec. All these things, of course, are not going to break the back of the South African Government, but that is not the point. We want the Government to show leadership, to act, not just on behalf of Canadians but on behalf of all the people of the world who are concerned about apartheid, by taking these kinds of actions. We think that would have the effect of making it more possible, not less possible, for the Secretary of State for External Affairs to get the kind of widespread co-operatively decided upon sanctions to which he so often refers.

I ask the Minister what he means when he talks in his statement about sanctions being more broadly supported. Is he hopeful we can bring the United States, and Britain in particular, on side in more decisive action? Perhaps that is the kind of thing he intends to let us in on if we take him up on his offer to have meetings. I can say now that we are open to having those kind of consultations and we appreciate the offer.

Finally, I feel, and I think my colleagues also feel, that there is something far too gentle about this response on the part of the Canadian Government. Today was a day in which history could have been made in terms of a Canadian response to apartheid in South Africa. Instead, the Minister has persisted in his policy. I think it is a policy he sincerely holds, but nevertheless it is a policy that is starting to undermine, in my judgment, the well-deserved reputation of the Prime Minister and the Minister with respect to apartheid. I believe the leadership they have shown has arisen out of a genuine sincerity with respect to this issue. It has not been a political tactic. However, I think the time has come for some form of action to be taken by Canada by itself. It could have happened today and it did not. We regret that. However, we offer to continue working with the Minister towards the day when that kind of Canadian action will be taken.

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ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT

PRESENTATION OF FOURTH REPORT OF STANDING COMMITTEE

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, I have the honour to present the fourth report of the Standing Committee on Aboriginal Affairs and Northern Development.

[*Editor's note: See today's Votes and Proceedings.*]

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BORROWING AUTHORITY ACT, 1988-89

BILL C-109—CHANGE IN REFERENCE OF BILL

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, there have been discussions among the Parties and I think you would find there would be unanimous consent to change the committee reference of Bill C-109, an Act to provide borrowing authority, so that the Bill will stand referred to the Standing Committee on Finance and Economic Affairs rather than to a legislative committee, and I would so move.

Motion agreed to.

* * *

PETITIONS

PROTECTION OF UNBORN CHILDREN

Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I have the honour to present a petition on behalf of a number of my constituents, as well as residents of Vancouver, Langley and Clearbrook. They state the fact that they are opposed to abortion on demand. They call upon Parliament to define human life as being created at the moment of conception and that that be reflected in a newly created law.

• (1550)

Mr. Elliott Hardey (Kent): Mr. Speaker, it is my honour and privilege as a Member of the House to present this petition from residents of my riding which is known as Kent. It has been properly certified.

The undersigned residents are concerned about the void that has been created since Canada's law dealing with abortion was struck down by the Supreme Court. They feel that the

provinces are off in different directions with this issue. They humbly pray that the Government provide the necessary leadership. They call upon Parliament to draft with as little delay as possible a new law which would be consistent with the Charter of Rights and Freedoms while providing effective protection for Canada's unborn children.

OPPOSITION TO TRANSPORT OF PLUTONIUM OVER NORTHERN CANADA

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my privilege to present a petition pursuant to Standing Order 106 from a number of residents of northern Canada who point out that the United States and Japan have proposed to fly plutonium over the Canadian North. They believe this represents devastating consequences potentially to both the Canadian environment and its people in the event of an accident or an act of terrorism. They are asking Parliament to recognize the dangers of such flights and to say no to the transport of plutonium over northern Canadian territory.

PROPOSED FREE TRADE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I also have the pleasure to present another petition from a number of constituents regarding the trade deal with the United States. They believe that the federal Government lacks a mandate from the people of Canada to conclude this type of a trade deal with the United States.

They believe that this trade deal threatens the very fabric of our Canadian political and economic sovereignty since it removes the power of the Canadian Government to control foreign ownership.

They believe that it would deny Canada the policy freedom to determine its own economic future and thereby undermine our ability to build a distinct society from that of the United States of America.

They are asking Parliament now to dissolve to enable the people of Canada the opportunity to accept or reject the proposed trade deal during a national general election.

PROTECTION OF UNBORN CHILDREN

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, it is my honour and privilege as the Member of Parliament for Moncton to present a number of petitions to the House in accordance with Standing Order 106. They are from constituents living within the federal riding of Moncton.

The petitioners express their belief in the total sanctity of human life and, specifically, that life begins at conception. Their concern emanates from the recent decision of the Supreme Court of Canada. They humbly pray and call upon Parliament to immediately pass legislation protecting innocent unborn children.

PROPOSED FREE TRADE

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I too have a petition that I wish to present on behalf of a number of citizens. It is on the trade issue.

A number of people have signed petitions stating that the federal Government has no mandate to negotiate a trade deal with the United States. They list a number of concerns about it. Finally, they ask that we dissolve Parliament so that we can have a national election on the issue.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, the petition I present is duly certified and concerns the trade agreement that the Government has negotiated with the United States.

The petitioners point out that the Government had no mandate to negotiate such an agreement and that in the course of the negotiations Canadian sovereignty was compromised, something which it was specifically promised would not happen. The trade agreement threatens the very fabric of Canadian political and economic sovereignty. It removes our ability to control foreign ownership and to develop or to equalize opportunities between the regions.

Therefore the petitioners call upon Parliament to dissolve and to allow the people of Canada the opportunity to accept or reject the proposed trade agreement during a national general election.

Mr. Dan Heap (Spadina): Mr. Speaker, I have two petitions to present. One is from a number of residents in Burnaby, North Vancouver, Maple Ridge and Salish Court. These people are concerned about the trade deal signed between the Prime Minister (Mr. Mulroney) and the President of the United States without any mandate from the Canadian people and in spite of a promise by the Prime Minister not to compromise Canadian sovereignty.

They point out that it completely fails to win secure access to the United States markets, which was the stated goal, and that it risks losing hundreds of thousands of Canadian jobs and that it would deny to Canada the freedom to choose policies that would direct our own future. In fact, it undermines our ability to build a society distinct from that of the United States.

Therefore, they pray and call upon Parliament to dissolve and to allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

PROHIBITION OF DISCRIMINATION ON BASIS OF SEXUAL ORIENTATION

Mr. Dan Heap (Spadina): Mr. Speaker, I have another petition from the residents of Spadina in which they remind Parliament that in February of 1985 the Government directed the Standing Committee on Justice and Legal Affairs to prepare a report on equality rights in Canada.

The committee duly reported to the House and, among other things, recommended that the Human Rights Act be amended to prohibit discrimination on the basis of sexual orientation in all areas under federal jurisdiction, including the RCMP, the Canadian Armed Forces and the age of consent legislation with regard to sexual orientation and practice.

They point out that the Government subsequently promised to take whatever measures are necessary to ensure that sexual orientation is a prohibited ground of discrimination but that the Government has not yet taken any significant action in this direction. Therefore they request Parliament to ensure that Government and Parliament act to implement the recommendations contained in the report as specified above with all due haste and speed, as in duty bound your petitioners will ever pray.

PROPOSED FREE TRADE

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, pursuant to Standing Order 106 I have the duty and honour to table a petition in the House signed by residents of the Province of Ontario. They indicate in the petition that the trade agreement negotiated by the Mulroney Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership and to develop Canadian energy resources in the best interest of Canadians or to equalize opportunities between regions.

They go on to point out that the proposed agreement not only denies Canadians secure access to the U.S. market that was the key objective in these negotiations but that it threatens the loss of hundreds of thousands of Canadian jobs.

Finally, the petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed trade agreement during a national general election.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, question No. 254 will be answered today.

[*Text*]

STANDARDS FOR OUTDOOR FLAGS

Question No. 254—**Mr. McKinnon:**

Has the expectation stated by the Minister of Supply and Services on December 8, 1986, that a final standard for outdoor long-term flags would be available by the end of 1987 and that standards for other uses (e.g. indoors) would be available sooner, been met and, if so, on what date will flags conforming to these standards be available for public purchase?

Hon. Stewart McInnes (Minister of Public Works): Considerable progress has been made toward a new standard for the National Flag for outdoor use (long-term).

The Canadian General Standards Board, lacking any regulatory authority, is not in a position to bring into effect all the provisions of the cited Act. At the present time it can only proceed with the development of a new National Standard of Canada to reflect current manufacturing techniques and materials.

Since the passage of the National Flag of Canada Manufacturing Standards Act, the representative CGSB Standards Committee has been reactivated to develop a new edition of the existing National Standard on the National Flag using the consensus process.

The Standards Committee identified the problem with the red portions of the flag and subsequent testing was necessary to eveluate various dyes and fabrics. It was agreed to expose various test flags on a continuous basis to conditions of actual use in the Toronto area. This testing was done by a private testing organization and was completed in December, 1987, and a report is expected by the end of February, 1988. The report will then be circulated to all members of the Committee and a meeting scheduled to prepare the revised standard. It is expected that the final standard for outdoor long-term flags will be available for the end of 1988.

[*Translation*]

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

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

Some Hon. Members: Agreed.

* * *

[*English*]

MOTIONS FOR PAPERS

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all notices of motion for the production of papers be allowed to stand.

Mr. Deputy Speaker: Shall all notices of motions for the production of papers be allowed to stand?

Some Hon. Members: Agreed.

[*Translation*]

Mr. Deputy Speaker: I wish to inform the House that, because of the ministerial statement, Government Orders will be extended by 39 minutes. The Hon. Member for Yorkton—Melville (Mr. Nystrom).

GOVERNMENT ORDERS

[*English*]

WESTERN ECONOMIC DIVERSIFICATION ACT

MEASURE TO ENACT

The House resumed from March 1 consideration of the motion of Mr. Mulroney that Bill C-113, an Act to promote the development and diversification of the economy of Western Canada, to establish the Department of Western Economic Diversification and to make consequential amendments to other Acts, be read the second time and referred to a legislative committee.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the Bill before the House today is Bill C-113. It is a Bill which is very important in principle to establish a western diversification department and diversification offices across western Canada to try to diversify the economy.

The idea itself is very sound in principle in terms of diversification. It is very sound in terms of more decentralization in western Canada in bringing decision-making closer to the people. The question is, why should we diversify in the West? It is very important that we do so, because the economy of western Canada is extremely dependent upon resources, on one hand, and agriculture on the other hand. In both those cases, we are dependent upon the cyclical pricing nature of those commodities. The economy of western Canada depends a lot on what is happening in the New York stock market, the metal market, the commodity market in Chicago, or the international grain price. When things are going badly internationally, the price that the producer receives in western Canada goes down. That affects the entire economy. It has negative spin-offs, and a negative effect on jobs. Therefore, it is very important that there be some way of diversifying the economy of western Canada.

• (1600)

One of the concerns that I have, as do members of the general population in the West, is that the Government is not putting up very much money in terms of western diversification. Here we have $1.2 billion to be spent in four provinces over five years, which is some $60 million per year, per province, in western Canada.

In 1980 the former Liberal Government was criticized by the Conservatives across the way when it established the Western Development Fund of $4 billion over four years. That was a little more money, and much of that money did not seem to appear either. It seemed to be a phantom fund. If the Government does not want to turn people off in western Canada, it is very important that there be some real money and funding of western Canadian diversification.

There are other areas where the Government could be doing more in terms of helping western Canadians. One area is procurement. I remember year after year Conservatives criticizing former Liberal Governments for not buying enough in western Canada and purchasing too many goods and services in Ontario and in Quebec, particularly in the Ottawa region of Ontario.

I have statistics here that are very interesting in terms of procurement of goods and services in western Canada. In 1981-82 in the four western provinces the federal Government purchased some 15.5 per cent of its supplies. The Department of Supply and Services contracts on a dollar basis in terms of western Canada indicate that 15.5 per cent of supplies were purchased in western Canada in 1981-82. By the time the Conservative Government took office in 1984, only 13.9 per cent of supplies were purchased in western Canada. The following year that went down to 12.8 per cent. Last year, in 1986-87, it went down to 11.5 per cent.

The Conservative Government claims to be very sensitive about the West. It has a lot of western representation and powerful Ministers from western Canada, for example, the Minister for International Trade (Miss Carney), the Minister of State for External Affairs (Mr. Clark), and the Minister of Justice (Mr. Hnatyshyn). Yet only 11.5 per cent of its purchasing is in western Canada. When the Government took office it was 13.9 per cent.

I suggest that this is one area where a lot more jobs could be created in western Canada if there were some regional equity in terms of the purchasing policy of the Government of Canada. Western Canada has approximately 27 or 28 per cent of the population, and the Government only purchases 11.5 per cent of its goods and services there.

Some people say it is because the West is so far away from Ottawa; it is too far away from the federal Government. I do not buy that. There are many government agencies in western Canada. There is much federal Government activity in western Canada. Western Canada has many service industries, and much of the purchasing could occur right in the West. The major point I make is that, not only is it 11.5 per cent of the share, but that share has gone down from 15.5 per cent in 1981-82, so there has been a sharp drop-off.

I notice there is a very influential Minister present who is in charge of the Treasury Board. Perhaps he could have some influence on those particular purchasing policies. The Minister is shaking his head in the negative.

Mr. de Cotret: I have not been President of the Treasury Board for six months. Wake up!

Mr. Nystrom: He is no longer President of the Treasury Board. Well, we did not notice the impact over here, Mr. Speaker. Perhaps he could have some influence on the purchasing policies of the Government, because he is a very influential Minister.

I understand that the Deputy Prime Minister (Mr. Mazankowski) is now in charge of the Treasury Board. We find that this has not helped. Here we have a western Minister and there is still this procurement policy of the Government where it is discriminating against western Canada. Members of the Government sit back and laugh about this discrimination against western Canada. It is no wonder that the Member for Edmonton—Strathcona (Mr. Kilgour) left that caucus and denounced the Government on its procurement policy in terms of lack of purchases in western Canada.

The second point I wish to make is in terms of the spending of the federal Government. Since this bunch of clowns took office three years ago, spending on regional development went down by some $3 billion. This Government stated that it would do a lot more in terms of spending in western Canada, spending in the North, and helping people in depressed regions. Yet less and less money is being spent in western Canada in terms of regional economic development than was spent before. The latest public opinion polls indicate that the current Prime Minister (Mr. Mulroney) is even less popular in western Canada than was Pierre Trudeau. No wonder. There has been a tremendous betrayal of the people of western Canada.

In a Government study it indicates that, in the last 25 years, federal government expenditures in regional development have been approximately 3 per cent of the Government of Canada's economic expenditures. That is a very small amount. The Macdonald Royal Commission on Economic Union and Development Prospects for Canada stated that a lot more must be done in terms of spending in regional development in Canada. They stated, "The Commission believes that regional development must remain an essential component of Canadian policy". The report further stated, "We recommend a new federal-provincial system of sharing regional development expenditures and responsibilities". The report also stated that they must have the insurance that there be a high level of infrastructural support.

The report goes on, and I wish to quote one further statement: "The Commissioners believe that the total federal financial commitment to regional development, combining of regional economic development grants and other funds spent through ERDAs should be increased significantly over the next two years".

This commission headed by Mr. Macdonald spent millions of dollars doing economic research in this country. They made recommendations that there be an increase in the spending on regional development in this country over the next few years. Yet the Conservative Party has been cutting back, cutting back, and cutting back on the amount of money it is spending on regional development. I suggest once again that that is not fair, in the same manner as it is very unfair to be spending less and less on government procurement throughout the West.

Another point I would like to make in terms of western diversification is that we are going to have to diversify more from depending only on resources, fisheries, agriculture, and things of that type and diversify into high technology, advanced technology, and things of that nature. It is interesting to note that the OECD was asked by the four western provinces to conduct a study of innovation policy in western Canada. The OECD study team was in the West in the fall of 1985. Their report was released in early 1987. In that report they stated that the expenditure in terms of research and development in Canada as a whole is very low. The expenditure in western Canada is even lower. More funding should go to universities, industries, and fields such as biotechnology, electronics, telecommunications, and computer software. This study was commissioned by the four western provinces.

There are a number of other things that could be said about the importance of diversifying the economy in western Canada. Last spring our Party decided to spend some time in attempting to come up with a number of suggestions for the Government. We released a text of a western economic diversification statement in July. At that time we talked about the importance of diversifying the economy in the West. We started off by saying it was important to build on what we had. We have a very strong resource economy. We have all kinds of natural resources, gas, oil, potash, iron ore, things of that sort on which we should be building. Second, we should build on the very strong agricultural economy in western Canada as well as the very strong fishing and lumber economy located in the Province of British Columbia. We believe as a Party that a focus on diversification should involve as much regional and local control as possible where farmers and fishermen in the western towns, villages and cities have as much input as possible over decisions that affect their development and lives.

In the past we have had too many top heavy programs planned from Ottawa which have had little local input from local folks. Third, we suggested that more emphasis be put on small and medium-sized enterprises. All too often Governments rely on megaprojects and on spending money to subsidize large corporations, many of which are foreign and, again, all the requisite statistics will show that the smaller and medium-sized companies tend to be the ones which produce jobs, have more impact and give a lot more bang for the buck.

• (1610)

A lot of value could be added to our western resources. There are all kinds of jobs we are not getting because we tend to export many raw materials from western Canada without any processing, upgrading or some value added before exporting resources to other countries, primarily the United States.

We could create jobs in western Canada by servicing the needs of our resource industries. We have a great forest industry and yet the majority of the equipment for the forest industry is imported rather than produced in Canada. We have a mining industry in the West, but most of the mining machinery is imported rather than produced in western Canada. There is a tremendous amount of agriculture and farming in western Canada and, again, farm machinery is imported in the main rather than being produced in the West. A major reason is that we have free trade in farm machinery implements in western Canada and because of that we have lost our basic industry, most therefore is produced elsewhere, and we lose jobs and economic spin-offs.

We believe there is the possibility of developing some manufacturing industry in western Canada. In our paper we gave some examples of what can be done in Saskatchewan, Manitoba and British Columbia. Finally, there is the creation of new jobs in new industries, specifically advanced and high technology, where we should be diversifying. In places like Saskatoon we have some high technology industries that are doing very well, but we believe we could be doing a lot more work in that area right across the West.

What about the whole area of services? There are all kinds of service industries today creating many jobs. Then we have tourism. Tourism in the West could be promoted more than it is today, although we have been helped recently by the Calgary Olympics and by Expo 86 in the City of Vancouver.

Finally there is trade diversification. Since this Government has taken power a tremendous amount of time has been spent on a trade deal with the United State. A lot more emphasis could be put on trying to diversify our trade with other countries around the world. I noticed the positive statement in the press by the Minister for International Trade about being more aggressive in trading with Hong Kong as Hong Kong becomes part of China. We need to be doing more in China, which has a population of one billion people. The Pacific Rim is very important.

The United States is not quite as relevant to trade within western Canada as it is with Canada as a whole. The United States is still our number one trading partner and always will be. But in western Canada, in Saskatchewan in particular, other countries are important to us. The Chinese are important to Saskatchewan for grain sales and potash, but other Pacific countries are important also to the Province of Saskatchewan.

There are a number of other points that could be made, but I want to conclude by saying that we certainly support the principles of the Bill to establish a new department of diversification in western Canada. The important thing is for this department to have a sufficient supply of money to do a really meaningful and effective job. Some of the money the Government is now spending of the $1.2 billion is not new money. It is old money from other Departments recycled into a new department, a department of western diversification. One reason is to give it a higher profile to enhance the Conservative Party's election opportunities. I say that because if it turns out to be the case, there will be more cynicism and more alienation in the West and more and more people will be looking for more and more radical options, something we cannot afford to play around with. At the moment we do not have very much support for western separatist Parties. That being said, there is still a great feeling of alienation in western Canada. The Western Canada Concept still exists, the Confederation of Regions Party still exists. It would not take much more to start fanning the flames of western independence and western separatism again. I urge the Government to put more money into this department, try to diversify the economy of the West and do something meaningful and creative to make those of us in western Canada feel that we are fully 100 per cent part of the great Canadian Confederation.

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, it is a great pleasure to stand in the House today to contribute to this debate. I will attempt to keep my remarks relatively brief in the hope that opposition Party Members might also keep their remarks brief so we can move this legislation forward to committee, through the process, and have it in place as quickly as possible because it has been a long time in coming.

I was elected to this Chamber in May, 1979. I have felt for a very long time that the regions of Canada were sufficiently diverse. Instead of a centralized type of program which characterized the Liberal-NDP years control of this country I felt that we needed initiatives specifically related to the regions which might serve the needs of the people.

It is particularly interesting to hear the Member opposite as the first speaker for the New Democratic Party on this issue. He is a westerner. Our roots are not dissimilar, but I would like to make it very clear to the Chamber that the kinds of ideas we have about what is right and wrong in Canada and what needs to be changed arise from perhaps very different philosophical roots. I hear the Member opposite and I hear Members of his Party rather consistently saying, "We will stand up for the west".

Mr. Nystrom: Which we do.

Mr. Hawkes: That is the sort of thing that comes from the right-hand side of their mouths. But what about the left hand side of their mouths, Mr. Speaker? In 1979 we had a Government elected in Canada with a very strong western representation with a Prime Minister from the West. At the first available opportunity the NDP passed a motion in the House supported by the Liberals and threw the Government out of office. After so many years of lack of western representation, the New Democrats threw us out of office. We were left with four and a half close to five years of government with only two western Members sitting on the government benches and only one in Cabinet.

What happened to the West? In my city, the unemployment rate went from 3.5 per cent to 12.7 per cent because of federal government policies oriented toward central Canada by a Government that perhaps knew no better, a Government supported in the assumption of office, in the first instance and continuously, by the New Democratic Party.

• (1620)

What has happened since then? We finally have a Government with the strongest cabinet representation from western Canada in the history of the country. We have a Government that is committed to addressing in turn each and every major grievance that has existed since the Provinces of Alberta and Saskatchewan joined Confederation.

As we bring forward statutes and programs that are absolutely vital and necessary to the diversification and strength of the western economy, time after time we get filibusters and fighting in the House. At the centre of that tactic is the slowing down of public policy initiatives required by the West. At the centre of the strategy designed to thwart and subvert those positive actions, we find the members of the New Democratic Party. They say out of the right sides of their mouths that they care about western Canada and out of the left sides of their mouths and the actions they take in this Chamber that they are dedicated time after time to stopping the progress of the West dead in its tracks.

Every day I sit through petitions and listen to petition after petition after petition coming from NDP riding associations in western Canada. These petitions say that we should get rid of the trade agreement. I would expect that point of view to come from the mouths of the most powerful union leaders in the country who live in central Canada. They like to control the supply while the benefits to their members rise higher. Members from western Canada have become captives of those labour leaders of the powerful unions. To use this House to advance the interests of those people at the expense of western Canadians is unconscionable.

There is not one reputable economist in Canada who does not believe that the trade deal will be good for Canada and for the young people of Canada. The economists go one step further. They tell us consistently that it will be especially good for western Canada.

The Hon. Member has the gall to say that we need value added to the resources of western Canada. To that extent, he is right. We do need value added to the things we produce, but we have to sell them somewhere. To have the jobs, the factories, the plants and the processing, we have to have a market. That market is indeed the entire world, but if we are to serve the entire world on a competitive basis, we need the economies of scale and we need the investments. Someone has to come up with the money to build the processing plants and the factories. Someone has to come up with the money to market the products. To be competitive in the market-place, we need to have access to the markets.

If the Hon. Member had one bit of interest in history, he could study a number of occasions since World War II on which small nations entered into trading arrangements with larger nations and increased their market potential. In each and every single instance, the smaller nation benefited by increased jobs, more satisfying jobs, better paying jobs and increased standards of living for the entire nation. That is what history since World War II has told us and that is what the economists are telling us will happen to Canada and in particular western Canada. Day after day, members of the New Democratic Party fight that vital initiative for western Canada.

Did members of the NDP support FIRA, the Foreign Investment Review Agency, which we changed? They supported FIRA. The Hon. Member smiles with pride and—

Mr. Nystrom: It wasn't strong enough.

Mr. Hawkes: He says that it was not strong enough. As a consequence of FIRA, Canadian investment left the country and foreign investment stopped coming in. There were well over 1.5 million unemployed Canadians within a very brief period of time.

This Government said that the philosophy of FIRA was wrong and needed to be changed. We wanted an agency called Investment Canada which would encourage Canadians and others to invest in this country. Members of the NDP said that we were wrong and that the Minister of Finance's Budgets were wrong. They said that we would increase the unemployment rolls.

I would like Canadians to recall those early days in the fall of 1984 and the spring of 1985. Members of the NDP said that if we changed FIRA and put in a Budget that encouraged investment, we would produce more unemployed Canadians. That is the logical chain in the belief system of members of the Opposition and particularly members of the New Democratic Party. What happened, though? Canadians are better off today. Over 1,100,000 more jobs have been created, 85 per cent of which are full-time jobs, as a consequence of economic attitudes on the part of Conservative Members that have produced and built upon the individual initiative of individual Canadians.

We believe in a system that challenges individual Canadians to be energetic, to take risks and to succeed. If we do that and if we do it well, it works.

What would NDP Members replace that with? They would replace it with a system of more civil servants, more decision-makers employed by Government, higher costs to individual taxpayers and less freedom for individuals. Their policies take us consistently in that direction. Surely Canadians have had enough experience with that to know that it leads inevitably to higher unemployment, more tragedy, more wife beating, more suicide and more of all of the social consequences which they profess to wish to avoid.

Members of the NDP should look back in time just a bit. The two NDP Members opposite were here when the Government increasingly intervened in the lives of people with things like the National Energy Program. They saw the consequences for Canadians and yet they did not seem to learn. It is as if there were a genetic reason right from the beginning that they have to hold on to a belief system, no matter how antiquated or how inefficient it is, simply because they have always believed it. There seems to be an inability to learn from experience.

What are we doing? Canada's patent legislation was out of step. They supported that initiative long before these Members came along. Members on our side said that when you do that, your commitment to research and development will decline, jobs in that field will decline, your standard of living will decline, and your employment rate will decline. They would not listen, they would not learn, and it all came about. Our research and development declined. Young Canadians with skills, talent and energy had to leave the country to find jobs in R and D.

• (1630)

After watching it for 15 years, and watching these things come to pass, this Government brought in initiatives to change that, and all we got was a filibuster. We were delayed in passing that legislation for well over a year. It is a job-creating initiative that will help western Canada, central Canada, and Atlantic Canada but the Opposition fought it.

What have they done on immigration? Each day the social welfare case-load in Canada grows through illegal, unplanned immigration. Each day that happens, money is paid out. Taxpayers have paid out hundreds of millions of dollars. The law we inherited did not allow determinations to be made in any kind of efficient manner. It invited illegal migrant flows, people who by no stretch of the imagination could be classified by anyone as refugees, coming as they did in large numbers from western democratic countries. Yet the Opposition refuses to allow sensible legislation to pass the Chamber.

In 1988 alone the Opposition has spent six days of the House of Commons time filibustering some simple amendments from the Senate. We could have been talking about regional diversity and the western diversification program, topics essential to the well-being of this nation. Instead the Opposition chooses to filibuster refugee legislation for six days.

Then we come to a budget and the need to borrow money. In the six days of budget debate we got very few kudos for reducing the Government's borrowing requirements and saving future generations some of the load. Then we find out that in those six days of debate the Opposition did not learn enough about the need for borrowing, so we got two and a half more days of debate on a borrowing Bill. Close to nine full days were spent on the economy with no useful suggestions. There was just a lot of political posturing while legislation piles up.

Did we get any help on tackling the long-term western Canadian grievance on transportation? The Opposition stalled two pieces of legislation day after day after day. They would have provided a better sense of equity to western Canadians in the transportation field. Absolutely fundamental changes were required to enable the western economy to grow, develop and diversify, yet what do we get from the NDP? Filibuster. Filibuster. Stall. Filibuster. Filibuster. Why? Do they value the myth of power so highly that any behaviour is justified in the pursuit of that power?

Is there a single piece of evidence in the three and a half years of this Parliament of consistently helpful behaviour by the Opposition? We just get rhetoric. We get rhetoric by the carload. It would be nice if we could weigh the rhetoric to give you some sense of how large it is getting. It would completely dwarf any sense—

Mr. Nystrom: Point of order, Mr. Speaker. I hate to interrupt a veteran Member, although you would never know he was, but there is a rule of relevance. He should be speaking to what is in the Bill before the House instead of everything else he has been throwing up before us.

Mr. Hawkes: Mr. Speaker, the shoe must be pinching just a little because so much truth is being laid on the table.

The Hon. Member referred to tourism. Western diversification relates to tourism. Is there any credit for the very early decision taken by this Government to spend several million dollars in a new advertising campaign consisting of television and radio commercials?

Mr. Riis: Pittance.

Mr. Hawkes: The Hon. Member says it is a pittance.

Mr. Riis: You bet it is.

Mr. Hawkes: If tourism is up in western Canada by 35 per cent or 40 per cent, how many jobs for real people who need a real income does that represent? Yet the Member shouts "pittance". Governments he supported for so many years did not spend that pittance. They did not create those jobs. This Government did.

What did they do on energy? They invented a grand scheme involving PIP grants to the oil industry. Now we see the court cases involving abuses of those grants. We rang the bells for 17 days in this Chamber and then we had a committee process.

Mr. Riis: Are you proud of that?

Mr. Hawkes: I was there every hour of every day telling government Members the consequences of that program, how many lives would be ruined as a consequence. I told them what would happen to the economy. This would increase suicides, spouse and child battering. Yet I did not see the NDP, sitting alongside me in those committee meetings, fighting for the people of western Canada. I do not see them in this Chamber today fighting for the people of western Canada. I expect what we will see through the balance of this day, into tomorrow and the next day this is debated, is NDP Members from western

Canada filibustering the western diversification fund. How in God's name they can translate that kind of tactic into something useful for western Canadians is beyond my wildest imagination.

Statutory legislative authority to produce a mechanism and fund unbounded by central Canadian dictates but open to the flavour of the West, the creativity of the West, is what we are creating in this legislation. Our part of Canada is as unique as Quebec. It is as unique as Newfoundland. That is part of the charm of Canada. This Government believes that unique programs and practices are required in the different regions. As western Canadians, some born in western Canada, they should know that reality and be supportive of our efforts to achieve that result.

Let us watch what the NDP does. Do they facilitate or block an initiative designed to help western Canadians?

Mr. Riis: Mr. Speaker, I listened with interest to my hon. friend. My recollection is that we have been debating this Bill for about three or four hours and he is already calling it a filibuster. I realize that this is one of the Members who stormed the Chair of the House of Commons. He broke all parliamentary tradition by shutting down the House of Commons, standing before the Speaker, shaking his fist and screaming. They held this House to ransom day after day after day. Some of us were sickened at that behaviour. Presumably the Hon. Member is proud of the fact that he was prepared to strangle the voice of this House, throttle debate, and essentially close this House and Parliament down.

I was not pleased with that. I was not proud of that. I was embarrassed by the fact that the Hon. Member and his colleagues decided that was an appropriate tactic. That is dictatorial. It is something we would find in a fascist system and certainly has no place in a parliamentary democracy.

Having said that, my hon. colleague from Yorkton—Melville indicated that sourcing of supplies and services is one way the federal Government can assist the local manufacturing economy, particularly that in western Canada. Yet the statistics are very clear that government sourcing in western Canada has decreased over the last four years. There is less government sourcing in western Canada on a percentage basis than ever before. Eighty per cent of federal government sourcing continues to be from isolated portions of central Canada.

• (1640)

How does the Member explain the Government's interest in western Canada if it is sourcing less of its goods and services from the West, on a percentage basis, than ever before? Second, does he really believe that after three or four hours of debate on a very important issue with regard to the diversification of the western Canadian economy we have debated for too long, that the debate should stop, and that anything further would be considered a filibuster?

Mr. Hawkes: Mr. Speaker, every time opposition Members open their mouths they give us lots of things to say. One of the tragedies of this Chamber is the lack of thorough research in the Opposition. I particularly resent a person of the Member's stature within his Party saying that I stormed the Chair. I never did. I never have. I care deeply about the Constitution of Canada and I participated actively in the committee hearings from morning until midnight. I cared about it in the Chamber and I stood in my place and participated in the filibuster, which was the longest in parliamentary history, because it was a fundamental issue to the people of this country, but I did not storm the Chair. I did not break the rules. I think the Member's research should be better founded in this case and in many others.

Mr. Riis: Mr. Speaker, I rise on a point of order. I did imply that the Hon. Member was one of the group which stormed the Speaker's chair. I simply assumed that due to his enthusiastic support of that initiative he would have been a member of that group. However, if he was not part of the group that stormed the Chair and closed down Parliament for a number of days, I will retract that and apologize to my hon. friend. I would not like to link him with the group which carried out that particular act.

Mr. Hawkes: Mr. Speaker, I appreciate that comment. I participated in two filibusters in this Chamber. One was the ringing of the bells and the consequences of that which was related to the energy Bills.

In terms of the Constitution, I believed that my part of the country would be forced to leave Canada if the original version of that had passed. It would have shoved me out of my own country. I worked with Members of the Opposition, including the one who spoke before me, to ensure that the original version did not pass and we succeeded. We can stay in Canada with pride.

Second, I participated in the filibuster on the energy Bills because they were going to devastate western Canada, my city in particular, and to some extent the entire country. They were wrong-headed and wrongly drafted. We did not succeed, and that is a tragedy. I look at the anguish in my community day after day and wish I had somehow been able to avoid it.

Those are two fundamental issues and it is the responsibility of people in this Chamber to filibuster, to fight, and to use all the tools available on fundamental issues. However, it is a travesty that the reality of this place is that pieces of legislation are filibustered which deserve to be passed through the House into committee for detailed study and to be reported back. To plug up the legislative agenda on things like copyright, immigration, and western diversification is not the proper use of this Chamber or of taxpayers' funds. This place was not invented for that purpose.

In Britain, the mother of Parliaments, most legislation is debated in the House for less than a day. It is very rare that it takes more than a day. Yet in this Chamber we are exposed to

blocking tactics. If the Opposition wants to block positive initiatives such as western diversification, let us take it to the voters. Let us lay out the record of blockage on initiatives that are helpful to western Canadians.

Mr. Riis: Call an election tomorrow.

Mr. Hawkes: Let us go to an election and explain to western Canadians what we have done with regard to reorienting the system of government to give all regions of the country a say in decision making. Let us take to the voters a piece of legislation such as this which so clearly says that western culture will be attended to and decisions will be made in western Canada. The program is flexible to encompass the aspirations of people who live in that region. Let us go to the voters and tell them that the NDP will say one thing but will do another.

Mr. Nystrom: Mr. Speaker, it seems to me that the Member from Calgary is living in dreamland. He is talking about filibusters and so on. I have been here for many years and have seen his Party in opposition. If there was a Party that was expert at filibustering and delaying, it was the Conservative Party in opposition. One need only think of people like Erik Nielsen to think of filibusters, delaying tactics, and stalling tactics.

I find it very surprising that someone who is supposed to be an honourable Member questions the motives of Members across the way. He said that I do not speak up for western Canada, that I do not represent western Canada but rather union leaders in central Canada. That is nothing more or less than regional racism. It is regional racism of the worst kind. It is the kind of game which divides Canadians and is very divisive of the future unity of the country.

I do not question his western credentials. Of course he speaks up for western Canada. He has a different point of view than have I, but that does not make him less a westerner than am I. Why should I be less of a westerner or less of a Canadian than he is? That is the kind of nasty regional racism which divides the country. I am very surprised to hear someone from across the way with his experience say that kind of thing.

I voted against the Government in December, 1979, on a non-confidence motion because I thought the Budget was bad. I did not defeat Joe Clark, the people of Canada defeated Joe Clark. A majority government was elected. The New Democratic Party caucus grew in size. The Conservatives lost western seats. In Saskatchewan, for example, the NDP went from five Members to seven and the Conservatives went from nine to seven. The people spoke.

That kind of arrogance and playing on divisiveness and racism turns people off of politicians. I just hope the Member across the way would not do that kind of thing. He says that because someone from western Canada speaks out against the trade deal, they are not a westerner. All he need do is look at the polls in western Canada. There are a lot of Manitobans, Albertans, people from Saskatchewan, and British Columbians who oppose this trade deal. In fact, until recently his Party opposed this kind of a free trade deal with the United States. Year in and year out the Conservative Party led the crusade against such a trade deal with the United States.

Polls indicate that in Saskatchewan opinion is divided fifty-fifty, as the Member for Assiniboia (Mr. Gustafson) knows. There was a rally in Regina recently, attended by a couple of thousand people who are opposed to this trade deal. There are all kinds of farmers in my riding who oppose this trade deal. They are concerned about the future of agriculture. That does not mean that they are not westerners or do not speak up for western Canada.

I just wish that we could have debates in this House in which we did not have to resort to this kind of divisiveness and name-calling but could talk about the issue on a substantive basis. That is what great leaders of the Conservative Party used to do. I think of the Member for Yellowhead (Mr. Clark), a former Prime Minister, Mr. Stanfield, and others. Most people in that Party still debate issues on their substantive merits, but when we start using regional name-calling it degrades this place and creates an atmosphere in the country which is very disunifying.

Mr. Hawkes: Mr. Speaker, maybe we are moving toward debates which centre on the issues. However, I sat here before I made my remarks and I did not hear much debate about the western diversification fund. I would like to leave the Member with a couple of pieces of information.

Deputy Minister-level meetings are occurring this very day between western diversification and Supply and Services to try to articulate the programs. Meetings at lower bureaucratic levels go on on a daily basis. They are trying to help western Canadian citizens access government programs and services in better ways than they used to. The Deputy Minister of Supply and Services and the Deputy Minister of Western Development met with all their provincial counterparts as recently as two weeks ago. This is the western way. Western Canada is composed of communities with pioneer roots. We have a volunteer tradition which all Canadians saw during the Olympics. We are used to working together.

• (1650)

I hope that the New Democratic Party would at least support this and we could use the extra 39 minutes to get this legislation into committee where it can be well vetted, returned for report stage and third reading, to become the law of the land in the near future.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I am thrilled to rise to speak to Bill C-113, an Act to establish the western diversification office and subsequent offices in western Canada, and to lay out the framework to disburse funds in western Canada. This Bill represents an effort in terms of decentralization of decision-making and toward the diversification of the western economy. For those two reasons, I certainly support the principle of this initiative.

I want to emphasize that the principles of this legislation are appropriate and honourable, ones that I and others have advocated for many years. There has been a need to diversify the economy of western Canada and move its dependency away from the resource industries, as valuable and important as they will always be, and to recognize the reality that the jobs of the future will move more toward these service sector industries, small scale manufacturing and a knowledge based economy.

While we ought to continue to develop the resources of western Canada as we have for many years, we should make greater efforts to finish more of those resources in western Canada and attempt to process these raw materials in western Canada. That is the challenge we face when it comes to developing our resources in western Canada so that we can move away from the extraction, development and growth of resources for overseas export which links us too closely to the vagaries of the international market. Our dependence on the resource sector gives us the traditional boom and bust economy of the West and ties us into the cyclical pricing of commodities on international markets. While that brings very good times, as we have seen recently, it also causes very tough times for westerners.

We certainly agree with the principles behind this Bill, but we have some real concerns about it as well. There is a feeling in western Canada that the federal Government has turned against westerners to a certain extent. While I am not sure people feel betrayed, they are certainly surprised that more has not happened in western Canada considering the overwhelming number of westerners in the Cabinet, from the Deputy Prime Minister (Mr. Mazankowski) to a number of other senior cabinet Ministers. It seems that there has not been the resurgence and support of the western economy that people had expected.

I need go no further than my constituency and surrounding constituencies in western Canada, including the Caribou constituencies, northern B.C. constituencies, the Kootenays and Okanagan Valley constituencies.

I do not believe that many people in those constituencies would agree that their lives have been better or more secure than they were in 1984 when this Government was elected. In fact, those to whom I have spoken have indicated that they do not have the same feeling of confidence for the future, particularly for their children and grandchildren.

For example, one can consider the re-emergence of the Western Canada Concept and the Confederation of Regions Party. These parties are gaining strength in western Canada, primarily from the right of the political spectrum, which normally include disillusioned Conservatives who believe that the West has not benefited as much as it should have, considering the overwhelming number of western Conservatives in the Government.

What is the reason for this disillusionment? Let us consider Bill C-113. It provides $1.2 billion over five years for all of western Canada, comprising four provinces. Goodness knows that the Liberals certainly abandoned any support for the West when they were in power, but they introduced the Western Development Fund of $4 billion over four years. The Conservatives are introducing a significantly smaller amount of money through this program we are debating, which seems to suggest that compared to the Liberals, matters seems to be worse in terms of western Canada.

We can study this further by examining federal Government sourcing through agencies, which has a tremendous impact on the regional economy. If federal Government Crown corporations like Petro-Canada, Air Canada, CNR and others were to purchase much of their goods and services from western Canadian suppliers, it would give a real boost to the economy in western Canada. However, let me quote from Supply and Services statistics. In 1981 western Canada received about 15 per cent of all the money invested in supply and services by the federal Government. In 1984, that decreased to 14 per cent, and by 1987 had decreased to 11 per cent. In other words, the amount of sourcing from western Canada relative to the rest of Canada is less than it had been when the federal Government took office. One can only assume that the Supply and Services figures are accurate.

Let us consider the Industrial Regional Development Program and the value of contracts given across Canada, noting the population in western Canada. Once again, we received less than our fair share based on the population of western Canada relative to central Canada.

If one wanted to make a case for an affirmative economic program for western Canada, perhaps one could even argue that western Canada should get even more than it deserves considering the high levels of unemployment in western Canada compared to central Canada. Presumably this is another indication of why people are disenchanted with what is happening in terms of economic development in western Canada.

Let us consider regional development programs which are primarily meant to assist regions like those in western Canada. In 1984, the federal Government was spending $14.8 billion on regional development programs. As our Estimates would indicate, in 1987 regional development programs amounted to only $11.8 billion. In other words, $3 billion over a three-year period was plucked out of regional development programs which, by and large, go into helping areas like western Canada. I am wearing a button today which says: "Go with the flow". This button represents our concern regarding the Government's decision to cut back on flow-through shares to assist the mining industry. We all know that the flow-through share program provided a tremendous incentive, encouragement and nurturing of the exploration programs that eventually led to mining property development and, hopefully, mines.

• (1700)

Everywhere in Canada from the western Arctic, to British Columbia, up to the Yukon, right across northern Canada to Labrador, a tremendous amount of mineral exploration is taking place because of this particular initiative, the flow-through share program. The Government's response to this is to essentially gut the flow-through share program. This is the kind of thing that makes us wonder how committed the Government is to western economic development programs.

I do not have to remind Members of the maintenance contract for the CF-18. Virtually every single adviser suggested that the maintenance program should go to the West. However, the Government decided it should not go to the West. If we are going to make decisions based on politics, let us be up front about it. We were going to make the decision based on economics or the professional advice we received, but when 75 advisers out of 75 said the contract should go to the West, the Government ignored that advice. As a westerner, I can only assume that the Government's priorities appear not to be the development and support of the economy of western Canada.

I can also talk about the CN cuts. I notice the Minister of Transport (Mr. Crosbie) is in the House of Commons. He will know that over the last number of years, unfortunately, we have seen a number of positions cut in CN. Because the lion's share of rail activity takes place in the transportation infrastructure of western Canada, once again it is western Canada that is essentially the hardest hit in terms of those cut-backs initiated throughout the rail system.

There is also Challenge '88. That is the program where the Government helps to fund college, vocational, technical and university students for the summer. We all recognize that inflation year after year requires that these programs be increased marginally to keep up with the rate of inflation. However, during the past two years the allotments of the federal Government for the summer work program for students have not increased at all, which means, when one factors in inflation, that there have actually been serious cuts to the amount of money the federal Government provides for summer jobs. Of course, the problem is most acute in western and eastern Canada. In pockets of central Canada we have a tremendous amount of economic prosperity and the chances for a summer job are much greater than in areas of western Canada where unemployment rates are now in the 20 per cent to 30 per cent range, which makes it very difficult, if not impossible, for young people to find employment.

I do not think anyone would question the fact that if we are going to have economic prosperity in western Canada, we have to invest more in the most important natural resource of western Canada. When I refer to the most important natural resource, I do not mean wheat, timber, coal, gas, oil or minerals. I mean people. When we invest in developing the most important natural resource in western Canada, the people, it means we have to spend more money on education and training programs. However, when we look at the amount of money allocated for training over the last number of years, we find the Government has not increased but has cut funding for those programs.

Last year, the Estimates indicate that $479 million existed for employment programs. This year it will be $339 million. That is a $140 million cut in the amount of money going for training and education. All of us who have universities and colleges in our areas realize that Employment Canada has been forced to cut the number of seats it normally would fund to assist people to train and upgrade and improve their skills. In that critical area, the development of human resources, there seems to be cut-backs.

I suppose what has most obviously affected western Canada has been the decision of the Government to cut back in funding for the Post Office. It requires that the Post Office make money. It is one government service the Government decided should make profits. We do not expect the military to make profits. We do not expect the RCMP, ambulance services, universities and colleges or hospitals to make profits. We do not expect the Department of Immigration to make a profit. However, we do expect the Post Office to make a profit, that one government service that touches the lives of every single Canadian in every Canadian community for their entire life. In a country as vast as Canada, where we are trying to service rural areas and small communities, we have to cut back on the amount of service we provide.

Where do we cut back if we are trying to make an efficient profit-making organization of the Post Office? We do not cut back in Montreal or Toronto. We cut back in the rural areas, the post offices in the small communities. Where do they exist? They exist in western Canada. That is the part of Canada where rural areas and small communities are being depopulated at an ever accelerating rate. There seems to be a lack of commitment by the Government in terms of maintaining a dignified rural life in western Canada because we are seeing the erosion of government services, the most obvious being postal services.

What we see in this legislation is a bit of an illusion. It gives the impression that the Government is interested in the economy of western Canada and the diversification of the economy of western Canada, but I think if it really was it would not have excluded, for example, the ability of communities to redevelop their urban structures and to expand their community development.

For some mysterious reason the Government has decided that the western diversification fund will not be used for urban or community development. In other words, it will not be used to improve sewage treatment or water systems, to build roads or to provide community facilities. If we are going to diversify the economy of western Canada, it is imperative that those communities be vibrant communities. If we are going to encourage the development of service industries, high-tech industries and modern manufacturing, we must have good

universities, colleges, technical schools and vocational schools. If the basic urban infrastructure is not there, it is going to be more difficult than ever to expand those particular facilities.

I want to remind you, Mr. Speaker, that every provincial Government across Canada, barring none, has said they are prepared to participate in a municipal infrastructure sharing program. They say they will pay one-third, the local taxpayers in the area will pay one-third and the federal Government kicks in one-third. In other words, there will be a one-third cost sharing program to develop urban infrastructure. The provinces, cities and municipalities across Canada unanimously agreed. Only one person did not. That was the federal Minister of Finance (Mr. Wilson). He said he was not interested in participating in the development of rural infrastructures using this method.

I could go on and talk about the need to expand Government procurement and the need for programs to encourage the development of our tourist industry, small business and manufacturing in western Canada, and programs to assist in the development of value added for our resource industries, but I think what is needed more than ever is a development strategy. The western diversification fund is really a grab bag. For example, British Columbia, $79 million over five years will be used for South Moresby Park. That money should have more rightfully come from the social policy reserve fund or the Parks Canada fund, not from the western diversification fund. The $53 million in British Columbia to be spent over five years for salmon enhancement should come from the Department of Fisheries, not from the western diversification fund.

There was the $10 million bail out for the Fraser Valley Shakes and Shingles Association after the devastating decision by the Government regarding shakes and shingles exports. We are already seeing a major part of the fund eaten up with programs that should be rightfully funded from other government departments. We do not have a comprehensive strategy in terms of developing proper facilities for our urban communities.

We have not developed proper over-all strategies in terms of western transportation and communication, the development of our river systems and soil preservation policies in the West. What is the strategy, what is the business or economic blueprint we are trying to introduce into western Canada? As I see it at the moment, it seems to be simply a grab bag. Whatever one can convince the decision makers of will be funded or there will be a grant or loan guarantee or whatever.

• (1710)

In closing, I say that we agree in principle that this type of approach is necessary. However, in terms of a real commitment that is honest and real to diversify the economy of western Canada, it does not seem to be here in this particular legislation.

Mr. Deputy Speaker: Are there questions or comments? The Chair recognizes the Hon. Member for Nanaimo—Alberni (Mr. Schellenberg).

Mr. Schellenberg: Mr. Speaker, I have a comment and a question. I listened with interest to the discourse of my hon. colleague from British Columbia. I must admit that I was somewhat confused when he asked the rhetorical question that he said he asked his constituents. The question was, "Are you better off now in 1988 than you were in 1984?" He told us that his constituents responded in the negative. When I ask that question in my riding, the response is positive.

My constituents acknowledge that the federal Government has spent more in reforestation money than any other federal Government. They state that housing starts are at a new high in Canada. They state that it is now cheaper to borrow money than it ever was before. They remind me that the unemployment rate on central Vancouver Island was 17 per cent when I was elected and that it is now some 10 per cent. This means that 90 per cent of my constituents are working.

It seems to me that the people of Nanaimo—Alberni see the glass as being half full while NDP riding associations and NDP Members see it as being half empty. This probably comes from having a pro-active Member of Parliament, a positive Member of Parliament, as opposed to having a reactive and negative Member of Parliament.

The Hon. Member attacked the Government's position on flow-through shares. He stated that he is wearing a button which states, "Go with the flow". I cannot understand how the NDP can justify attacking big business and big corporations for not paying enough tax and yet support just such a tax measure which would employ people. They cannot have it both ways. Can my colleague respond to that?

Mr. Riis: Mr. Speaker, I appreciate the chance to respond to my hon. friend. With respect to the flow-through share issue it benefits primarily companies that are not in a profit situation. That is the idea of a flow through. The flow through goes to an investor beyond the actual exploration company involved.

I am pleased to say that the flow-through share program benefits not quite exclusively but largely Canadian junior companies, Canadian owned companies. It is a good program. It has generated a tremendous amount of mining activity across Canada. That is why I think it should be preserved. That is why perhaps even tomorrow, which is an opposition day, we might take some initiative to ensure that the debate on the flow-through share issue is continued.

With respect to my friend's original comment, perhaps it would be useful for him to discuss the situation with his Kootenay colleagues. Two of his friends, Conservative Members of Parliament, represent Kootenay ridings where the unemployment rate is now about 20 per cent. My recollection is that back in 1984 it was also about 20 per cent. For that part of British Columbia things have not changed significantly.

I suggest that he also spend some time with his Conservative colleague from the Cariboo region of British Columbia. In that region the unemployment rates have not changed substantially since 1984.

To say that every initiative that the Government has taken is bad would be inappropriate. There is more funding going into reforestation in British Columbia than there was under the Liberals by some margin. However, I like to think that if we were serious about regional economic development, and I suspect that my hon. friend will agree, that while there have been more advances and more efforts made in terms of husbanding our forest resource much more could be done.

I want to share with the Hon. Member what took place at a meeting I had recently with a number of professional foresters in my constituency. They were asked how many men and women could actually be employed to develop the forest resource as it ought to be developed in central British Columbia, particularly in the Kamloops reforestation district. They said in terms of thinning, spacing, fertilizing, disease control, pest control, road building and a whole variety of other programs that as many as 10,000 men and women could be employed over a vast number of years. That is what we should be doing if we are going to develop our resource, as is done in places such as Finland, for example. I suspect that the Hon. Member would agree that that would be an appropriate initiative to take.

Rather than providing funds for unemployment insurance or indirectly through welfare, why not develop programs with our forest companies, in co-operation with our provincial Governments, to develop and to husband that critical forest resource, not only in western Canada but right across Canada? This would put literally tens of thousands of Canadians to work at something that must be done. It would not be a make work program. It is something that must be done in order to develop a critical Canadian resource.

Mr. Gottselig: Mr. Speaker, in sitting here this afternoon listening to the debate I am having a little difficulty with it because I am a new Member of the House. I have only been here since 1984. I can only reflect on how things were then and how things are now in my own riding.

My background is in small business. I am a farmer. People who have sat here for the length of time that some of the Members in the New Democratic Party have sat here have been out of touch with reality for a little too long. They review how things were then and how they are now.

The fact is that interest rates have made a fantastic difference to agriculture and to small business. Just look at the unemployment rate and the way it is now. I lived through those years. I was in business and in agriculture. It was very difficult to survive in those years, thanks to the way things were. Interest rates were at an all-time high. I do not have to tell anyone who is in small business or in agriculture about this. They have only to look back at their records for 1981 and 1982 to see that they were paying interest rates of 22.5 per cent and 22.75 per cent and higher. I have but to remind them who was in government then. It was the Liberals who were in power as a result of the New Democratic Party defeating the Conservative Government.

We have brought in legislation. It was first announced on August 4, 1987, by the Right Hon. Prime Minister (Mr. Mulroney). This legislation is to promote diversification of the economy in western Canada.

I would like to share with the Hon. Member something that I read in the Moose Jaw paper. It is from the January 30, 1988, edition. The article states that a Moose Jaw company has gone high tech thanks to assistance from the western diversification fund. Is this fund not working? What would the Hon. Member call that then? Other firms in Moose Jaw are also receiving assistance from the western diversification initiative.

Why do we not pass this legislation? What is the big debate about? Do Members of the New Democratic Party intend to stand here speaker after speaker and lament their past and all the sins they have committed in the past with the Liberals? Let us bring this matter to a vote.

Mr. Riis: Mr. Speaker, I hope that no one here would say that the $1.2 billion as spread out over five years will not do any good for anybody. No one is saying that. I think that is what the Hon. Member is implying.

In response to the Hon. Member's point that some people are out of touch with reality, I would point out to him that there was an NDP nomination meeting in his constituency on February 20. In 1984 there were 200 people at the NDP nomination meeting.

Mr. Gottselig: In 1984 there were 1,500 people at the PC nomination meeting.

Mr. Riis: On February 20 there were 700 people at the nomination meeting. The number went from 200 to 700. I think there is a new wind blowing down there in Moose Jaw. If the Hon. Member wants to do the right thing, he should probably spend a lot more time back home rather than standing here in the House of Commons making nonsensical comments.

• (1720)

Mr. Maurice Foster (Algoma): Mr. Speaker, I am glad to have an opportunity to say a few words on Bill C-113. It has been interesting to listen to Hon. Members across the way participate in the debate. They are telling us how great it is today with the Tories in power and with all the initiatives that are being taken under the Western Economic Diversification Program. Clearly, it would be desirable to see how much the program will do for western Canada.

It is easy to see how the Government is able to gussy up the $220 million per year to run the program if we simply look at

the tremendous cut-backs that have been made over the last three and a half years by the federal Government. If one looks at that, combined with the massive increase in personal taxation, it is not difficult to see where the Government will come up with the extra money to fund this program which, let's face it, is a very modest program. It is interesting to note that all of those programs are calculated over a five-year period.

During 1983-84 the previous Liberal Government committed some $1.2 billion to western Canada in a two-year period under the ERDA program. That amount was increased to $2.1 billion because it provided for matching funds from the provinces. The amount of money that we are looking at is not very great when one considers the type of cut-backs that have taken place.

A few days ago the Minister of Transport (Mr. Crosbie) announced approximately $25 million worth of branch line rehabilitation projects. Of course, they came out with a nice blue label giving the Minister's name on each sheet and stating that they were jointly announced by people like the Parliamentary Secretary to the Prime Minister (Mr. Gustafson), wherein he announced that he was going to carry out the rehabilitation of a line in his constituency amounting to several hundred thousand dollars. In fact, there was one for $165,000.

What the Minister of Transport did not announce in this program is that, by the end of the period, 1990, when the more than $1 billion program will be complete, $125 million will be left in the program unspent. A program that is desperately needed for rehabilitation and upgrading of the rail lines throughout western Canada in order to move grain and wheat to market will have money left unspent and will lapse. I assume that it will never be used.

For instance, the Wood Mountain subdivision was supposed to be rehabilitated. In these announcements, I do not see any indication that that subdivision will be rehabilitated. I understand that the Parliamentary Secretary to the Prime Minister, the person who wears the flak jacket and harangues the troops and tells them about how bad the NDP defence policy is, has had many representations. He has attended meetings. Still, the money will not come.

It is clear that the Minister of Transport is siphoning off approximately $125 million from the rail line rehabilitation program in western Canada that was supposed to be spent on rehabilitating those rail lines in order that crops could be moved to market more rapidly. I suppose it is being shifted over into the department of western economic diversification. In fact, it is a type of shell game. There is $1 billion here, but we are not going to spend $125 million of that, so we will create another department over here. In fact, approximately one-third of the funding for the first year will likely come out of that fund.

An Hon. Member asked how things were three or four years ago, and how they are now. Three or four years ago the price of grain in western Canada was $170 a tonne for No. 1 wheat. A few years prior to that time, it was close to $200. This year it is $110. Barley and oats are much lower than that.

How far does a $220 million per year program go in covering that type of reduction in income for grain farmers? In fact, it is totally irrelevant. The devastation which has been wreaked on western communities, entire community life, and the stress on individuals, has not been seen since R. B. Bennett was in power during those terrible years from 1930 to 1935.

How have the Tories responded to this situation? If we look at the debt situation, the signals were clear and unmistakable in the fall of 1984 when the Farm Credit Corporation signalled that we were facing one of the worst farm debt crises since the 1930s. Very little, if anything, with regard to the farm debt crisis happened for the first year or so.

In the spring of 1985 the Minister finally got around to bringing in the farm debt review boards. Those boards do not have any power to reschedule debt or refinance farmers' loans. They are very modest programs. Some people suggest that all they do is silence everybody in sight, from the people on the board to the farmer, to the advisers, to the local pool operators, to everybody involved.

When the Government finally moved on some debt restructuring programs, it brought in the commodity based mortgage which was designed to help a couple of thousand farmers per year for the last two or three years.

We are faced with the situation in Saskatchewan and other parts of the Prairies where there are some 50,000 farmers in serious financial difficulty, some 12,000 of whom are totally insolvent. The Farm Credit Corporation started appealing a year ago last fall for funds to revitalize a recovery program for the Farm Credit Corporation. No action has yet been taken.

The Minister surreptitiously filed the Farm Credit Corporation's report on the last day the House sat last June. It showed that the Farm Credit Corporation was insolvent to the tune of $124 million. It is expected that that will be more than $300 million for the current fiscal year. How can this corporation help farmers in serious financial difficulty to reschedule debt, set aside debt, or overcome these difficulties when it is insolvent?

The magnitude and the gravity of the situation in western Canada has gone down every year since, and no effective action has been taken with regard to the farm debt crisis. I guess the double whammy of the whole situation is the Western Accord which the former Minister of Energy, Mines and Resources negotiated with the prairie Tory Premiers. It was hailed as a great step forward. Everybody believed that until the spring of 1986 when the world price of oil collapsed. The price dropped from $28 a barrel to $10, recovering to $18 a barrel last summer. Oil is now around $16 a barrel. If it was so good, why did this great negotiation not take into account the precipitous drops in the price of oil that we have seen, as well as the recession and depression that fell on Alberta and Saskatchewan during that period?

• (1730)

It is common for the Tories to talk about how tough things were in the recession years of 1981-82. But they were not nearly as bad as in the summer of 1986 and early 1987 and which is continuing, when oil prices were at the $15 or $16 a barrel level. The situation has been made worse with the appreciation of the Canadian dollar, creating the double whammy. The cut-backs and the pounding down of western community life continues. Its very vitality is being removed, and I do not see how a couple of hundred million dollars, or $220 million a year, can really diversify the entire western economy.

In northern Ontario, Atlantic Canada and other resource areas the Government has hit us with several double whammies in support for community colleges. There has been a cut-back in funding by 40 per cent. The number of seats in community colleges has been reduced by 40 per cent right across the country. The oil industry in Alberta and the grain industry right across the Prairies has been suffering hardship. When people want to retrain, the seats are not available because of the 40 per cent cut-back.

Likewise, the Government is hell-bent on a program in rural Canada to remove and privatize post offices, replacing home delivery with superboxes. Many communities already feeling the pinch and suffering from a reduction in population are having their post office removed, resulting in one less job. Across the country 9,200 jobs will be lost, 80 per cent of which are held by women. Over 5,000 post offices will be affected.

Interestingly enough, the resource areas have benefited tremendously from the earned depletion allowance for the mineral industry. Signals went out last spring that it was to be cut. Yesterday at the Renaissance Hotel in Ottawa there was a conference to encourage the protesting of the Government's decision to cut out the earned depletion allowance. This has been providing some $400 million to $500 million for mining exploration and development, especially in western Canada, northern Ontario, northern Quebec and other resource areas.

The program should be reinstated. It has been providing $400 million to $500 million. That money is important because it creates activity in diamond drilling, exploration and development. Diversifying the economy in a mineral area is extremely difficult. The flow-through share mechanism with an earned depletion allowance of 33 per cent is extremely difficult to replace with any other mechanism. Not only are exploration and development dollars spent by diamond drilling teams and so on, but mines are established.

A number of mines in northern Ontario are being brought into production because of the earned depletion allowance provided by the Government. Clearly, every Member in the government caucus, including Members from Timmins, Abitibi, Quebec and Timiskaming in Ontario who have spoken out, will have a chance on Monday evening—the motion will be put on Friday—to vote for or against the replacement of the earned depletion allowance which affects not only northern Canada but western Canada as well.

Another action taken by the Government relates to the decision on the softwood lumber deal with the United States. The full effect of this deal, which is costing the resource producing areas of Canada, including British Columbia, some $500 million a year will not be felt until the downturn occurs both in the Canadian market and in the United States.

I read a report a couple of weeks ago by a lumber company in Prince George, British Columbia. Under the previous arrangement, the company was paying $600 million a year in stumpage charges. But under the deal negotiated with the B.C. Government, the federal Government and the United States, this company will now be paying $19 million a year in stumpage charges. The company said that when the market turns down it will be out of business.

There is a concerted attack on rural resource areas and in all areas of activity in the West. Whether we see a dramatic downturn in grain prices, the farm debt crisis or the deal negotiated on oil, clearly all these attacks on the western economy will not be overcome by a program which provides a couple of hundred million dollars a year in a diversification fund.

There is a diversification program in northern Ontario. Although it was signalled in the fall of 1986 and announced last summer, there are no application forms or criteria yet available. I understand much the same situation exists in western Canada. A program is announced, money is announced but the actual criteria for projects are not available. The actual application forms are not available. The implementation is simply not there. Rural infrastructure which is desperately needed by many rural communities is excluded from the program. We have to ask ourselves, in the face of the tremendous onslaught that has taken place, is it really too little too late to help western Canada with all the problems it faces in economic development and diversification?

• (1740)

Mr. Gustafson: Mr. Speaker, I would like to make a brief comment on the some of the statements that were made about western Canada. The debate that has been going on boils down to assessing what has and has not been done by various Governments. Certainly the Hon. Member who just spoke, who himself was a part of the National Energy Program committee, knows what that devastating legislation put in by the Liberal Government did to western Canada.

Let us look at the record of our Government over the past three years. The farmers of western Canada and particularly those of the area I represent have never been treated better in difficult times. We went through a drought and difficult prices in the international market-place. Just yesterday, the farmers of western Canada received the first payment on the grains payment.

Comparing what the Liberal administration did in western Canada during good times and what our Government has done in a short term, I can tell Hon. Members that the farmers in general are very supportive of this Government. There will be people from the other two Parties who will vote for our Government in the next election based on the performance of this Government.

The Hon. Member mentioned the rail lines. I would like to make a statement about the rail lines in my riding. I am very pleased that the Hon. Minister of Transport (Mr. Crosbie) is in the House to hear this. A great deal of the credit goes to him for what has been accomplished.

The Hon. Member for Regina West (Mr. Benjamin) attended the meeting in Minton a week ago Saturday when we went to bat for the problem that exists there, and I thank him for his help. I especially want to thank the Minister for the quick action he took on including money to be spent on rail line improvements for the completion of the Bromhead-Minton line and the Fife Lake line.

I do not know where the Hon. Member is getting his information from. I am the first to admit that there is still more work to be done. We do want to see the completion of the Bengough line, and I am sure we will. The Hon. Member is trying to leave the impression that action has not been taken in western Canada on the rail lines and on the welfare of farmers. That absolutely misrepresents the situation and I just wanted to clarify that.

Mr. Foster: Mr. Speaker, it was very interesting to listen to the Parliamentary Secretary to the Prime Minister and to note the apple polishing he is doing for the benefit of the Minister of Transport. I assume he is doing that because he is having difficulty getting the Minister to do improvements on the Wood Mountain subdivision of the railway. Clearly it does not appear that any decision has been made on that by the Minister. I suppose that would explain why the Hon. Member is doing so much apple polishing.

I think it is up to the Parliamentary Secretary, who obviously has tremendous clout in the Tory caucus, to put the hammer down on the Minister of Transport so that he does not leave $125 million in the rail line rehabilitation program pot. That is exactly what is going on. I do not know how the Hon. Parliamentary Secretary will be able to say to the people of these various communities: "Well, we tried, but the Minister had already nixed the balance of the program".

In the way the program has been delivered, there does not seem to be any money for the Wood Mountain subdivision. The Parliamentary Secretary attended the meeting and promised that there would be action. He went to the Minister but got no action. The only alternative he has is to go directly to the Prime Minister (Mr. Mulroney).

I know the Parliamentary Secretary has the ear of the Prime Minister. He is briefed with the Prime Minister every morning on all the national issues of the day. I would hope that he would put pressure on the Prime Minister to get the Minister of Transport to ensure that the other rail lines get completed.

I wonder how the Parliamentary Secretary could be so happy about telling us that he has done all these wonderful things for agriculture while there is still a very large number of farmers facing total insolvency and serious financial difficulties. The Government brought in a very minor program, the commodity-based mortgage program, which provides for about 2,000 mortgages at around 8 per cent across the entire country over two years.

The magnitude of the problem we face today is unprecedented since the 1930s. There are 50,000 farmers in serious financial difficulty. The Government brought in a program a couple of years ago that provides benefits for a couple of thousand farmers. These benefits are only available to people who have mortgages under the Farm Credit Corporation. If a farmer has a mortgage with the Royal Bank or the Bank of Commerce and is hard pressed, the program does not apply.

Surely, if the Parliamentary Secretary were really doing his job with the Prime Minister and with the Minister of Agriculture (Mr. Wise), he would get that program expanded so that it would cover a good percentage of farmers. There are 16,000 farmers with FCC loans, not to mention all the other mortgages that are outstanding, who are two years in arrears with their mortgages.

The Parliamentary Secretary has been telling us what great things have been done, but he has not explained everything. Perhaps we just assume that the way it will be is that oil prices will be $16 a barrel instead of $28 a barrel when the Tories are in power. Tory times are hard times so we have to be ready for them. Instead of being $200 a tonne, grain prices are $110 a tonne. It is a given that times will be tough and that the Tories will then have to do something about it.

I do not think that a modest program like this one, which provides a couple of hundred million dollars per year for economic diversification in western Canada, will be adequate to cover all of the tremendous economic downturns with which western Canada is faced, let alone the irresponsible cut-backs that have taken place to community college funding, the earned depletion allowance, the post office and every aspect of community life. I am depending on the Parliamentary Secretary to beef up this program and to make it a little more responsible and effective so that it will really help western Canada in its hour of need.

Mr. Nystrom: Mr. Speaker, I was very interested to hear the Hon. Member for Algoma (Mr. Foster) say that we should beef up the program. I certainly support that as well.

The Government is spending only $1.2 billion over five years, $60 million per province per year. That is not very much money. The Hon. Member for Assiniboia (Mr. Gustafson) would agree that we must be very disappointed that the Government is only spending $1.2 billion.

Five or six years ago, the Liberals had a western development fund with some $4 billion. The Tories across the way were criticizing it as being too small. The Hon. Member for Athabasca (Mr. Shields) was saying how stingy the Liberal Government was to provide funds for western Canada of only $4 billion. That was not even spent.

• (1750)

I just wanted to comment that I think the Hon. Member for Algoma was right when he said $1.2 billion is appreciated, but it is not very much. It is only $60 million for Saskatchewan every year. By the way, most of that money was already there anyway in different government programs, and it is now being funnelled into this program. It is a nice little program for Tory re-election prospects even though there has never been a Government in Canada as unpopular as that Government. Recent polls tell us that the Government is even more unpopular than the Trudeau Government, which is absolutely incredible.

Mr. Foster: Mr. Speaker, I appreciated that explanation. I saw the same poll which indicated 52 per cent thought it did a better job than the present Government, which got only 23 per cent support. I want to leave lots of time for the Parliamentary Secretary to the Prime Minister to defend his boss. He can explain how the Government of former Prime Minister Trudeau is seen by people as doing a better job than his own Government.

I think I saw the height of apology for the Government last year when the Hon. Member for Athabasca (Mr. Shields) took total responsibility for the Government not putting up a loan guarantee for the Syncrude project. I know the Parliamentary Secretary to the Prime Minister and a number of others of us went to an excellent briefing on why the federal Government should come up with its share of the loan guarantee. The guarantee would only come into effect if the price of oil went below some $15 a barrel. I do not think it has ever gone below that price since the fall of 1986.

The Prime Minister promised action but he did not take action. The Parliamentary Secretary to the Minister of Energy, Mines and Resources said he had not explained well enough to the Minister why the loan guarantee was needed. Everyone in the Alberta caucus, including the Deputy Prime Minister (Mr. Mazankowski), realized how important it was to increase the capacity of the Syncrude plant. The program went ahead under a loan guarantee from Alberta, but you kind of wonder why the Parliamentary Secretary has to take the rap for not explaining how important the project was.

I just do not see how $60 million a year in loan guarantees and grants and contributions for each province is going to be adequate to overcome the support which should have been forthcoming directly from the Government and not cobbled up into this program we are debating today.

Mr. Jack Shields (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I listened with great interest to the Hon. Member for Algoma (Mr. Foster) and the Hon. Member from the NDP. Anyone watching that debate will clearly understand the coalition between the NDP and the Liberal Party.

I must respond first to the remarks by the Hon. Member for Algoma concerning the Syncrude capacity addition project presented to the Government of Canada in which the Syncrude consortium asked for a loan guarantee. I would like to enlighten the Hon. Member that it was not the Minister of Energy, Mines and Resources who refused the loan guarantee. It was the Minister of Finance (Mr. Wilson) and his Department. The reason they gave was that the project would go ahead without it. They do not need a loan guarantee. All it is, is show. We could very well do it but if we did, it would add to the federal deficit and take money away from another area necessary to meeting our deficit goal.

At the time I was disappointed that we did not go ahead with the political show of a loan guarantee to that project, but in retrospect the Minister of Finance was correct in every detail. The project did go ahead without the loan guarantee. It was a wise decision on his part.

I cannot imagine being a member of the Liberal Party standing up and speaking against the western diversification program. I cannot fathom how this could happen from Members of Parliament who sat in this House and voted in favour of a National Energy Program which totally and absolutely devastated western Canada. That Member stood in his place and spoke in favour of the NEP which totally devastated the communities where I and everyone else in western Canada live.

I want to tell him what was happening there, admitted to by the former Liberal Minister of Energy, Mines and Resources, Marc Lalonde. He now stands up in Montreal and says the reason they brought in the NEP was because they wanted to divert money from the western provinces into the coffers of the central Government. That is what the Hon. Member stood for and that is what the NDP stood for. They were on their feet supporting the NEP. Their energy critic stood in this House and said the program does not go far enough. What we should be doing is nationalizing one of the big ones. Nationalize Imperial Oil is what they were saying. It amounted to total devastation of western Canada. This Government is now trying to repair some of the damage that those two Parties sitting in coalition did to western Canada.

Then they have the gall to stand up in this House and say we are not going far enough to support western diversification.

Mr. Foster: Point of order, Mr. Speaker. I wonder if the Hon. Member could explain why PetroCan bought out Gulf Oil, spending about $1 billion of taxpayers' money? When the Tories came to power they bought out Gulf Oil—

Mr. Deputy Speaker: I would not exactly say that is a point of order.

Mr. Shields: Mr. Speaker, I will be glad to answer that question after my remarks. The Hon. Member is getting a little hot in his seat. He understands where I am coming from and that what I am saying is true. It really bothers the hon. gentleman when the facts are laid down in front of him.

The NEP put thousands of companies in Alberta, British Columbia and Saskatchewan out of business. It put thousands of people out of work. It totally dried up the industry. Do you remember the Alsands project which was ready to go north of Fort McMurray? It was going to create something like 4,000 jobs and add another 10 per cent to the oil supply. I remember that one. I saw what the NEP did to the community of Fort McMurray. I saw what it did to Edmonton and Calgary. I saw what it did to all those drilling and exploration companies. I saw what it did, and for a Member who was part of the Liberal Government at that time and members of the NDP to stand up and speak against a program we are putting in place to help diversify the economy of western Canada is totally and absolutely immoral. They know full well that they were supporting the devastation of western Canada because they had a pie-in-the-sky idea. They said that they were going to have a made-in-Canada price for oil. They attempted to rob from western Canada and put it in the central Canada coffers.

• (1800)

How much will the $220 million a year that is going into western Canada do for western Canada? It is obvious that we have the problems which we do with regard to the deficit because all the former Government did was throw money. It did not use money in a sensible way as an incentive to bring on industry, development, and diversification. It threw money down the tube.

People remember what the Scientific Research Tax Credit did. There was such a big hole in that legislation that you could drive a Mack truck loaded with manure through it. That truck was driven through it and it cost and is still costing the Treasury of the federal Government billions of dollars. That is the kind of fiscal responsibility we saw from the Liberal Government which was supported, in many instances, by the NDP which now talks about coalition.

We heard that today in the debate. I could not tell who was speaking only by listening. I heard the same garbage from the Liberals as I heard from the NDP and I heard the same garbage from the NDP as I heard from the Liberals. They have already decided that they will form a coalition. They have looked at the polls and have decided that the Conservative Party would form a minority government if an election was held today, and they would therefore form a coalition. They have admitted that and talked about it.

Let us look at the NDP record. Let us look at what the NDP has done since we came to office. The NDP voted against the Patent Act and against removal of the National Energy Policy. Members of the NDP voted against the Western Accord which we drew up with western Canada and against the Atlantic Accord. They want nothing but central control on industry and development. You never hear the NDP talking about diversifying the automotive industry out of Oshawa because they have Bob White and Shirley Carr to contend with. I do not know if it really matters to the New Democratic Party Leader. I do not know where he takes his orders. I think they pull a lever in Shirley Carr's office and the toilet flushes in the office of the Leader of the NDP.

The transportation Bill removed for all time discrimination in western Canada in rail transportation and the NDP voted against it. NDP Members spent six days debating the Senate amendments to the Immigration Act while we have a very real problem with immigration with which we are struggling daily. However, we had better not put that law in place because they would not be able to stand up in the House of Commons and go after the Minister of Immigration because some guy lied his way into Canada and we cannot deport him without going through a number of processes.

We spent nine days debating the Budget. Do you remember when we were trying to put the postal workers back to work, Mr. Speaker? Where did the members of the NDP stand on that? They stood up and voted not to put them back to work. We must have postal service in western Canada. We are not prepared to use courier services as they can in Toronto, Oshawa, and Montreal. We must have mail service in every community in the country, particularly in western Canada where we rely upon it so much.

We introduced legislation to put the grain handlers back to work. If you do not move the grain in western Canada, the farmers are out in the cold. The NDP voted against that as well.

It was very interesting to hear the debate today and see how much the two Parties meld together with a total lack of understanding of the problems in western Canada. The western diversification program is an historic move in this country. For once we have a western diversification program and a Minister responsible for western diversification who is from the West. We have an office and a Deputy Minister located in Edmonton where they can deal with the problems facing the West. That move alone diversifies some of the government bureaucracy with which we are faced.

Let us talk about the farmers. I heard the Member for Algoma stand up and plead the plight of the farmer. I heard the NDP stand up and plead the plight of the farmer. The present Government is the first Government that has reacted and done what has to be done for the farmers in western Canada. The Liberal Government brought in a 25-cent tax on gasoline which the farmers had to pay. We removed that in order that input costs would go down.

I could go on, Mr. Speaker. Do you remember the Canadian ownership charge at the pumps? An oil company created under the National Energy Program had its hand in every pocket in this country.

We do not for a moment say that the farming industry does not have problems. Certainly it does. However, even with a grain war waging between the United States and the European Common Market, we moved more grain this year than in any other year. We have given more help to the farmers across the country than has any other government in living memory. We have given $5 billion in assistance since we came to office. We will continue to assist the farming community in that way because we came to office with a commitment to the farm community and we have lived up to that commitment.

What is the western diversification program about? It was introduced by the western diversification office and is part of a mandate to manage the western diversification fund which was set up to stimulate diversification in the country, particularly in western Canada. It is designed in such a way as to give maximum flexibility in dealing with proposals which may come forward for western diversification fund assistance.

We always had programs designed in Ottawa in the ivory towers which we then had to make work. We were given the guidelines, the rules, and the regulations. That did not work. I can remember the old tier system and the process which had to be gone through to change it. It was based on census and employment figures. We had great disparity in the country.

• (1810)

There were tier 1 areas, some tier 2 areas and others that were tier 3. All of Alberta was not even considered. Alberta had gone through a period of relative prosperity until the Liberals and NDP decided to devastate Canada with their national energy policy. That threw a monkey-wrench into the whole system.

Even when there were 40,000 unemployed in Edmonton alone we did not have a chance with the tier system because it took too long to deal with our situation. In Calgary, houses and apartments were empty, businesses were going down the tube and people were being thrown out of work day after day. Yet the formula did not allow us to benefit from the economic development system.

We now have a program that has the required flexibility because the criteria has been designed in an office in Edmonton, in consultation with the people whom it will affect. The program is geared to support projects that promote or enhance economic development or diversify in some way western Canada. It includes the initiation, the promotion or expansion of enterprises, the establishment of new business, research and development activities. However, these activities will be controlled. We will not bring in a scientific research tax credit system whereby scams can take billions of dollars out of the Treasury without anything being done.

It has been suggested that this program is a smoke and mirrors exercise to make us look good. This is a flexible program that responds to the needs of western Canada. It will not have a tier structure. The West will be treated as a single region.

Mr. Benjamin: We will all be in tears.

Mr. Shields: The Member says that they will all be in tears. I wonder where his tears will be when people begin to realize how lock-step the NDP and Liberals really are in the House of Commons. I would ask anyone reading today's *Hansard* to block out the names of those speaking on this Bill and identify whether they are NDP or Liberals. They would certainly be able to identify the Conservative Members, but the Liberals and New Democrats are lock-step with one another. They have already formed the coalition about which they have been talking.

The eligible costs have been broadened to include working capital because we found that the need for working capital sometimes created a problem. Previous programs had always been geared more to the wealthy who had the working capital and good solid backing. Now we have broadened the eligible costs through the western diversification program to include working capital. Many small businesses would like to expand but need the financing for capital expansion as well as working capital, which anyone in business will suggest is the hardest financing to obtain.

If I sitting in the Liberal or NDP benches, particularly considering the history I saw here between 1980 and 1984, I would be ashamed to stand up against the western diversification office and the western diversification program.

Mr. Nystrom: Mr. Speaker, the Hon. Member for Athabasca (Mr. Shields) claims that his Party does very well in representing western Canada. The statistics I have from Statistics Canada show that of the goods and services purchased by the Department of Supply and Services in 1981-82, 15.5 per cent was purchased in the West. In 1984-85, the first year that his Party took power, goods and services purchased in the West went down to 13.9 per cent and dropped to some 11.5 per cent in 1986-87.

Why is the federal Government purchasing less in western Canada? A decrease from 13.9 per cent to 11.5 per cent in two years is a fairly sharp drop. If the Government were to purchase a greater share in western Canada, that would stimulate the economy and create more jobs.

Mr. Shields: I am pleased my hon. friend raised this. Of course, he is playing with statistics and does not present the true picture. He knows that some very major purchases have been made since we took office, particularly in defence. This includes the frigates, the CF-18, and a number of other defence procurements.

These statistics would skew the total figures. Some of those major contracts which went to the Maritimes, including the Aurora contract and the frigate contracts, will skew the numbers elsewhere.

Let me tell the Hon. Member that I know of companies that never had the opportunity to purchase from the federal Government until we took office. I never saw a Minister of

Supply and Services in Cold Lake, Grand Centre or Bonnyville. I never saw him in Vegreville, St. Paul or Fort McMurray until this Government took office. When we took office, the Minister of Supply and Services visited the major centres in western Canada to explain how the system worked. People in the West who had the supplies and wanted to do government business did not know how the system worked because they did not have the information.

They never believed they could gain a contract, but let me cite some of the contracts that have been obtained in Alberta that would never have been given without this Government and its purchasing policy.

There is a contract in Vegreville for the supply of an approach system for airports across Canada. Northwest Industries in Edmonton has just been awarded the Hercules aircraft contract. They have been awarded the contract for the repair and maintenance of all Hercules aircraft in Canada. Indeed, that is now spilling over into the United States. You have to look at them in balance. We have more Government purchases going on in western Canada than ever before, and they also have more information out there than ever before.

• (1820)

Mr. Foster: I was very interested in the Hon. Member's speech when he said working capital is one of the great difficulties for small business. I certainly agree with him. Would he point out to us where in Bill C-113, an Act to promote the development and diversification of the economy of western Canada, to establish the department of western economic diversification and to make consequential amendments to other acts, it provides for working capital for small businesses, especially those in western Canada?

Second, the Hon. Member was outlining the terrible folly of the New Democratic Party in promoting the nationalization of the major oil company. I wonder if the Hon. Member could explain why, in the fall of 1984, shortly after this Government took power, Petro-Canada bought out Gulf Oil, in effect nationalizing it, because it was certainly one of our major oil companies. Why did the Parliamentary Secretary allow that to happen? I have talked to western Canadians who said that at that moment they tore up their Tory card. They could not understand why the Tory Government was nationalizing or taking over Gulf Oil and providing the little easy bump for the production side to go to Reichmanns with a write-off, I understand of about $1 billion. Why would the Government spend $1 billion taking over Gulf Oil when that was clearly different from what the Party had been promising and committing itself to, and what the Hon. Member has spoken against tonight?

Mr. Shields: Mr. Speaker, there is an obvious answer and I think the Hon. Member knows it. It is because there was fear it would fall into foreign ownership. It was that simple, I think, at the time.

Let me remind the Hon. Member of the fact that since we took office there has only been one Liberal Member of Parliament representing western Canada. That is the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), the Transport Minister in the previous Government. He is, obviously, a representative of his Party, but he voted against the repeal of the disastrous National Energy Program. He also voted against the repeal of the incremental oil revenue tax from the phase-out of the Petroleum Gas Revenue Tax, as agreed by the Western Accord. We are talking about the western representative of the Liberal Party. He has to represent the West as a Liberal. He is the only Liberal from western Canada.

He voted against the increased competition in air and rail transportation, Bill C-18. That was one program western Canada needed. It was one program that got rid of for all times freight rate discrimination. He voted against a $500,000 capital gains exemption for Canadian farmers, Bill C-84. He voted against the expenditure of $92 million for drought relief for western farmers. He voted against providing the Canadian Wheat Board with $200 million to offset its deficit. Perhaps he wanted farmers to make up the difference. At the same time he also voted against funding the development of a new grain transportation method.

He voted against increased foreign investment, the creation of Investment Canada. He voted against increased research, investment in jobs in Canada's pharmaceutical industry. He voted against the settlement of the softwood lumber dispute that had been negotiated at the request of the producing provinces, western provinces. He voted against legislation which compensated the uninsured depositors of two western banks. He did this in spite of the fact that the depositors of those banks included many municipalities, educational institutions, credit unions and school boards. He voted against $17 million of Atlantic fisheries restructuring, he voted against providing the Cape Breton Development Corporation with an extra $7 million for the modernization of the railway operation. He voted against increasing the total amount of money that may be loaned under the Small Businesses Loans Act. Where is the Liberal Party coming from? The Hon. Member for Algoma has the gall to stand in this House and ask questions when tied around his neck is a millstone in the form of the Hon. Member for Winnipeg—Fort Garry, who is supposed to represent western Canada. I cannot believe it.

Mr. Deputy Speaker: Resuming debate with the Hon. Member for Regina West.

Mr. Benjamin: Mr. Speaker, on a point of order, considering the hour, I wonder if I could ask for the pleasure of the House that we adjourn the debate now and resume the next day this Bill is called, rather than using the few minutes that remain?

Mr. Hawkes: Mr. Speaker, I have heard a lot of positive comments about the need for such initiatives. In response to my hon. friend, perhaps, Mr. Speaker, you would find unanimous consent not to see the clock. The Member could

then complete his speech and we could get the Bill to committee before we adjourn for the evening. Do I see agreement over there?

It looks like the New Democratic Party does not agree. We are anxious to complete the debate and I would suggest that the Hon. Member begin his speech and perhaps in a few minutes those Members might feel differently and allow it to continue and perhaps get the Bill to committee.

Mr. Benjamin: We would be most agreeable to not seeing the clock but that does not finish the debate.

Mr. Hawkes: If there is unanimous consent, we will just agree not to see the clock and will continue debate.

Mr. Nystrom: Mr. Speaker, I think what the Hon. Member for Regina West (Mr. Benjamin) would be interested in doing is not to see the clock until he finishes his speech. However, out of fairness to other Members who wish to speak on this Bill, we will have to come back to this debate on another day.

Mr. Shields: Mr. Speaker, I think we are prepared not to see the clock. If we do not see the clock, there should be no time limit on not seeing the clock. Let the Member finish his speech and let those who wish to speak come back to the House and do so. We want to get this Bill to committee and we want to get it there as fast as we can because westerners are waiting for this Bill. It has a real impact on western Canada. Let us get it through. Why the filibuster?

Mr. Deputy Speaker: The Chair, of course, will do whatever the House wants, but the Chair is not clear as to what the House wants now.

Mr. Foster: Mr. Speaker, obviously there is no agreement so I suggest that the debate continue until 6.39, which is the time of adjournment, and if we have not then completed the Bill before the House, we can continue debate at the next sitting of the House or whenever.

Mr. Deputy Speaker: The debate will continue until 6.39 with the Hon. Member for Regina West.

Mr. Les Benjamin (Regina West): Mr. Speaker, I get nine minutes now and eleven minutes the next time the Bill is called. I just suggested we shut her down for the rest of this day and I could speak for the whole 20 minutes all at once. I hope my friend, the Hon. Member for Athabasca (Mr. Shields), sticks around.

Mr. Shields: No, I will not.

Mr. Benjamin: That figures. He is a good hit and run artist.

I have been through this diversification thing for the umpteenth time, ever since I was a kid in the dirty thirties. I heard about it with respect to western Canada and Atlantic Canada. I heard about it with respect to the North and northern Ontario, the divisions of the North, the Roads to Resources.

We have had nothing but Grits and Tories in Government for 125 years. R. B. Bennett was going to blast us into the world markets. He was going to diversify the economy.

• (1830)

Mr. Nystrom: He did blast us!

Mr. Benjamin: We got blasted all right, on to $5 per month relief. Then we got the Liberals. The war saved us for a while. After the war the Liberals said that they would diversify and that they would get us into the world markets. "We have to diversify", they told us. The only thing that saved R. B. Bennett was that he told us to diversify out west, which we did, and then it did not rain. So we got dried out.

The Liberals came along then and said: "We have to diversify". Again, the people out west believed them and they diversified. We were up to our eyeballs in grain. We had a glut that some would not believe. Our people out west diversified into livestock of all types, poultry and even bee keeping. A whole bunch of little businesses started up, plants and whatnot, to build feed bins and to help construct feedlots, et cetera. We then diversified all over the place. Grain prices were cheap. One could buy three bushels of barley for $1. At that price one could afford to feed cattle.

So we went into cattle and hogs. We raised so many cattle and hogs that two things happened. First, the Americans slapped an embargo on us because we were sending too many down there. Second, the price dropped to less than it cost for a bushel of barley. We have been through that one, too. This was in the 1950s and the 1960s.

Then we got to the 1960s and the 1970s. We had mostly Liberal Governments. We had Tories right up until 1979, including 1979, who talked about diversification.

We decided that in order to diversify we would grow all this rapeseed which is now called Canola and make vegetable oil out of it. We built about eight plants in western Canada as part of diversification. We quit growing so darn much wheat and so darn much cattle, hogs and chickens.

We just got into the diversification plan for the fourteenth time in the last hundred years and what happened? The Government decided to give tens of millions of dollars to oilseed processing plants. Where? In southern Ontario. What did they process? Soybeans from the United States. Of the eight plants that we used to have in western Canada there are now two left. So much for that episode of diversification.

Mr. Speaker, please forgive me for feeling a bit of cynicism. I do not like being a cynic. It is the last resort of the guy who gave up. One can hardly blame me for saying: "Again?" Unless and until a national Government, whether it be made up of Conservatives, Liberals or NDPers, decides to get together with the business community, the trade union movement and the agricultural community to have a planned economy and direct the location of industry and provide it with an equality of opportunity to compete in the markets in central

Canada and outside Canada, then diversification plans for Atlantic Canada or western Canada will go down the drain just like all the other ones have before. We have been through this innumerable times.

It means that we have to say to central Canada, and I am sure that there are people in Toronto, Montreal and Ottawa who will agree, that those places do not need to get any bigger. They cannot even keep up with their housing requirements and the municipal facilities that their people and industry need. They are way behind. They cannot even get rid of all their garbage.

The next time an industry wants to start up it should be provided with the capacity to go into business in Atlantic Canada or western Canada and be able to present its production in the markets of central Canada or anywhere else in the world in equal competition with those which make the same products. Let me give Hon. Members an illustration of that point.

We used to ship 10 to 12 train loads of western coal a day from Saskatchewan, Alberta and eastern British Columbia to central Canada for heating and for the production of electricity. What has happened since then? We keep raising Cain in the House time and time again about acid rain which is caused by high-sulphur coal, brought in from where? The United States. If this western diversification plan worked to do anything, it would provide an equity of transportation costs. We would move western coal to the tune of 10, 12 or 15 train loads a day, even if it was only as far as Thunder Bay. We could then ship it by water through the Seaway to all the power plants, particularly those of Ontario Hydro. Yet here we sit. We are up to here in coal in the three most western provinces. It is low-sulphur coal which would do more to reduce the production of acid rain inside Canada than anything else. The problem is that under the free trade agreement, the Americans would not like that because a statutory coal rate would be needed, just like a statutory grain rate.

We can talk all we like about whether it is $200 million per year or $1 billion per year for the next five years. Unless we reorder the location, the production, the manufacturing and the processing of our products and resources, they will fail. We have been through this several times before.

I am several times bitten; I am more times shy. At the moment we have an excellent poultry producer in Wynyard, Saskatchewan. He diversified. He has hundreds of thousands of dollars invested in that plant. He received some grants from the federal and provincial Governments. He produces marvellous roasting chickens. One can go to the Safeway or the Co-op in Regina to buy them. They are beautiful. The problem is that he diversified. The same stores are selling chickens produced in Georgia—

Mr. Hawkes: Mr. Speaker, I rise on a point of order. The Hon. Member's remarks are interesting. In light of some of the earlier conversation, will the Opposition agree not to see the clock and allow the Hon. Member to complete his speech and perhaps have another? This would leave us with a much shorter length of time for the next day of the debate. That might enable us to get the matter to committee somewhat quicker.

Mr. Deputy Speaker: The House has heard the terms of the request. Is there unanimous consent?

Some Hon. Members: No.

Mr. Deputy Speaker: There is not unanimous consent.

Mr. Benjamin: Why does the Hon. Member not make up his mind? That is what I proposed in the first place and he said no. If Hon. Members would like to let me finish my 20-minute speech we could then adjourn the debate and resume it the next day that it is called.

Mr. Deputy Speaker: Is there unanimous consent to allow the Hon. Member for Regina West to complete his speech and then to adjourn the House?

Some Hon. Members: Agreed.

Mr. Benjamin: Mr. Speaker, as I was saying before I was so rudely interrupted, we have been through this diversification bit before. The thrust of a national Government's policy, of any of the three political Parties in this place, has to be the reordering of our economy and the reordering of the location of the production of that economy. Without that, eastern, western or northern diversification programs are doomed to fail. We have tried them many times before. If we are going to do what the Government states that it wants to do, then it has to face up to the fact that the free trade deal goes down the drain. Everything that the federal Government in co-operation with the provinces tries to do will be deemed by the Americans to be a subsidy.

• (1840)

Mr. McDermid: Baloney!

Mr. Benjamin: Well, they have already done it, they are doing it now, and they will continue to do it.

Members of the U.S. administration, the U.S. Congress, state governors and legislatures are already accusing us of subsidies on programs that national governments, be they Liberal or Conservative, designed to assist in regional development. That is the reality that this Government or any other Party that forms the Government of Canada will have to face up to.

In order to make a regional development program succeed, the Government of this country, of any political stripe, has to make a decision not to discriminate against any other region, not to discriminate against any other country, but to discriminate in favour of an underdeveloped region. Discrimination for rather than discrimination against is 100 per cent different.

For a regional development fund to be effective, whether it is in western Canada or Atlantic Canada, we have to take into account our geography, our climate, and the distances we have to face to get our production into the market-places in central Canada, or anywhere else in the world. To attempt to do anything other than that is doomed to failure.

The problem with the Conservatives and Liberals is that they have never learned from their own history, and they are attempting to repeat it. If they wish to do things about western development, my good friend, the Hon. Member for Assiniboia (Mr. Gustafson) and I will have to persuade the President of the Treasury Board (Mr. Mazankowski), the Cabinet, and the Minister of Transport (Mr. Crosbie) to complete the rehabilitation of railway lines. If any self-respecting investor wants to build a plant, he is not going to do it in Assiniboia, Weyburn, Moose Jaw, or in any other place where there is no railway line. The Government has reneged on the rehabilitation of railway lines to the tune of something in the order of $138 million. That is how far behind we are, and there is this year and next year left.

The Hon. Member for Assiniboia and I have tried our best. We have had some modest success, last minute changes of heart by the bureaucrats in the Department of Transport, and maybe with the Minister of Transport.

Surely that is the type of investment that pays off for western Canada. I find it appalling when Conservatives talk to me about having a government run by sound business practices, when two or three years ago it sunk $10 million into a branch line 77 miles long and refuses to finish the job, which will take another $13 million. That is in the Bengough subdivision in my hon. friend's riding. The Hon. Member and I have both been fighting to get that done. The way it sits now is that this Government, with all its western diversification plans, will let that $10 million that has already been spent go down the drain, just throw it out. The other $13 million has to be spent to finish the rehabilitation of that railway line, or $10 million will be totally wasted. That job has to be done. It requires $138 million between now and the end of November, 1989. The rail line rehabilitation alone is half of what the Government proposes to spend in each year for five years.

If they want to do some things for western Canada, why don't they finish what has been started? The Liberals started this particular project, but why does the Government not finish what it states is a good idea before starting into other things? It does not have the slightest idea in what direction to go.

One cannot diversify. There cannot be a champagne production and a champagne economy in a beer market. The beer market is the small market of western Canada. I consider western Canada anywhere from Sudbury west. I consider eastern Canada from Quebec City east, and all of northern Quebec. Unless we reorder, we say to industry and the market in central Canada that we will lay down production, manufacturing, and service materials from western Canada and Atlantic Canada. We will lay it down in the market in central Canada, in the United States, or anywhere else in the world, at a price that you will have to compete with in terms of quality, quantity, delivery, warrantys, and everything else, but the cost of getting it there will be equal.

Surely that is fair. Surely that takes into account our geography. If the Minister of Transport (Mr. Crosbie) had $500 million that he did not know what to do with, he would be stupid to invest it in some kind of a manufacturing or processing plant with western Canada or Atlantic Canada in the type of conditions and economy that we presently have. It would be dumb. If he went for a banker to a loan, he would be laughed out of the place.

A planned economy requires a reordering of the location of our productive capacity, whether it is in manufactured goods or in agricultural processing. There is more to Canada than Montreal, Ottawa, and Toronto. They do not need any more. They cannot handle all they have now. That is what we have to do, no matter what Party is in government.

I wish to assure the Hon. Member for Assiniboia (Mr. Gustafson), when this Bill is called for debate, that I will be here to participate in the 10-minute question and answer period.

Mr. Deputy Speaker: It being 6.49 p.m., this House stands adjourned until tomorrow at 11 a.m.

The House adjourned at 6.49 p.m.

HOUSE OF COMMONS

Thursday, March 3, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PARLIAMENT HILL

TABLING OF REPORT ON DEVELOPMENT OF PARLIAMENTARY PRECINCT AREA

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I am pleased to table, in both official languages, a report commissioned by the National Capital Commission and my Department. This report is a planning document for 21st century development of the parliamentary precinct area.

* * *

[*Translation*]

EXTERNAL AID

INTERNATIONAL DEVELOPMENT ASSISTANCE STRATEGY

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, I am honored to table in the House today the strategy entitled *Sharing Our Future*, the action plan that will guide Canada's Official Development Assistance (ODA) policies into the next century.

As parliamentarians are aware, the past three years have been important both for Canadian foreign policy and for the process of policy-making.

I had an opportunity to discuss that new strategy with the critics of both opposition Parties last night.

Commencing with the publication of *Competitiveness and Security* in 1985, a period of extensive consultation, review and reflection on the various elements and components of Canada's foreign policy in general, and aid policy in particular, has been undertaken.

Canadians and our many development partners—non-governmental organizations and institutions, trade unions and co-operatives, the private sector, and multilateral agencies, as well as people in the developing countries—have participated in the process.

Parliamentarians, through our committees, have played an important part in giving shape to the diverse views and objectives articulated by Canadians and their organizations.

The new stragegy I am presenting is the culmination of this extensive review. And the various new policy thrusts and initiatives announced in it reflect the development vision of Canadians themselves. The strategy thus demonstrates the confidence our Government has in the wisdom, talents and commitment of Canadians.

Mr. Speaker, our Government believes that a country's foreign policy must be an expression of the vision of its citizens—a reflection of their values, goals and objectives.

Our foreign policy conveys to the international community our character as a nation.

[*English*]

We embarked upon a thorough policy review with a firm belief in mind, a conviction, that the shaping of foreign policy and aid policy is the responsibility of all Canadians and not the exclusive domain of politicians or bureaucrats in Ottawa. The message embodied in this new Canadian strategy for a development corporation is one of which we can all be proud. Canadians care. It says much about us as a nation that Canadians accept our responsibility to be partners in building a better world, not only for our children but for all the world's children.

[*Translation*]

The strategy that will guide Canada's development assistance policies is built on three commitments I made at the beginning of my mandate: improving the delivery of our aid, fostering partnership, and reaching out to involve Canadians more fully in our development program.

My first commitment, "improving aid delivery", reflects the belief of many Canadians that we need stronger aid policies which are relevant and appropriate, both to those we seek to help and to Canadians as well. Better program delivery will mean that the right Canadian resources reach those most in need, when they need our help the most.

The second, "fostering partnership", captures the spirit of commitment that Canadians showed in their strong response to the crisis in Africa three years ago. It reflects our desire to build on the consensus achieved at that time. Canadians want

to create new partnerships—both domestically and internationally—so that together we can build a better world.

And my pledge on reaching out to the public responds to the desire I sense among Canadians to learn more about development, to be better informed—so they can take part more fully.

• (1110)

[*English*]

Before I highlight some of the new policy directions we are announcing today, let me quickly sketch for you the principles that will guide our initiatives in international development.

[*Translation*]

Mr. Speaker, in responding to the Report of the Standing Committee on External Affairs and International Trade (SCEAIT) last September, the Government endorsed the committee's proposal for an ODA charter.

The charter has four pillars: The primary purpose of our development effort is to help the world's poorest countries and people.

[*English*]

Canada's aid policies must strengthen the human and institutional capacity of developing countries to solve their own problems in harmony with their natural environment.

[*Translation*]

In setting objectives for development assistance, developmental priorities must prevail.

[*English*]

We must strengthen the links between Canadian citizens and institutions, and those in the Third World. In short, partnership.

[*Translation*]

With these principles as the foundation of our policy, our priorities to help focus our projects and programs are: alleviate poverty; design structural adjustment policies that take into account their human impact on the people they are designed to assist; strengthen our emphasis on the role of women in development;

[*English*]

—foster environmentally sound and ecologically sustainable programming; strive for food security; and emphasize energy availability.

[*Translation*]

The four pillars, complemented by the priorities I have mentioned, constitute the charter for Canada's development assistance program.

Beyond this, we are announcing a significant number of new programs and initiatives in our strategy. Here are some of the highlights:

We have created a "new eligibility framework" for our ODA—one that provides flexibility so we can achieve the goals to which we are committed, including: eradicating global poverty, concentrating on the poorest countries and people, and ensuring that our aid policies are more focused and more relevant.

[*English*]

The new framework makes it easier to take into account the human rights performance of various countries when deciding upon the nature and scope of our assistance efforts.

[*Translation*]

We have also decided to divide the aid program into two distinct parts—each having half of the ODA budget.

The first part, called the "Partnership Program", will be for initiatives and programs shaped by our Canadian and international partners in development.

[*English*]

The second will support Canada's national initiatives program of bilateral assistance and other contributions to development carried out mainly on a government-to-government basis.

[*Translation*]

Mr. Speaker, to improve "program delivery", significant numbers of aid personnel will be decentralized both to existing overseas posts and to four new regional field offices.

[*English*]

These field offices, one for the countries of the Southern African Development Co-ordination Conference, the second for the Sahel, a third in the Caribbean and another for the Association of Southeast Asian Nations, will help to ensure that future CIDA initiatives are better tailored to local needs and circumstances. Higher levels of approval authority will be delegated to field personnel.

[*Translation*]

To ensure that our programs encourage self-reliance rather than dependence, "human resource development" will become the lens through which all our efforts will be viewed. Creating indigenous capacity to enable each country to solve its own development problems will be our steady focus.

To achieve this, many initiatives are put forward—including one to double the number of CIDA-sponsored students and trainees, both in Canada and the Third World.

[*English*]

New guidelines to govern our food aid policies and to consider the ecological and environmental impact of our aid efforts are also important elements of the strategy.

[*Translation*]

These measures, and others we are announcing, are designed to improve the effectiveness, relevance and quality of what we do in the Third World.

To strengthen our commitment to partnership—one of the four pillars of our aid strategy—new initiatives are being launched to enhance the participation of our development partners from the private sector, non-governmental organizations and training institutions.

[*English*]

For the private sector, the budget of CIDA's Industrial Co-operation Program will be doubled and its parameters enhanced. General lines of credit will be established in up to 20 countries and guidelines governing their use will be made more flexible.

[*Translation*]

Measures to encourage co-operation between Canadian universities and training institutes and those in the Third World are being announced today. Universities will be invited to prepare proposals for centres of excellence in development studies.

Canada's non-governmental organizations and institutions are among the world's leaders in international development. To enhance their contribution, numerous initiatives are proposed in the strategy—along with an increase in the amount of ODA allocated to supporting their efforts.

[*English*]

The various agencies and institutions that make up the multilateral system provide some of the most precious and effective tools for promoting international development and co-operation.

[*Translation*]

The World Bank, the United Nations Children's Fund, the World Health Organization, the World Food Program, the United Nations Environment Program, the Commonwealth and la Francophonie are but a few examples of the diversity of agencies and programs the multilateral system offers for the effort to achieve global progress.

Mr. Speaker, Canada remains committed to a strong and vital multilateral system, and we will continue to strive for renewal and revitalization.

[*English*]

To facilitate access to the aid program by Canadians and raise levels of public awareness of development issues, I am announcing today an extensive multi-faceted public education and outreach strategy.

[*Translation*]

This strategy is designed both to enhance CIDA'S presence in Canada's regions and to increase public awareness of the challenges and opportunities of international development.

Mr. Speaker, these are a few highlights of our new strategy for ODA—a strategy formulated by Canadians for building a better world.

International development is vitally important to the future of our interdependent world.

Repression, epidemics, famine, desertification and ecological degradation are both the symptoms and the causes of poverty and underdevelopment.

[*English*]

Too often in the past, aid-giving has been considered exclusively a moral or humanitarian issue, haves helping have-nots. We must change that perception. Aid must be regarded not just as charity but as an investment in our shared future.

[*Translation*]

Mr. Speaker, only through the eradication of global poverty can we create an environment that nurtures the tremendous creative potential of the human race, and frees it to build the better world we all want to see.

[*English*]

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, very often it is the task of a critic to try to find fault with what has been presented in a Minister's statement, and certainly I will try to be loyal to that responsibility. There are some matters of great concern to the Liberal Party and as the critic for the Liberal Party on human rights and international development I would like to bring these to the attention of the Government and the Canadian people.

• (1120)

It is also the responsibility of a critic to commend the Government when it does take positive action. The Government has taken a number of very important, solid steps forward. I want to commend the Minister for the thoroughness of her statement in reply to the report made by the Standing Committee on External Affairs and International Trade entitled *For Whose Benefit*. That report was made after a year of study, consultation, and travel. The Minister has taken to heart many of the important issues which were brought up.

For example, she has reported today that the Government now intends to, first, emphasize aid to the poorest nations. She has also pointed out that human resource development will now take a front line role, an important priority. She pointed out that decentralization in the field, which the committee recommended, will take place. This means that the people most affected will have a direct input into what is happening in their country and will be partners in what takes place. She has pointed out that there will be a reduction in the amount of tied aid, especially for weaker and poorer countries. That, too, is a positive development. She has pointed out that there will be a much expanded student scholarship program and aid in education.

There are a number of other items on which she reported. We should all take heart from this and be pleased. I want to indicate the satisfaction of my Party and myself with these promised programs of action by the Government to follow the recommendations which we made in the all-Party standing

committee which made a unanimous report entitled *For Whose Benefit* on what we thought should be done. I wanted to make those positive points at the outset.

While I realize that the Government has accepted a number of our recommendations, I do have a concern that there is an unwillingness by the Government to establish concrete and sound criteria for the examination of human rights violations in countries which receive our official development assistance and to determine what amounts of money we should be giving.

In the committee's report, which we hoped would be taken to heart by the Government, we recommended that as part of over-all Canadian foreign policy we apply a universal, consistent, and transparent manner in the way in which we assess human rights violations and make our grants.

Further, we recommended the development of a classification grid for recipient countries which would provide incentives for good behaviour as well as penalties for poor human rights performance. We made that recommendation because we were dissatisfied with the way in which the Government has been handling the granting of official development assistance to countries where there are human rights offences and violations and where Governments have been despotic.

We further recommended an annual ODA human rights review to be tabled in Parliament and referred to the Standing Committee on Human Rights. That was a serious effort to try to deal with a most serious area of concern, and the Government has not addressed itself to this other than with a promise that human rights will be reviewed by Cabinet. We are now told that Cabinet will judge the human rights record of receiving countries and determine the "appropriate channels for Canadian ODA and bilateral allocations for each country". Mr. Speaker, can you imagine Cabinet undertaking that responsibility? I myself cannot see Cabinet sitting in session assessing each nation.

We must seriously ask what the Government really means when it says that the Cabinet will be looking into this. Who is the Cabinet? Will it really be some faceless bureaucrats who will make recommendations? Will it be the Secretary of State for External Affairs (Mr. Clark), or will it be some claque of Neanderthal, red-neck Tory back-benchers holding up aid or development assistance because they do not like the political stripe of some recipient Government? Or will we perhaps have no guidelines at all, as has been the case until now, and continue to muddle around with no clear line of procedure as to how we will link our concern about human rights to the way in which we grant aid to other nations?

This is an area of real concern to us and I hope that the Government will realize that the Canadian people will not accept this program as a reply to what Canadians across the country were telling our committee was an outstanding concern of Canadian people, that being how we assess the human rights performance of other countries and how we link our policies in some fair, objective way that will allow us to give grants to countries which are, to some degree at least, respectful of human rights, and to withhold aid from countries that are grossly violating human rights and our bilateral assistance. It must also raise the question of how we will deal with our multilateral grants.

The greatest concern that we on this side of the House have about this reply by the Minister is that it misses the most fundamental concern of all. The most fundamental issue before us today is the amount of aid this country is going to give. We were promised that at some point in the future the figure would be .7 per cent of GNP. In fact, during the last election campaign the Prime Minister (Mr. Mulroney) promised that Canada's ODA funding would reach .7 per cent of the Gross National Product by 1990. We have to ask what has happened to that promise.

At present our ODA is only at .5 per cent, not .7 per cent. It is going to be maintained at .5 per cent until 1991 and will gradually be increased to .6 per cent by 1995 and .7 per cent of GNP by the year 2000. That means that the promise which was made is completely broken. We are going to stay where we are. We are not going to reach .7 per cent by 1990. The Government is now talking about .7 per cent of gross national product by the year 2000. That is the bottom line.

The question is, what is the priority of the Government? Is it to buy nuclear submarines to patrol the Arctic Ocean to see where other nuclear submarines are and make note of it? Is that how we are going to spend our funds when we know perfectly well that much of the world's peace is at stake because of the unstable and tragic economic problems in other nations? Or are we going to carry out our traditional policy as Canadians of trying to carry a strong Overseas Development Assistance Program which will bring peace and stability to nations throughout the world?

The inability of the Government to deal with the most fundamental issue, that is, to provide the funds that are necessary for overseas official development assistance, is the critical issue which we wish to criticize. It is broken promises. By 1990 another $1 billion was supposed to be injected into this effort. Instead of increasing the amount of aid in order to keep that promise, the Government is saying that we will stay as we are, that we will not increase anything, and that there will be no effort for some time to come.

Therefore, while the program has some assets which I have noted in terms of the priorities of where our funds are going and the way in which they will be spent, there is no serious effort to live up to our promises and obligations and to reach the goals which this country has set for itself. The Government is once again failing to put its money and itself where its mouth is.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I am pleased to be able to respond to the Minister's statement on behalf of the New Democratic Party. I would like to thank the Minister for her courtesy in making a copy of her statement available to me and my Liberal colleague last evening. It helps to facilitate the business of the House and a friendly spirit on the floor of the House when that sort of courtesy is extended.

• (1130)

When we consider development assistance, perhaps we should begin with the recognition that Canadians are fundamentally a generous people. I presume that this is true of other peoples in the world as well.

When we hear of other people who are in trouble, whether through earthquakes, drought, floods or war, we want to be able to help where we can. CIDA is the Government tool for generosity. It provides emergency assistance in all of these and other emergencies.

We need to go beyond spontaneous generosity which fades with yesterday's television news. We need a national policy commitment to assist in the development of other nations.

For the past number of years we have had that national policy commitment through CIDA, recognizing that development assistance is not just a matter of generosity but a recognition that we live in one world and that our peace and security and our children's peace and security really depend upon the development of a decent standard of living for all men and women, boys and girls in this world. This was underlined by the title of the Brundtland report presented to the United Nations a year ago, *Our Common Future*. The report tabled in the House today builds on that theme and is entitled *Sharing our Future*.

We share a future with all the peoples of the world. We cannot have a fortress Canada or fortress North America that ignores the needs and the rightful aspirations of other people for a decent standard of living and human rights.

I want to commend the Government for the review that has taken place of foreign policy and development assistance policy over the last two years. It was a privilege for me to be able to work on both the Special Joint Committee on Canada's International Relations and to work on the Standing Committee on External Affairs and International Trade when it did its review on development assistance.

One of the highlights of both those committees was the degree of public interest in external affairs and in development assistance. This kind of public support is absolutely essential and we must build on it.

One of the recommendations of our report was that there should be a development charter. We said that this development charter should be clearly enshrined in legislation that would be clear and binding. Today the Minister tabled her report and talked about a development charter, but the charter will not be enshrined in legislation. To that extent it is a weak charter because there is nothing binding in it. It is simply words that have been tabled in the House of Commons and that have no more binding force than any other words spoken in this Chamber.

The committee recommended very extensive decentralization. I am pleased that an important first step toward decentralization is being taken in this report. It is important to recognize that the contract awarding authority remains in the Ottawa-Hull region. I think that should be decentralized as well, which would have the effect of encouraging large and small companies that are interested in development to maintain a consistent presence in the developing countries where they wanted to work. When the final contracts are awarded in the Ottawa-Hull area, it leaves it open to people who are able to have an effective lobby in Ottawa. I am not sure this that is the direction we want to take.

I am pleased that the Government is accepting the emphasis on human resource development. Over the last number of years there has been an increasing recognition of the importance of women in development and the need for their participation to be built in at all levels. This is something that needs to be monitored. We give recognition to that in our reports and it is something that is recognized in policy. It must also be consistently monitored to ensure that it is being followed through. The same is true for the growing recognition of the need to have environmental concerns built into our development assistance.

I am pleased with the Minister's announcement about a doubling of scholarships. I believe education is key in the whole development process. One concern I have relates to the public participation program. A couple of years ago there were many concerns that the public participation program budget might be slashed. My concern, as I look at what the report says, is that the entire program could be turned into a public relations program for CIDA. Throughout the country we have a number of learner centres that have had an arm's length relationship with CIDA which occasionally have been very critical of what Canada has been able to do in terms of development assistance. Indeed, representatives of a number of these learner centres appeared before our committees, and I believe they made some fairly trenchant critiques of what CIDA was doing.

It states in the report that there will be a consultation with these learner centres to assess their potential for taking on responsibilities relating to distributing films, publications and so on. I am not opposed to that, and perhaps that is a useful function, but I am concerned that that consultation should not be used as a way of bringing these learner centres into a form of control by CIDA so that they really become extensions of the public relations department.

I am pleased to see the reduction of tied aid from 80 per cent to 50 per cent for the sub-Sahelan area, and to 66-2/3 per cent for other areas. I believe this is a good first step.

Like my Liberal colleague, I am concerned about the Government's failure to take adequate action on the whole area of human rights. This was one of the fundamental areas of concern of Canadians as they appeared before our committee. They wanted to be sure that the aid moneys that are being

disbursed by Canada are being used in a proper way and not going to repressive regimes.

My Liberal colleague outlined what the committee recommended, a very open process that would involve a public review by the House of Commons standing committee. Instead, there is a cabinet decision. The open process is necessary because there are situations such as the one now where the Government has renewed assistance to Guatemala. I want to read briefly what the 1987 annual report of the Inter-Church Committee on Human Rights in Latin America, says about Guatemala. It states:

> Summary executions and disappearances are still a daily occurrence. Neither the government's claim that this violence is the result of common delinquency nor its attempts to reduce it through heavy investments in new police equipment adequately responds to the challenge. It is scandalous to treat these hundreds of violations of the right to life as of relatively minor concern simply because numbers are no longer in the thousands as they were a few years ago.
>
> Along with its inability to put an end to current human rights violations, the present Guatemalan government has shown itself unwilling or incapable of initiating even a preliminary investigation into the fate of past victims of such abuses.

● (1140)

And it continues. The problem is that while that kind of knowledge about Guatemala has been available, the Government, last November, just prior to the visit of the Secretary of State for External Affairs (Mr. Clark) to Central America, used that visit as the occasion for announcing resumption of aid to Guatemala. People across Canada who are concerned about development assistance wonder how development can take place in a climate of repression such as we have in Guatemala.

The same is true of El Salvador. The Inter-Church Committee stated:

> Human rights problems of a gross, systematic and continuous nature continued in El Salvador during 1987.

It talks about arrest and detention with little meaningful legal protection. It continues:

> Such practices represent a general government policy aimed at stifling popular dissent.
>
> Death squad activity continued and indeed appeared to be increasing as the year drew to a close. The brutal October assassination of a prominent human rights activist thrust the survival of such practices back into the consciousness of the international community.
>
> Undoubtedly the impunity with which past human rights offences have been treated in El Salvador and the Government's attempt to reduce the struggle for human rights to a propaganda battle have done little to contribute to the creation of a better human rights climate.

The Council on Hemispheric Affairs in the United States, in its eleventh annual report, singled out El Salvador and Chile as being among the worst violators of human rights in Latin America last year. Yet when I wrote to the Minister last fall, sending a copy of a report which had been produced by a teacher from my constituency who had visited El Salvador, which documented human rights violations in El Salvador, the Minister replied:

> Setting aside for the moment differing views of the human rights situation in El Salvador, there is a broad agreement in this country that Canadian aid should be used to benefit those in greatest need. This is certainly true in the case of our program in El Salvador.

It is not just a matter of differing views of the human rights situation in El Salvador. It is a fact that the Government refuses to recognize that the human rights situation in El Salvador is abominable and disgraceful. We cannot make excuses and say that we hope it will be all right.

The same is true for the scandal of human rights in East Timor,and we have a massive aid program for Indonesia. I commend the Government for some of the steps it has taken. I regret that the aid levels are still below the target that was promised by the Secretary of State for External Affairs when he appeared before the United Nations just after he was appointed to his office. I remind the Liberals that they also cut back on the level of development assistance when they were in government.

I look forward to the implementation of this program. I understand that the standing committee is going to have the Minister come before it. We will review the way in which this program will be administered. I urge the Minister and CIDA to get on with this. I also asked them to try to bring forward a clearer public policy to link human rights and development assistance. Development assistance simply cannot take place in a climate of repression.

* * *

PETITIONS

OPPOSITION TO TRANSPORT OF PLUTONIUM OVER NORTHERN CANADA

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I have the honour today to present two petitions on different issues. They are both certified correct pursuant to Standing Order 106. The first petition is from a number of citizens of the Northwest Territories. The petition indicates a concern that the United States and Japan have proposed to fly plutonium over the Canadian North, representing devastating consequences to both the Canadian environment and its people in the event of an accident or act of terrorism.

The petitioners say that Canada has not been consulted by either the United States or Japan, which effectively challenges Canadian sovereignty in our North. They feel that allowing such flights over Canada would be contributing to nuclear proliferation, something to which Canada should be completely opposed. Therefore, they call upon Parliament to recognize the dangers of such flights and to say a very strong no to the transport of plutonium over northern Canadian territory.

PROPOSED FREE TRADE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I have the honour to present another petition signed by citizens

of Swift Current, Saskatchewan, as well as other centres, who indicate that they believe the federal Government lacks a mandate from the people of Canada to conclude a free trade agreement with the United States. They also believe that the Prime Minister (Mr. Mulroney) promised in the course of the trade discussions that Canadian sovereignty would not be compromised and feel that Canada's sovereignty has been compromised.

The petition goes on to state a number of other issues which I will not raise because I will be filing this petition. However, fundamentally the petitioners call upon Parliament to dissolve now and allow the people of Canada the opportunity to either accept or reject the proposed trade deal with the United States during a national general election.

PORNOGRAPHY—SUPPORT FOR BILL C-54

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, I have the honour and duty to present a number of petitions on behalf of residents of southwestern Saskatchewan concerning Bill C-54. The petitioners indicate their concern that pressures exerted by various permissive minority groups may cause Parliament to water down and weaken this legislation. The petitioners therefore humbly pray and call upon Parliament to support the Bill which will make it illegal to manufacture, import, sell or rent pornographic material as defined in the Bill.

They call upon Parliament to pass the legislation without dilution in the belief that it gives recognition to the inherent dignity of individuals, particularly women and young people who are most vulnerable to exploitation in this area.

I have in fact 23 petitions from residents of Swift Current, Burstall, Leader, Frontier, Eastend, Fox Valley, Simmie, Herbert, Cabri, Ponteix, Maple Creek, Sceptre, Mendham, Prelate, Admiral, and Hazlet, Saskatchewan, containing over 1,600 signatures, all relating to the same issue.

PROHIBITION OF DISCRIMINATION ON BASIS OF SEXUAL ORIENTATION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have the privilege to present a petition, which is signed by a substantial number of constituents of my riding and residents from different areas of Ottawa who note that in October of 1985 the subcommittee on Equality Rights of the Standing Committee on Justice and Solicitor General of this House, submitted a report to the House recommending that the Canadian Human Rights Act be amended to prohibit discrimination on the basis of sexual orientation in all areas of federal jurisdiction.

They further note that in March, 1986, just two years ago today, the Government accepted this report and its recommendations and said it would take whatever measures are necessary to ensure that sexual orientation is a prohibited ground of discrimination.

The petitioners humbly pray and call upon Parliament to ensure that the Government acts to implement that recommendation and that commitment. I have the privilege of submitting their petition and I hope that it moves the Government to act.

PROPOSED FREE TRADE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the privilege and responsibility to table a petition signed by residents of Toronto, Capreol, Barrie, Hornepayne in the Province of Ontario, as well as Chatham, Merlin, London and Kingsville, also in Ontario. These petitioners point out that in fact the Government had no mandate to conclude a free trade agreement with the United States.

They also point out that the Prime Minister (Mr. Mulroney) had promised in the course of the negotiations with the United States that Canadian sovereignty would not be compromised. They also point out that this proposed free trade agreement not only denies Canadians the secure access to the U.S. market, which was the key objective in these negotiations, but in fact it threatens the loss of hundreds of thousands of Canadian jobs.

The petitioners call upon Parliament to allow the people of this country to decide on this very important issue by a dissolution of Parliament and the calling of a general election by this Government.

• (1150)

Mr. Neil Young (Beaches): Mr. Speaker, I have a number of petitions to present which have been certified correct as to form and content pursuant to the provisions of Standing Order 106. The petitions are signed by residents of Toronto, Quebec City, Ottawa and a number of other centres across the country.

The petitioners state that the proposed trade agreement would deny Canada the policy freedom to determine its own economic future and undermine our ability to build a society distinct from that of the United States. They state that the proposed trade agreement not only denies Canadians secure access to the U.S. market which was the key objective in these negotiations, but that it threatens the loss of hundreds of thousands of jobs.

The petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, pursuant to Standing Order 106 I have the obligation and the honour to table a petition that has been certified correct by the Clerk of Petitions.

The petition is signed by residents of Ontario, primarily from the City of Toronto and the Golden Horseshoe. The petitioners indicate that the Conservative Government had no mandate from the Canadian people to conclude a trade agreement with the United States. They state that this agreement not only denies Canadians secure access to the U.S. market that was supposedly the key objective in these negotiations but threatens the loss of hundreds of thousands of Canadian jobs.

They humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed trade agreement during a national general election.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I too have a petition to present which conforms with Standing Order 106. It deals with the subject of the trade deal with the United States and is signed by residents of the City of Toronto.

In the petition the residents of the city indicate their view that the Prime Minister (Mr. Mulroney) promised in the course of bilateral trade negotiations that Canadian sovereignty would not be compromised, yet the trade agreement negotiated by the Government threatens to remove the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership, to develop Canadian energy resources in the best interest of Canadians and to equalize opportunities between regions.

Therefore they conclude that there must be an election called to endorse or to reject this trade deal before it is accepted.

OPPOSITION TO SALES TAX ON FOOD

Mr. Maurice Foster (Algoma): Mr. Speaker, I have a number of petitions signed by petitioners from Richard's Landing and Hilton Beach. On the petition are several dozen names of constituents of mine who are calling on the Government not to impose a sales tax on food.

They point out the large number of regressive taxes which have been imposed already on dental supplies, snack food, candies and soft drinks, all of which are close to food. They know that the documents of the Minister of Finance (Mr. Wilson) that were tabled in the House stated that food should not be taxed, but they did not say that food would not be taxed. That is the real concern of these constituents.

I hope the House will take this matter into consideration, especially the Minister of Finance, who I know wants to do something good for the country. I am sure that he will be well impressed by this petition.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, Question No. 258 will be answered today.

[*Text*]

PASPÉBIAC WHARF RECONSTRUCTION

Question No. 258—**Mrs. Killens:**

Is the amount of $6 million for the rebuilding of the Paspébiac commercial pier taken from the budget of the Economic Development Plan for Gaspé—Lower St-Lawrence or, if not, which plan or department is assuming these costs?

Hon. John C. Crosbie (Minister of Transport): The costs of the Paspébiac Wharf Reconstruction project are being funded from the regular capital budget of Transport Canada as part of the ongoing restoration and replacement of public port facilities for which the Department is responsible.

[*Translation*]

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

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

Some Hon. Members: Agreed.

[*English*]

Mr. Deputy Speaker: I wish to inform the House that because of the ministerial statement Government Orders will be extended by 39 minutes beginning at 1 p.m.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—FLOW-THROUGH SHARE TAX PROVISION

Mr. Mike Cassidy (Ottawa Centre) moved:

That this House notes that the flow-through share tax provision has been instrumental in revitalizing mining communities and regions across Canada, and consequently urges that the initial benefit level of this provision not be reduced but be retained to encourage mineral exploration and development by small and medium-sized companies.

He said: Mr. Speaker, this debate concerns the question of the Government's decision to terminate the flow-through share provisions which have encouraged an extraordinary amount of development in northern Quebec, northern Ontario, western communities, Nova Scotia, and even in Schefferville, the ghost town left by the Prime Minister (Mr. Mulroney) when he was the President of the Iron Ore Company of Canada which has seen some $19 million worth of investment in exploration because of the flow-through share provisions that have been in force since 1983.

This specific motion will be voted upon when we will be able to see how some Conservative Members of Parliament, who I know are very unhappy about the Minister of Finance's (Mr. Wilson) decision, will vote on this particular measure. It urges that the initial benefit level of the flow-through share provision not be reduced but be retained to encourage mineral exploration and development by small and medium-sized companies.

Last year the Prime Minister declared that we are in the process of building two Canadas, one which is rich and promising and one which is underdeveloped and underemployed. He was right.

What we are really talking about is a very important measure which has had enormous consequences in terms of providing growth and development on a self-sustaining basis in mining areas and in frontier areas across Canada. This is the Auto Pact of the mining sector of Canada. Perhaps the Government is trying to gut the Auto Pact under the trade arrangement with the United States as well. We reject that. We reject this measure which denies continuation of activity to regions which have benefited enormously. We believe that if this measure is maintained, it can be focused in such a way that it can be confined to junior mining companies which carry out the bulk of mining exploration and development. This can be done in ways which would permit a broader range of the population to participate rather than being confined to higher-income Canadians as the major providers of mining investment.

The White Paper on Tax Reform last July proposed cutting the earned depletion allowance, which is an essential part of the flow-through share mechanism, from 33 per cent, which is where it stood before Christmas, to 16.33 per cent in July of 1988, and to zero per cent in July of 1989. The finance committee suggested that the 33 per cent rate be maintained for a year and then be cut to 16 per cent to the end of 1989. We did not concur with that recommendation. But even that recommendation was not accepted by the Government. The Finance Minister's sole concession has been to extend the 16 per cent rate so that it will last for 18 months from July of this year until the end of 1989.

During the course of the discussion on the question of flow-through shares, New Democrats have been criticized. It has been suggested that we have adopted contradictory positions. That is not true. During the 1984 election campaign my Leader, the Hon. Member for Oshawa (Mr. Broadbent), was critical about the fact that we have various substantial amounts of tax expenditures and of tax benefits for corporations in Canada. The total of tax expenditures in Canada amounts to something in the order of $25 billion of $30 billion a year, according to the Auditor General. Little or nothing of that amount has in fact been attacked or really taken head-on by the Government.

What we made clear in the 1984 election campaign was not that these tax concessions should be wiped out automatically but that they should be evaluated. Those that were demonstrably of benefit should be maintained, just as those that were demonstrably not of benefit and merely cost the taxpayer should in fact be reduced or eliminated.

• (1200)

Earlier this week we met with representatives from across the country in the save flow-through share committee. They brought their campaign to save the flow-through share regime to Ottawa on Monday and Tuesday of this week. From the side of the New Democratic Party, which is consistent, we indicated that we thought the program should be focused on the mining regions and on the junior mining companies. The people from the industry accept and agree with that position. They are not saying that the regime, which was put in by the Liberals in 1983 and which was overly generous to the large mining companies, should be maintained *per se*. They are not saying that a system which largely benefits taxpayers earning over $200,000 a year should be maintained *per se*. They are saying that the perceived benefits in their regions should be maintained for the junior mining companies. That is what we are asking Members on all sides to support in this votable motion here today. What is unusual is not the New Democratic Party's position, but that the Conservatives are withdrawing the flow-through program and not putting anything in its place.

Since this issue first emerged in the House of Commons in a high profile manner in December of 1986, I took the trouble to look at our discussions on this issue as a consequence of the 1986 Budget. At that time the Government proposed a modest enrichment of the flow-through share program that existed at that time. On behalf of my Party, I was critical of a further enrichment. I say now, and I said then, that it should be targeted.

At that time I made it clear that rather than voting against that particular motion, measure, or clause in the tax Bill, "We could have tried to change, amend and improve the various measures being put forward by the Government". I went on to say:

> I decided, and my colleagues accepted, that where you have a measure which should fundamentally be re-thought, which is far too broad for the declared purpose, which is to get some needed exploration expense and activity going in the northern parts of my province, that is, Quebec, the oil and gas, areas and so on, rather than simply saying there is a bit of good here and there is a lot of bad, we should simply tell the Government to stop it, take the measure away, start all over again, and strike out the loopholes. Then, if the Government has to have targeted measures in the form of tax credits, grants or other means to encourage certain types of desirable activity, for goodness' sake let it do it that way, but let it not do it in the broad brush kind of way—

That was being proposed at that time. That makes sense. That is consistent. I said, "let us evaluate it". We had not done an evaluation at that time. Let us focus it in order to ensure that we were not making unnecessary commitments of tax resources and that we were getting what we wanted for the desirable activity which is to get needed exploration expense and activity going in the northern parts of my province, in Quebec, and in the rest of the country.

It is interesting that at that time the Minister of State for Finance (Mr. Hockin) responded with a paean of praise for flow-through shares. He stated:

> I think the Hon. Member knows that flow-through shares and the tax arrangements for them are not designed for the riding of Ottawa Centre. They are designed... for northern Ontario, northern Quebec, the Northwest Territories, the Yukon, and northern Manitoba, Alberta and so on.
>
> As a matter of fact, it is the northern parts of our provinces that are the most neglected parts of our society economically and in every other sense. We must do something for those parts. That is what is behind the flow-through shares.

The Minister of State for Finance went on to say:

> —quite frankly, flow-through shares have been very effective in creating very meaningful economic activity in a neglected area of Canada... This policy—is aimed at helping the people in northern Canada and making sure that risk decisions are not taken by Government but by the private sector.

I am in the uncomfortable position of agreeing with the Minister of State for Finance. What is curious is that only six months after that fulsome praise for flow-through shares, the Government turned around and scrapped its support for flow-through shares. The Government is the one that did the flip-flop. The Government is the Party that changed its mind, not the New Democratic Party.

In responding to concerns which we and many other people have raised about the flow-through shares, in December, in its response to the finance committee, the Government acknowledged that there was widespread concern about the impact of flow-through share financing. Then the Government said that all it would offer would be temporary assistance, in the event that there were depressed prices or economic downturns affecting exploration activity in Canada. In other words, after the mining communities go back to 25 per cent unemployment, then the Government might do something.

[*Translation*]

Mr. Speaker, this week, the Minister of Energy, Mines and Resources (Mr. Masse) stated before the save flow-through shares committee, and I quote:

> I cannot approve of measures aimed at shielding the mining exploration sector from market forces, nor do I support tax measures that reward activity without considering results.

So market forces must prevail. And the Minister also said, and I quote:

> These changes—

in the flow-through shares program

> —are part of the overall tax reform—

and the Minister is not prepared to make any changes at all.

[*English*]

He has cut loose the mining communities despite the evidence of the impact of this particular tax measure, which I maintain meets the New Democratic Party's criterion, that is, it is clear that the benefits have been very substantial, and it is possible to have those benefits at a cost which is reasonable and justifiable in terms of what this does for regional development.

Of course, the Government does not understand very much about regional development. It has consistently cut spending on regional development since coming to office in 1984. This particular measure that the Government inherited from the Liberals has encouraged $2 billion worth of mining exploration activity in Canada. The indications we have from studies financed by the prospectors in Quebec and by the Government of Quebec indicate that the mines already opened under this program have generated an estimated $1.5 billion of production per annum, some 66,000 jobs, $2.8 billion worth of added value, and additional taxes for the federal Government in Quebec of some $300 million per annum after deducting the cost of the tax incentives.

The Quebec Prospectors' Association told the finance committee, "To abandon this program would signify the elimination pure and simple of junior companies which produced almost all the mining discoveries between 1980 and 1985".

[*Translation*]

The results have been fantastic, Mr. Speaker. In Abitibi, about $500 million was spent on exploration during the past three years, and 15,000 jobs were created. This has promoted small business. In three years, unemployment dropped from 28 per cent to 5 or 6 per cent in the Abitibi area, saving a lot of money in unemployment insurance benefits and welfare payments.

In Schefferville, $19 million was spent in a community that had been closed down by the former president of Iron Ore Canada, the present Prime Minister of this country.

In Murdochville, in the Gaspé, another region with one of the highest unemployment rates in this country, $6 million was spent.

In Thetford Mines, where 350 new lay-offs were announced in the asbestos industry, two Quebec companies are opening up two chromium deposits, and $20 million will have been spent in 1987 in this region.

We see the same thing happening at La Fosse in Labrador and Ungava. Some 800,000 square kilometres have been staked for exploration purposes by a number of companies, mostly junior companies headed by Quebecers, and these are young entrepreneurs and companies based in the area, not in Montreal or Toronto.

[*English*]

With this program we are seeing the development of an authentic, new mining industry based in these regions. It is genuine regional development, rather than the boom-bust pattern of mining development in which large mining companies situated in Toronto, Montreal, or abroad turned the exploration up when they felt like it and then turned it down flat.

• (1210)

We have seen a rate of mine openings and findings such as we have never seen in the country before. There has been an increase from three or four mines being opened per year over the last 30 years to about 15 mines being opened per year. Last year alone some 34 mines were opened across Canada, mainly in the gold mining sector and largely because of this particular program. These mines are generating jobs, every one of them. They are generating tax revenue. They are helping our balance of payments. They are creating regional development for regions which had just about given up hope of anything else happening for them.

[*Translation*]

Mr. Speaker, the *Association des prospecteurs du Québec*, which wants the flow-through shares program to be maintained, is supported in that province by the unions, the Montreal Stock Exchange, the Quebec Chamber of Commerce, our own Party and the Parti Québécois, by over a dozen municipalities who are affected by this measure, by the James Bay Development Corporation, and I could go on, but my speaking time is limited.

[*English*]

Support for this program is not confined to Quebec. In Nova Scotia, not renowned as a mining province, it is estimated that $100 million was invested in mine exploration and development in 1987, mainly on the eastern shore of Nova Scotia where we know that unemployment has been particularly high. Just in the small community of Sheet Harbour, with 2,500 people, in the riding of the Minister of National Revenue (Mr. MacKay), the Eastern Shore Development Commission estimates expenditures of $100,000 per week. That is real regional development.

In Kirkland Lake, Ontario, which has suffered economic decline for a half century, from the boom of the 1920s, there has been $70 million in mining exploration and development over the last three years. However, we now have the first casualty. Northfield and Queenston Gold Mines cancelled a $50 million mining development program in that area as soon as the Minister of Finance confirmed that flow-through provisions were coming to an end. In fact, after July of this year we are told that no further equity financing will be raised under this particular program because all the juice has gone out of it as a result of the Minister's statement.

If we look at Red Lake, in the riding of the Hon. Member for Kenora—Rainy River (Mr. Parry), we see that unemployment has dropped from 20 per cent to 6 per cent. There are 45 drills working there, whereas there were three or four drills working just four years ago.

Uranium City was dying, yet it has now been revived because of exploration based upon flow-through shares.

I want to make clear that I have been consistent in terms of pressing the Minister. I offered him suggestions in a letter of last December, which specifically called for flow-through shares to be targeted to small companies that do not have other forms of income against which they can write off their exploration expenses. We have also suggested the possibility of there being tax credits allowing smaller income earners to take advantage of the particular program rather than confining the benefits to people who are at or near the top rate of income tax. The Minister of Finance has simply said: "No".

In conclusion, I know how my colleagues from the ridings of Churchill, Kamloops—Shuswap, the Yukon, Skeena, Nickel Belt, Kenora—Rainy River, Thunder Bay—Atikokan, and Thunder Bay—Nipigon will vote on the particular measure. We in the New Democratic Party will vote for these benefits to continue because of the value they have brought to mining communities and for them to be focused on smaller junior mining companies that can take the greatest advantage of them.

I want to know where the Minister of National Revenue stands on this particular question. How will the Hon. Member for Cape Breton Highlands—Canso (Mr. O'Neil) vote? Will he vote with the Government or for his constituents? How will the Hon. Member for Dartmouth—Halifax East (Mr. Forrestall) and the Hon. Member for Halifax West (Mr. Crosby) vote? How will the Hon. Member for Mission—Port Moody (Mr. St. Germain), who we know is uncomfortable with this particular provision, vote, or the Hon. Member for Prince George—Bulkley Valley (Mr. McCuish)? How about the Hon. Member for Abitibi (Mr. St. Julien) who was so strong in criticizing me in 1986 and then spoke so strongly for flow-through shares? Will he be consistent, or will he flip-flop with the Minister of Finance on the particular issue, when unemployment has dropped from 25 per cent to 6 per cent in his area because of the particular program?

[*Translation*]

Is the Hon. Member for Abitibi (Mr. St-Julien) going to vote against the interests of his constituents and in favour of the Minister of Finance, or will he vote for his constituents and for regional development in the Abitibi area?

[*English*]

How about the Hon. Member for Témiscamingue (Mr. Desjardins)? We know his private views. Does he have the courage to stand and say publicly that the New Democratic Party is right in putting forward this motion and that the Minister of Finance is wrong in withdrawing exploration and development from mining communities across Canada?

I believe that these questions must be answered by government Members. May they live with their conscience if they vote with the Minister of Finance or if they just abstain today, because taking a walk means that they are supporting the Minister of Finance.

Finally, because my time is up, I want to say that this question will not die in the House of Commons today. This question is very lively in mining communities across Canada. The people in those communities are looking to where the

various Parties stand right now. They understand the position of the New Democratic Party. They do not understand what the Government is doing in pulling the rug from under mining communities so that it can cut the taxes on people earning over $100,000 per year. This is what the Government wants to do, it seems to me, or perhaps it is so that it can cosy up to the Americans over the trade deal and say that it is not supposedly subsidizing that particular sector.

The Conservatives will be on the line in the election campaign—did they stand up for mining communities or did they ignore the plight of mining communities which will be adversely affected by the withdrawal of this particular measure?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I am sure the Hon. Member is aware that the benefits of flow-through share financing, particularly depletion, go to those Canadians who are upper income investors, people who earn $60,000, $70,000, $80,000, and more. I find it difficult to understand why the Hon. Member is saying that he wants to extend depletion, because then he is encouraging this type of investor to pay little or no tax, something against which he and his colleagues have been railing, and on which we have taken some action.

Could the Hon. Member explain why—and I share his concern about the position of mining communities right now, and I will address it in my remarks—why the New Democratic Party is proposing the extension of depletion or the continuation of depletion, which is a subsidy that benefits upper income Canadians and helps them to pay little or no tax? Could he explain that to the House?

Mr. Cassidy: Mr. Speaker, I am sorry that the Minister seems to ignore constructive suggestions that were made to him, particularly in the letter that I wrote on December 16, 1987, in which I made a number of suggestions.

I said that the measure should be focused on small, non-taxable companies, that is, junior mining companies. Also I said:

> —the Government should offer a tax credit or its equivalent to small investors who wish to participate in financing Canadian mineral exploration and development. This would give individuals a tax saving for relatively small investment—and make the incentive proportional to the mining expenditure rather than the taxpayer's income. As a consequence, new investment may come from those communities in which mining takes place and not just from high-income taxpayers who currently purchase close to one-half of the dollar value of flow-through share issues.

In arguing that the benefit should be maintained for junior mining companies, it is quite clear that we proposed that there should be substantial changes in the program.

What appalls and really bothers me is that the Government could, in six months, go from having the Minister of State—and I assume he speaks with the same authority as the Minister of Finance—say that flow-through shares have been effective in creating very meaningful economic activity in a neglected area of Canada, to taking the opposite position and deciding that they will totally neglect mining areas by withdrawing flow-through shares over a short period of time.

• (1220)

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I think the Hon. Member misses the point here. There will be a continuation of the level of activity of about half of what was done in 1987 without any change in what we have proceeded with right now in income tax reform. The Hon. Member is saying we should extend the earned depletion, something which would clearly help those Canadians who are in the high-income brackets and large, multinational companies. Again, the Hon. Member is talking out of both sides of his mouth. Members of the New Democratic Party are saying that they would stop that dead in its tracks.

How is it that the Hon. Member can say that we should improve the attractiveness of flow-through share financing if he does not want it to spill over into allowing high-income Canadians not to pay taxes? He does not understand the nature of the flow-through share provision and the impact of the depletion on the flow-through share financing. We cannot limit it to investors who are working in Val d'Or or Témiscamingue. Anyone can buy these. What we have done in tax reform is to reduce the attractiveness of them. We admit that that is true, but that was a clear objective of tax reform in order to avoid what the Hon. Member has been saying for many, many years, which is that we have tax provisions which help high-income Canadians pay no taxes. The Hon. Member is talking out of both sides of his mouth and he does not understand which side he is talking out of when he opens it.

Mr. Cassidy: Mr. Speaker, if anyone is being hypocritical and if any Government is talking out of both sides of its mouth, it is the Conservative Government which is in power in Canada right now. I quote the Minister of State for Finance who said on December 16, 1986, as recorded in *Hansard* at page 2171:

> As a matter of fact, it is the northern parts of our provinces that are the most neglected parts of our society economically and in every other sense. We must do something for those parts. That is what is behind the flow-through shares.

That is what the Minister's colleague, the junior Minister of Finance, had to say just 15 months ago. Now the Minister of Finance is saying: "Gee, we cannot do this". If that is not hypocritical, I do not know what is.

Since he has not looked at the letter, I would remind the Minister of my letter to him of December 16 in which I said:

> However, I believe we can alter the nature of the flow-through share mechanism to prevent abuses while retaining the real economic benefits that emerge from it as an incentive to mining activity.
>
> Firstly, flow-through shares could be directed to small, non-taxable companies of a specific size as they are in the oil and gas sector. At present, too many large, profitable corporations take advantage of flow-through shares at great cost to the federal treasury.
>
> Since it is junior companies that engage in high-risk, grass roots exploration, it is those companies that should chiefly benefit from this measure.

The Minister says that it is impossible to target the benefits in that particular way. We talked with representatives of the affected communities and of the junior mining companies who were in Ottawa earlier this week. They do not see any problem with targeting the measure in that way. There is not a problem with targeting it in the oil and gas sector and there is no reason why that cannot be done in the mining sector as well.

The real issue that the Minister ignores is the fact that this program has brought enormous economic benefits to communities from the Atlantic to the Pacific. Those communities are having the rug pulled out from underneath them and this Government does not give a damn.

Mr. Riis: Mr. Speaker, I wonder if the Minister of Finance (Mr. Wilson) has not indicated by his decision a bit of a cosy relationship with large multinational mining companies as opposed to small, junior companies. A bonanza sale will soon occur and has already begun. The small exploration and mining companies have, as a result of flow-through share issues, been exploring and developing in the country. As they have made their claims and explored and developed their properties, they have identified good ore prospects. Now they will be unable to hold those prospects and develop them further because of a lack of equity financing.

I feel that the Minister of Finance knows this. That means that these properties will now go onto the market because the companies will be desperate for funds. They will need to sell off these properties, and who will buy them if not the large, multinational mining companies?

I would ask my hon. friend whether or not he feels that it is the case that the Minister of Finance has cosied up to the large mining companies and will now exploit the situation of junior companies being forced to sell their properties at fire-sale prices.

Mr. Cassidy: Mr. Speaker, I think there is a very real risk in precisely that area. I return to the basic facts which are astonishing. Last year, 34 new mines opened across Canada. The rate of mine finding in Canada has risen from 3 or 4 per year to 15 or 16 per year in the course of the last 3 or 4 years. That is an extraordinary accomplishment. This is not the kind of possibly inflationary growth that occurs within 50 miles of the Finance Minister's riding in Toronto. This is growth in regions of the country where there are resources waiting to be summoned into action.

Before the junior mining companies were able to secure financing through flow-through shares, large robber baron corporations did much of the exploration and development for as long as short-term profits could be made. When returns were diminishing or there was an economic downturn, these corporations closed down operations completely and left the regions devastated.

The cyclical boom and bust of the resource sector has always plagued mining communities, and the flow-through share program has helped these mining communities break their reliance on non-resident businesses by encouraging junior mining companies resident in the areas that contribute directly to other economic spin-offs to projects. If, as my hon. friend for Kamloops—Shuswap (Mr. Riis) has indicated, the consequence now is that they are forced to sell out to the multinationals, we will basically be going back in history. That is a sorry and unfortunate tale of boom and bust which I think the mining communities want to and should be allowed to avoid.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as I indicated in my question to the Hon. Member for Ottawa Centre (Mr. Cassidy), I am very pleased to be involved in this debate. It gives me a chance to state where the Government stands on the important Canadian mining industry.

This industry is very important to the Canadian economy and particularly to the northern regions of Canada. We have seen over the early 1980s, through a period of good management, cost reductions and a good amount of reinvestment. The Canadian mining industry has become one of the most efficient in the world. Today, the industry is stronger and more resilient than it has been in its existence, and that is due to the hard work done by the Canadian mining companies, the miners and the communities themselves. It is paying off.

In 1987, the mineral industry was remarkably vigorous. According to recent government estimates, Canadian mineral production jumped by 17.5 per cent last year to $16 billion, with gold production up more than 32 per cent alone. This level of exploration activity reached record levels in 1987 and it is an achievement that is not likely to repeat itself this year, regardless of any changes in the tax provisions relating to flow-through shares.

We as a Government are committed to keeping this industry strong, growing and able to respond to the opportunities in the world market-place. Because of this commitment, the Government retained its tax reform initiatives, a system that is highly advantageous to the mining industry. Under tax reform proposals, we have ensured that companies pay no income tax at all until all capital costs of a new mine or major expansions have been fully recovered. With tax reform, companies' pre-production development expenses can be claimed as incurred. With reform, we have provided a very generous resource allowance so that companies will be able to invest, prosper and create permanent, long-term jobs for Canadians.

The mining industry, therefore, continues to benefit greatly from highly advantageous tax treatment compared to most other sectors of the Canadian economy and compared to our competitors abroad. In fact, the mining industry has the lowest marginal tax rate of all industrial sectors. This favourable tax treatment ensures that new mines can be brought rapidly into production, creating thousands of new jobs in regions which historically have been hardpressed. These are permanent jobs

that will continue for the life of the mine, not just simply during the drilling season.

[*Translation*]

Mr. Speaker, we strongly support regional development. This is why on December 22 my colleague Robert de Cotret announced a series of consultations which will pave the way for new programs designed to meet the needs of Quebec's peripheral regions. These consultations with regional spokesmen are now under way with a view to focusing on their priorities. What we want is a diversified economy.

• (1230)

[*English*]

As well, we have given the people of northern Ontario new tools to develop and diversify their economy through the FEDNOR program. Again, my colleague from Sault Ste. Marie is involving the local communities in better targeting this assistance.

Our commitment to the mining industry is also evident in the fact that we retained a tax system that fully recognizes the special risks involved in the exploration for and development of new mines. Under tax reform we have provided companies with a 100 per cent write-off for all their exploration costs. Contrary to misconceptions generated by Members opposite, particularly the Hon. Member for Ottawa Centre, we have not terminated flow-through shares. We have retained the flow-through share mechanism which allows companies to pass their unused tax benefits on to investors. This mechanism is available only to the mining and oil and gas industries.

These special provisions, when combined with the $500,000 lifetime capital gains exemption and the special favourable treatment of exploration expenses under the investment loss rules, provide investors with strong incentives to put equity investment into mining companies.

We improved the provision in December following consultations with the industry so that it recognizes some of the problems that developed last year as a result of the problems in Canadian stock markets. These provisions are of particular benefit to junior mining companies which are critical to a vigorous, competitive mining sector.

The exploration incentives contained in our tax system are the strongest incentives offered to any industrial sector in Canada. No other sector can lay claim to a better system.

[*Translation*]

Under the tax reform companies will be allowed to write off 100 per cent of their exploration expenditures. Contrary to the erroneous allegations made by Members opposite, we have retained the flow-through share mechanism so that companies will be able to pass their unused tax benefits on to their investors. This mechanism is available only to oil, gas and mining companies. These special provisions, coupled with the $100,000 lifetime capital gains tax exemption and the special preferred treatment of exploration expenses under the regulations governing investment losses, are a strong incentive for investors interested in the mining sector.

These provisions are particularly beneficial to junior mining companies which are the very foundation of a vigourously and competitively expanding mining industry. Our tax system features exploration incentives the likes of which are unavailable in any other industrial sector in Canada. No other sector can claim to be better treated.

[*English*]

It is a true economic incentive to encourage productive investment. I stress the words "economic incentive" because one of the primary objectives of tax reform is to ensure that business and investment decisions are made on the basis of strong economic merit rather than on tax shelter merit.

A corner-stone of the tax reform measures we have proposed is a system of lower personal and corporate tax rates. Instead of a host of loopholes available to a select group of companies and individuals, we propose to provide the best economic incentive of all, and that is lower tax rates. We have got rid of loopholes in the system introduced by previous Governments and so roundly condemned by the NDP. These loopholes permitted high-income taxpayers to pay little or no tax at the expense of ordinary Canadians. We have also got rid of the tax shelters which the Hon. Member for Ottawa Centre has so often criticized in this House. However, we have retained the very important flow-through share provision as a true incentive, even though the Hon. Member argued as recently as last December that we should have got rid of it.

To reduce our personal and corporate tax rates we must broaden the tax base. This includes our planned phase-out of earned depletion which currently allows an investor to write off $133 for every $100 invested in mining exploration. In other words, we are eliminating a direct subsidy in the tax system. This is so because earned depletion provides a deduction in excess of the actual amount spent by companies on exploration and development. This is consistent with the thrust of the greater fairness and equity that we are implementing in tax reform.

Investors in mining exploration who take advantage of flow-through shares will also continue to enjoy advantages in capital gains since only 50 per cent of exploration expenses will be included in their investment loss account, thus improving their access to the lifetime capital gains exemption.

In the past several months the financial markets have changed quite markedly. As a result of the severe stock market downturn last October, the mining industry, indeed all industries, face an uncertain investment climate. There have been numerous signs of difficulty ahead for the mining industry. Virtually no equity issues have been completed since October 19. The two major issues attempted by the market have encountered significant difficulties. Share prices across the board are down. Mining shares have dropped even further. The prices of gold and silver recently softened, while investors have fled from equity issues. In fact, the riskier the equity, the faster the flight.

The point I am underlining here is that it is far more the problems in the capital markets than it is in the tax system which have affected the market for flow-through shares. It is clear that investors, big and small, have adopted a wait-and-see attitude towards putting their money into any equity. It is also evident that investors are looking for less risky investments such as the bond markets and have decided to postpone their investments in mineral exploration and other forms of risk investment at least for the time being.

Thus, despite one of the most favourable tax regimes in the world for mining, there continues to exist a great concern in the mining regions of Canada that tax reform is killing flow-through share financing, and with it the exploration activity it finances. As I said, this is simply not true.

First, flow-through shares are not the only source of funds for exploration. The vigorous financial rebound which the mining industry enjoyed means that it is now better able to finance its own exploration activity internally. Cash flow has increased from $320 million in the first quarter of this year alone to more than $1 billion. I am confident that a good portion of this increased cash flow will find its way into funding exploration and development of new mines.

Earlier I said that exploration this year was not forecast to repeat the record rate of 1987. Let us look at the reasons why. In 1986, a very healthy year for the industry, exploration spending was $650 million. In 1987 it almost doubled to $1.2 billion. Clearly that level is not sustainable. If Members opposite talked to the industry as we have done they would know that the industry itself believes exploration was overheated and that 1988 could not, indeed should not, be a repeat of the year before.

In 1987 there was a confluence of events which artificially boosted spending. First, there was the strong bull market in stock markets until October. Second, mineral prices rebounded from recent lows. Finally, the tax incentives themselves prompted high-income investors to buy a record number of flow-through shares. These investors were not miners. They were not local entrepreneurs. They were high-income individuals who were taking advantage of an overly generous tax incentive to mine the federal Treasury. The tax structure was inappropriate. The industry knew this. We knew it. We acted to change it. We acted to change it as was recommended by the NDP Member for Ottawa Centre talking out of one side of his mouth. As the system overheats, the potential for abuse increases dramatically. The scarcity of special equipment and skilled workers results in greatly inflated drilling charges. Inefficient exploration is undertaken late in the tax year.

• (1240)

As Minister of Finance this entire situation gives me and the Government a great deal of concern, as it should Members opposite. In the aftermath of the crash of October 19, we do not want to see the mining industry transformed from an overheated situation to a frozen one. We want to see a healthy mining exploration industry in Canada, but we also want an industry that is driven more by market forces than by tax incentives. No industry, indeed no region, can isolate itself from changing patterns in the international market-place.

That is why I said in June and reiterated in December that temporary measures during periods of economic downturns or depressed equity prices may be necessary to ensure the survival of exploration activities in Canada. This is why I have instructed my officials to meet with the various segments of the industry and assess this market situation in light of the current stock market softness and weakening prices for precious metals. If further measures are needed, they will be measures aimed at encouraging investors, particularly in smaller mining companies, and not tax shelters as my friend from the New Democratic Party seems to want.

As I have said, the Government remains committed to the mining industry. Our tax reform proposals with our lower tax rates will provide the ultimate incentive for investors, the ability to keep more of what they have earned. We promised to monitor the situation closely and we will. We will be looking carefully at the levels of exploration activity taking place to determine what, if any, action is warranted.

I will close by making some remarks on what I see as blatant political opportunism by both the Liberal and the New Democratic Parties. Let us not be fooled by the rhetoric of the Liberal Party. They have said that they would restore flow-through shares. We have not taken away flow-through shares. The two key changes which reduce the attractiveness of flow-through share financing as an investment are some tightening in the capital gains rules and in depletion. We have left some exemption for capital gains, but the Right Hon. Leader of the Liberal Party (Mr. Turner) said he would scrap all of the capital gains exemption. That in itself would be a far bigger hit on flow-through share financing than anything we have proposed in tax reform.

As I said, depletion is a subsidy, mainly to big companies to pay for the lower personal income tax rates for the average Canadian. Is the Leader of the Liberal Party going to put that back? What would then happen to the lower personal income tax rates which are going to be brought about for the average Canadian through tax reform?

The New Democratic Party said that it was going to stick to its principles. Gerald Caplan is quoted as saying:

> I think that the Party would be making a mistake if it publicly repudiated decades-long policy at this stage—

That is exactly what they are doing. In February, 1987, in Timiskaming the Leader of the New Democratic Party (Mr. Broadbent) said that flow-through share financing allows "affluent investors" to avoid paying taxes. He said that the NDP has "a great deal of difficulty" with the issue of flow-through share financing.

That is what the Leader of the New Democratic Party said only a short year ago. The Member for Ottawa Centre and the Member for Regina East (Mr. de Jong) voted against some changes that we were proposing in flow-through share financing in 1986 which would assure that earned depletion would be extended to the junior mining companies which they purport to be in favour of today. On December 16 the Member said that he would eliminate flow-through shares. On February 14 and 16 of 1987 the Leader of the NDP and the Member for Regina East said that they would eliminate this as it is simply a mechanism for helping rich taxpayers avoid paying taxes.

Then, late in 1987, something happened. The polls started going up for the New Democratic Party. The members of the NDP got a little sniff of power. The Member for Ottawa Centre started to count ridings. He said that if the NDP flip-flopped on its policies they may be able to win 24 or 25 seats in the northern part of the country. They flip-flopped totally. They repudiated decade-long policies. In December, 1987, Caplan said that they might look unprincipled. Well, that is what Canadians are saying today.

Yes, the New Democratic Party is starting to look unprincipled. This is the Party which kept saying that it had principles and would stand by them, that it would hold firm to the policies which it has held for decades since the Regina Manifesto. But no, they flip-flopped as soon as they got a little sniff of power.

If they are prepared to flip-flop on principles which are designed to stop high-income Canadians from paying little or no tax, what will they do on policies which affect the broad interests of Canadians as a whole? So much for credibility. So much for trustworthiness. So much for honesty. So much for principles. This is the New Democratic Party which Canadians are now starting to see. This is the Party that people are starting to understand. They do not have principles any more. They had principles when they were number three, when they were at 18 per cent in the polls. However, when they are at 35 or 40 per cent the principles go right out the window. When the pressure of power is on them, when they get a little sense that they may get into office, they cave in and the principles go right out of the window.

In conclusion, we recognize the concern of the northern communities. Conservative Members of Parliament represent many communities in the northern part of the country including Temiskaming, Val d'Or, and Timmins. We recognize the concern that is there. We are meeting with representatives of those communities and representatives of the industry.

Mr. Cassidy: You're ignoring it.

Mr. Wilson (Etobicoke Centre): However, as I have said, the cause of the problem is much more the poor equity markets that are affecting all forms of equity financing today as well as the falling gold prices. It is not simply the change in the tax provisions of the flow-through shares.

People must not be fooled by the duplicity of the Liberal or New Democratic Parties. The Government has demonstrated its commitment to the mining industry. It has demonstrated its understanding of the flow-through share provision by the changes which we announced in the flow-through provisions in June last year following consultations with the industry and an understanding of the impact of the stock market changes. We made those changes on December 16. We will continue to monitor the situation. We will continue to discuss this with the industry. If it is necessary to make provisions for change, we will make those changes.

Mr. Cassidy: Mr. Speaker, of course the changes made by the Government are paltry. I want to take the Minister's statement on. I expected that he would refer to the debate we had in December, 1986. I think I dealt with that quite fully.

I am concerned about the fact that we are talking about real people here. We are talking about people in mining communities such as Val d'Or, Kirkland Lake, Uranium City, Schefferville, Murdockville, Thetford Mines, and many other communities across the country where the unemployment rates have gone down dramatically because of the exploration and development which was encouraged by this particular provision.

The Minister now says that he agrees with the Minister of Energy, Mines and Resources (Mr. Masse) and he is saying, let the market prevail, let us go back to boom and bust. The Minister is saying, therefore, that he is content to see unemployment in those areas go back up to 15 or 20 per cent and stay at those levels year after year, that the people in those communities should not have the right to share in the prosperity found in certain areas such as the Minister's riding of Etobicoke in Metropolitan Toronto. I find that very difficult to accept.

The Minister claims that the tax rate is among the lowest in the mining sector. Why is it then that the Canadian Committee to Save Flow-through Shares has indicated that investment through the flow-through mechanism is drying up, that it will be down to nothing after June or July of this year? As well, why was the Minister prepared, in his statement of last June 18, to promise to the oil and gas industry that the Government would consider what adjustments in non-tax assistance would be appropriate to encourage oil and gas projects which provided important regional and national benefits and which are fundamentally economic? Why this disparity of treatment? Why is the Government still prepared to offer consideration to the oil and gas industry but not to make any comparable engagement with respect to the junior mines?

• (1250)

I fail to understand that and I condemn the Minister for the distortion in his failure to listen to the fact that our Party is talking about a focused kind of benefit which will encourage continuation of activity by the junior mining sector. I do not

know how many times I have to say it to the Minister, but perhaps if I say it once more he will understand.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, talking about distortion, the Hon. Member just totally distorted anything I have said or anything the Government has done. We are very concerned and understand the implications of policies on the northern regions of the country. We have introduced a wide range of policies that respond to the needs.

We have been very much a part of the drop in the unemployment rate in Abitibi, Témiscamingue and Val d'Or. That Hon. Member voted against the policies that we brought in that improved the flow-through share provisions that resulted in the unemployment rate coming down to less than 7 per cent. The Hon. Member has the gall and the hypocrisy to sit in his place in the House and say, "We supported them". It is on the record in *Hansard* that he voted—

Mr. Cassidy: How can you send your Minister of State for Finance to say one thing and you do another six months later? That is hypocrisy.

Mr. Wilson (Etobicoke Centre): On clause 11, five Members of the Conservative Party and the Hon. Member for Laval-des-Rapides (Mr. Garneau) voted yea. The nays were Michael Cassidy and Simon de Jong. That is hypocrisy.

Mr. Deputy Speaker: Order, please. I would ask both Members and all Members to continue the debate without using the word "hypocrisy", if possible.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the Hon. Member said that we do not have the best provisions. I was referring to the tax provisions in the mining sector as a whole. If he wants to compare that to any other industry in the country and tell me that my statement is wrong and those are not the best tax provisions, let him come and talk to me. I will listen carefully. However, until he talks specifics instead of rhetoric, then I do not have much time to listen to the rhetoric.

We have stated that we will look at the situation in the industry and will follow this very closely. However, no one will be fooled by the position of the New Democratic Party. He thinks that Canadians are dumb. He thinks that he will have a focused depletion related provision that only helps low and middle-income earners and not upper-income Canadians. He believes one can have such a provision. First, he does not understand that the flow-through share provisions are not very attractive for low and middle-income investors because there is not much tax attraction to them. It is only attractive to people who would have to pay high taxes and can see a flow-through share as a way of reducing that amount of tax.

When the Hon. Member says that he is going to focus it on lower and middle-income Canadians, he demonstrates a total ignorance of the impact of flow-through share financing. That would result in a complete wipe-out of flow-through share financing rather than the middle ground we are trying to achieve to avoid the excesses about which he was railing in the House. He said to change it because it is far too attractive, and go back to the drawing board.

We made some changes and recognize that they are not quite as attractive as they were. However, as I said, we are talking to the industry, monitoring the situation and will continue to do so.

[*Translation*]

Mr. Desjardins: Mr. Speaker, I have a question for the Minister. He would recall that I and a number of other Members have made many representations concerning flow-through shares in the mining sector. I should think that Canadians generally and Members in particular appreciate the direction the tax reform is taking, that altering any aspect of the reform would be like throwing the doors wide open for all other sectors to rush in and file their own claims. I am sure most Members share this view. Now on to my question. Although I do not expect anything like it this year, what would the response be if there were a recession in the coming years, or if the mining industry were to be a lot less productive and go through a crisis? Is the Minister prepared to consider alternative solutions?

Before concluding, I have a second question. Does the Minister agree that the mining sector becomes really profitable only over the long haul, only when it reaches the development stage rather than the exploration stage?

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I did not hear the last part of the Hon. Member's question. Perhaps he could repeat it.

[*Translation*]

Mr. Desjardins: Mr. Speaker, I will sum up for the benefit of the Minister. Flow-through shares are indeed quite an incentive in what is known as the mining exploration stage. But sooner or later, if we want the operation to become productive in the long run we have to go on to the development stage, and that is where new and permanent jobs come into the picture. I wanted to have the Minister's views on this: it is at the development stage that a mine in a community gets to be profitable in the long term, the exploration activity may be important but the development stage is the name of the game.

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I want to thank the Hon. Member for Témiscamingue (Mr. Desjardins) who has demonstrated a very great interest in this particular matter and has been very helpful in the advice he has been providing to me. I hope to continue to consult with him as we proceed with this consultation stage.

The Hon. Member asked me two questions: First, whether we are prepared to consider alternative solutions. We are definitely prepared to consider alternative solutions, but solutions that would not involve broad-based tax measures which result in a major benefit through investment for high-income Canadians. We believe that is not the way to go, unlike the NDP Members which, by the nature of the proposal they have made, will result in a major benefit to help high income Canadians to pay little or no tax.

We are looking at the options and consulting with the industry to see whether there is sufficient reason for these types of alternative solutions. We will continue to consult with the industry.

The second question relates to the development stage. There is no question that a mine which operates in a community on an ongoing basis and provides permanent jobs year in and year out is better than the type of employment in exploration activity which will be quite focused because of tax measures and will be focused at certain times of the year for weather reasons. We want to encourage a greater degree of stability in the industry. The changes we have brought in through tax reform will contribute to that stability.

• (1300)

In this instance, there are very attractive features in the tax system to encourage the development mines. As I said in my remarks, a company can have the full amount of its investment written off—that includes the development costs—before paying taxes. This, we believe, is one of the contributing factors, as I indicated earlier, as to why the mining sector enjoys the lowest over-all effective tax rate of any industrial sector in Canada.

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I welcome this opportunity to take part in the debate on the motion before the House today, dealing with flow-through shares.

Before starting my speech, perhaps I may provide some background for the debate and explain exactly what a flow-through share is. Sometimes I think that Members who do not represent mining areas, or Canadians who are following the debate at home, must wonder whether we are talking about some strange creature from another planet which for some reason is of particular interest to people who live in mining regions and remote areas. A flow-through share is a tool for financing mining exploration, developed a number of years ago to promote exploration in remote areas of this country and thus assist regional development.

Earlier, I heard the Minister say it was a very generous tax measure. I do not quite agree with his interpretation. Suppose we compare a furniture manufacturer with a mining company. A company that manufactures furniture and spends $25,000 or $30,000 or $40,000 or $50,000 to find new markets in New York, Chicago, Vancouver or wherever, can deduct those expenses from its profits, because the money is invested in the company's future. The same applies to the mining sector. A mining company spends money on exploration to guarantee the future of the company, like the furniture manufacturer who was looking for new markets. Both the cost of exploring markets and the cost of exploring new resources in order to continue mining operations may be deducted from profits. Flow-through shares make it possible for a company that is not expected to make a profit within the next few years to pass the profits on directly to the shareholder. Instead of doing so five or ten years later when the profits come in, it is done right away, and the company pays taxes later on. That is where I disagree with the Minister of Finance (Mr. Wilson) who says that the program in its amended form is very worthwhile. It does not do any more for operations as risky as mining exploration than it does for any company that spends money on exploring markets.

Mr. Speaker, that being said, I must say I am rather astonished at the attitude taken by the Hon. Member for Ottawa Centre (Mr. Cassidy).

The day before yesterday, I went to see the "Save Flow-through Share" committee, and there were about 300 people present from all over Canada. I told these people on Tuesday that tomorrow, on the Opposition day for the Liberals, I would table in the House a motion on flow-through shares, asking the Government specifically to maintain the earned depletion allowance of 33 1/3 per cent.

Mr. Speaker, how surprised I was yesterday when I realized that for the past year and a half, the Socialist Members of the NDP had fought not only against flow-through shares, but even against the very principle of tax incentives. Not only are they retreating, making an about turn of 180 degrees, of 360 degrees, not only are they changing their position, but they have the gall to move in the House a motion urging the Government to maintain the 33 1/3 per cent of the earned depletion allowance on flow-through shares.

I am sure that the mining industry as a whole and those associated with it will not be fooled by this trick of the Hon. Member for Ottawa Centre (Mr. Cassidy) and will realize just how opportunistic the NDP can get in this debate.

Mr. Speaker, I have emphasized for over 18 months the need for flow-through shares and the principle of tax incentive as tools for regional development in Canada. I believe I was the only one at first, and I felt I was preaching in the desert. The mining industry would never have believed that a Tory Government would abolish the earned depletion allowance on flow-through shares and completely killed the program. The general public and also the regions which are not aware of the benefits resulting from earned depletion allowance on flow-through shares paid only minimal attention to this debate.

Mr. Speaker, the Liberal Party's position on this issue is well known. I explained it in the House in 1986, after the NDP Member for Ottawa Centre had moved an amendment to a tax legislation aimed at completely eliminating flow-through shares.

At the time, the Hon. Member for Ottawa Centre said this, . . .

[*English*]

It was on December 16, 1986, that the Hon. Member for Ottawa Centre tabled a motion to amend the Income Tax Act. Had it been adopted, the amendment would have resulted in the elimination of the flow-through share mechanism. The main reason the New Democratic Party wanted to eliminate the flow-through share mechanism was that it was used mainly by wealthy Canadians. That is pure NDP policy. If you are wealthy, you are a bad Canadian.

The Hon. Member for Ottawa Centre talked about flow-through shares as a tax loophole, a tax avoidance mechanism. To my surprise last night and this morning I read that the same Member was tabling a motion to reintroduce the earned depletion after having said what he said in December, 1986. That is political expediency, for sure.

The position of the Liberal Party is well known. I explained our policy in my speech answering the amendment proposed by the NDP to abolish flow-through shares. This is what I said:

[*Translation*]

Speaking in French in the House on December 16, 1986, Mr. Speaker, I made the following comment, as reported on page 2171 of the *House of Commons Debates*:

> Mr. Speaker, I have trouble understanding the reasoning behind the motions presented by the Members of the New Democratic Party. When the Liberal Government introduced these measures, as a stimulus to economic development in the mining areas of Quebec and Northern Ontario, the results were extremely positive.

Mr. Speaker, I added a little further on that investments were made as a result of the flow-through share tax incentive and that by so doing, the Liberal Party of Canada had come up in favour of regional development. We said also that the tax system could and should be used as a tool of regional development and that, in this sense, tax incentive should be maintained. What we felt was wrong was not the tax incentive itself, but the abuses it could lead to in some regions of this country.

Mr. Speaker, this is why I shall repeat later on what I said in reply to the Minister of Finance's Budget speech in 1986 and what I said on other occasions in this House and in the minority report in support of the concept of regional development and of the need for the Canadian Government to have a truly national regional development policy and to have the ability to use the tax system as a privileged instrument.

In addition, Mr. Speaker, when Phase I of the tax reform was being considered in committee, the Liberal Party objected to the proposal of the Minister of Finance. Our opposition was reflected in the minority report tabled in the House in November, 1987, in which we clearly recommended that the 33 1/3 per cent earned depletion allowance on flow-through shares be maintained. This recommendation can be found on pages 18 and 19 of our minority report and was our recommendation No. 11 for the tax reform. We recommend that flow-through shares be maintained.

Why, Mr. Speaker? For many reasons related to regional development, job creation and the competitiveness of the Canadian mining industry throughout the world.

• (1310)

[*English*]

The main reason the Liberal Party recommended that the flow-through share mechanism be maintained is not only because it helped to create thousands of jobs in the regions or because it helped to raise more than $2 billion but because it represents an innovative way of establishing harmonious collaboration between the Government and the private sector. Let me elaborate a little bit on that subject.

First, it created jobs. Employment in our regions has increased substantially because of the earned depletion on flow-through shares. The Minister is dead wrong when he suggests that we in the Liberal Party are trying to give a false indication. I have repeated time and time again that what we are talking about here is the 33 per cent earned depletion allowance because it is a risky business and because exploration went down the drain in 1982 and 1983. This is why we introduced the measure. It was to help the remote areas of the country that can live only through their natural resources. We created that program to help the regions to develop and to help the mining industry which has no profit, no expectation of profit, to find a way to go ahead with exploration. It creates jobs.

In Val d'Or and Rouyn, for example, where the rate of unemployment was 28 per cent, it is now down to 6 per cent. The Minister of Finance may claim that he had something to do with that. The only reason that this thing happened is because of the 33 per cent earned depletion on flow-through shares. It is a risky business. This is why we think that the earned depletion allowance should remain. It is a risky business because when one spends thousands and thousands of dollars to dig a hole in the soil thinking that one may find some copper, gold or silver one never knows until the money has been spent. It is a very risky business. This is why I say that without the 33 per cent earned depletion allowance the mechanism of flow-through shares cannot work and will not work.

The Minister talked about the stock market crash. He said that following the crash not only has the mining industry not been able to raise equity but all other sectors have not been able to raise money. This is an additional reason why the Minister should keep the earned depletion allowance of 33 1/3 per cent in place. It is because of the difficulties that the whole industry will have in raising money. It is not the time to cut the program to a level at which the program will not be workable. It is not the time to cut the benefits of the program when other factors are playing against the mining industry, particularly exploration.

We think that earned depletion and flow-through shares should remain because they are good mechanisms to have the public sector, the Government and the private sector work very closely together. It is of direct help to junior exploration companies. Without direct involvement of the Government only the big multinational companies will have the profit and the cash flow to carry out exploration.

Another reason that the earned depletion allowance should be kept, and I have been saying this for 18 months, is because of its regional development implications. The flow-through share mechanism is part of a future Liberal Government's strategy for regional development. It has been in the past and it should remain in the future.

It must be remembered that the total economic and regional development envelope has been reduced by the Tory Government by close to $2 billion since it took power. Not only has it cut direct grants for regional development but it is now killing the flow-through share mechanism by eliminating the earned depletion allowance.

[*Translation*]

Mr. Speaker, if we want to know about the regional impact, we can look at a study carried out by the accounting firm of Maheu-Noiseux in co-operation with engineers for the *Association des prospecteurs du Québec*. This study was funded in part by the Quebec Government. I would like to refer to some of the recommendations contained in this study of approximately 150 pages, which deals with all aspects of the mining industry, especially in Quebec and northern Quebec.

This study indicates that, in Quebec alone, there has been a net creation of 50,000 jobs a year. This figure is in person-years. There is an added value of $2.1 billion. Tax revenue generated in 1985 amounted to $400 million and the cost in taxes to $239 million. In other words, tax incentives cost the Government $239 million and tax revenue as a result of the economic activity generated by the industry amounted to $400 million. This is why I do not understand the attitude of the Minister of Finance. He says that he wants to protect Government revenues. However, the study shows that, in Quebec alone, this program has produced additional tax revenues of $160 million because of the economic activity generated by the industry and the fact that the welfare benefits and unemployment insurance which used to be paid to people in these regions were replaced by positive action and new jobs.

[*English*]

I said that the flow-through shares with the earned depletion mechanism of 33 per cent is a way to have good collaboration between the private sector and the Government. It is my profound belief that the private sector is and must remain the driving force of economic growth in the country. But it is also my belief that the Government has a role to play in the development of the economy.

This role is to create an environment, and in the case of flow-through shares, a fiscal environment, favourable to the emergence of private initiatives. The kind of co-operation that is taking place between the Government and the private sector in the case of flow-through shares is to some extent the practical way of co-operation. It is simple. It is done without any direct involvement of the Government in the production process itself. It is done without any heavy Government bureaucratic overhead. It is done by helping private corporations gain better access to capital. It is done by reducing the risks incurred by investors in the mining exploration corporations. Quite obviously, it is done in favour of the economic development of the remote areas of the country where there are so many vulnerable one-company towns.

[*Translation*]

The Liberal Party believes that the kind of co-operation that now exists between the private sector and the public sector, in the case of flow-through shares for resources and especially in the mining industry, is vastly superior to any system of direct government subsidies. Direct subsidies often involve a lot of red tape, become discriminatory and stifle the companies one wants to help. Flow-through shares, with the earned depletion allowance of 33 1/3 per cent, not only preclude this red tape, they are an essential tool of the Government's regional development policy.

Now that the Conservative Government is cutting back on funding for regional development, it wants the regions to develop themselves, using their own resources. And now the Government is removing the main program that was helping the mining industry in these regions.

[*English*]

I wanted to raise another issue which, in my view, has been overlooked in this debate. It is the impact of the trade agreement with the United States and the future use of tax incentives.

According to many people, including the respected firm of Clarkson Gordon, Woods Gordon, it is not sure at all that the Government will be able to introduce new tax incentives in the future without inducing some kind of retaliation by the United States. The following is a direct quote from the newsletter of Clarkson Gordon, Woods Gordon:

• (1320)

> Although the existing tax incentives will be grandfathered according to the Agreement, it is important for all Canadian business people to recognize that expanding the list of such incentives could induce a responsive trade action by the U.S.

Yesterday the Minister stated that this was not a serious study. If we cannot believe the words of Clarkson Gordon in the areas of accounting, business activity, and economic development, I wonder on whom we should rely for good expertise.

You have indicated to me, Mr. Speaker, that I have only a few minutes left.

[*Translation*]

Mr. Speaker, I understand my time is running out. I would have liked to repeat what I said in my speech on the 1986 Budget and explain the Liberal Party's suggestions for eliminating loopholes in the system while maintaining the benefits of flow-through shares in their present form. Unfortunately, I will not have enough time, but I hope to have another opportunity to explain what we think should be done to prevent abuse of the system.

Mr. Speaker, before I finish, I would like to move an amendment to the motion presented by the Hon. Member for Ottawa Centre (Mr. Cassidy). I think his motion is too vague, and if the Hon. Member was sincere about what he said, I imagine he will accept this amendment. I move, seconded by the Hon. Member for Algoma (Mr. Foster):

> That the motion be amended by adding after the second "that" the words:
>
> "because of the 33 1/3 per cent earned depletion allowance".
>
> and adding after the second "provision" the words:
>
> "and, specifically, the 33 1/3 per cent earned depletion allowance".

With this amendment, Mr. Speaker, the motion will reflect the purpose of this debate, namely that the Government must realize that without the earned depletion allowance of 33 1/3 per cent on flow-through shares, the program as it exists today or as it will be after July 1989, will no longer be operational, which is exactly what we were told by prospectors and representatives of the mining industry from all over Canada, from Northwest Quebec, Northern Ontario, the Northwest Territories, British Columbia and Manitoba. In fact, they gave us the same message when we toured the country in connection with Phase I of the tax reform, and today we see what the consequences may be for our country's remote areas.

Mr. Speaker, I am pleased to move this amendment, and I hope it is well received by the Chair and by the Members of this House.

Mr. Deputy Speaker: I will take the proposed amendment under advisement and, after the Question Period, rule on its acceptability.

[*English*]

On questions and comments, the Hon. Member for Kamloops—Shuswap (Mr. Riis).

Mr. Riis: I listened with interest to my hon. colleague. Inadvertently, I believe, he gave the impression that, at some time or another, as a result of one of the many motions sponsored by the New Democratic Party, we supported this government initiative.

I distinctly remember the debate and the motion. The motion was one of the many attempts made by the New Democratic Party to clean up the tax system, to build into the system more justice and fairness, and remove some of the discrimination and the obvious biases in the tax system. At that time, the point of our motion was to look at the flow-through share concept in terms of an important tax expenditure, and certainly it did not suggest that it be eliminated but that it be fine-tuned. The effort was to restrict the advantages or the incentives incurred in this particular initiative to small and medium-sized Canadian-owned companies, in other words, where the benefits would be targeted to benefit the regions of the country, and particularly to the companies that required that assistance.

Having made that comment, my question to the Hon. Member is the following. Would my hon. friend not support such an initiative to improve the tax system and target those tax provisions to assist those who can put that tax initiative to work on behalf of the Canadian mining community? Is that not something that we ought to be striving to accomplish in Canada?

Mr. Garneau: I do not wish to be rude to my hon. colleague, particularly because he was not a member of the finance committee. What is being done this morning by the Hon. Member for Kamloops—Shuswap (Mr. Riis) and his colleague, the Hon. Member for Ottawa Centre, is an effort to rationalize a flip-flop.

I have been a member of the finance committee together with NDP and Tory Members where we sat for weeks, if not months, and heard more than 235 witnesses. The finance committee travelled across the country and met with representatives of the mining resource industry, prospectors, and many other people. We particularly discussed the whole aspect of tax incentives as a tool for regional development and development of some particular type of industry where needed.

Up to that point, the position of the NDP had been that we should get rid of all tax incentives and use direct grants. That position is within the philosophy of the NDP Party. We may agree or disagree, but I think that they are correct to take that position. They have taken the position at the finance committee that they would prefer and favour direct grants. Sometimes direct grants are needed because fiscal incentives cannot work in terms of regional development. But as a principle to say that fiscal incentives are loopholes and a tax evasion used by the rich is not appropriate in a country like Canada where we need all the tools that we can find to ensure that the development and the growth of the country will be experienced in every region.

This is the reason I say to the Member that I understand his rationalization today. I am very happy that finally—

[*Translation*]

—as we say in French, they have found the road to Damascus. They have seen the light.

[*English*]

I am very happy about that, but do not try to make a fool out of yourself and say that you have always been for that. It is simply not true. I sat for too many hours on the finance committee, and argued too long with some of the Members. It is their point of view, and I accept that, but please do not ask

me today to agree that you have always been for the flow-through shares, and convince people today of that fact. It is not true. I can accept and I am happy that the Hon. Member has changed his mind and is now supporting the idea, but do not ask me for praise.

[*Translation*]

Mr. Deputy Speaker: For a question or comment, the Hon. Member for Témiscamingue (Mr. Desjardins).

Mr. Desjardins: Mr. Speaker, I listened very closely to the remarks of the Hon. Member for Laval-des-Rapides (Mr. Garneau). When he talks about flow-through shares he has some credibility, but I would not say the same thing about the Hon. Member for Ottawa Centre (Mr. Cassidy), for he does not seem to understand anything at all about flow-through shares, and there is no logic in the position he is trying to defend.

I know that the Hon. Member for Laval-des-Rapides has visited the Abitibi-Témiscamingue region on a number of occasions, particularly Val-d'Or and Rouyn, and that he is familiar with the problem of our mining industry, but he also knows that we are now doing quite well, what with our 6.6 per cent unemployment rate. A moment ago the Hon. Member for Laval-des-Rapides stated in the course of his remarks that the tax rate concerning earned depletion had gone down from 33 1/3 to 16 2/3, and he said this was killing the economy and the mining industry. Perhaps he might explain how such a minor change can possibly kill the industry. The other thing I would like to know, because I did not hear the Hon. Member for Laval-des-Rapides say so, is how long he would like to see the present system maintained.

I have my own views on this but I would like to know whether he thinks it should be maintained for ever and a day, or whether there is a reasonable time limit he would find acceptable.

Mr. Garneau: Mr. Speaker, the Liberal Party's policy on tax incentives has been discussed on at least two occasions here in the House. I said at the time that to prevent abuse, we should have what I called a tax incentive box that would work along the same lines as a registered retirement savings plan. You could put in a certain amount of money annually or a certain percentage of your income, and the incentive would help achieve regional development objectives or perhaps develop our cultural industries, such as the film industry. However, Canadians would not be able to use these tax shelters to avoid paying income tax. Everyone would pay income tax, and I also said that the tax incentive box could be used instead of the minimum tax. In fact, it would be much easier to get rid of the minimum tax introduced by the Conservatives, a tax that does not achieve what it is suppose to achieve because first of all, it is complex, and if you pay minimum tax one year, you still have seven years to get it back. Anyone who is not completely devoid of intelligence and imagination should be able to manage his affairs in such a way that he can recover the minimum tax he paid within seven years' time. That was our proposal for stopping abuse of the system.

As for the time frame, I said in the House and I said to the representatives of various mining organizations that we believe each tax incentive should have an automatic five-year expiry date that will oblige Parliament to review the measure, not necessarily in order to abolish it but to see whether the intended objective was met. If it was not, the incentive could either be repealed or amended and improved.

As for changes in the earned depletion allowance of 33 1/3 per cent that is being reduced to 16 1/3 per cent and eventually to zero, there should be no problem in 1988, because it is still in fact, and as far as the companies are concerned, especially big corporations like CNP and NIM, the decision on share issues for 1988 was made in 1987. So there should be a certain amount of activity.

However, in addition to the earned depletion allowance that will disappear by 1989, there are also the Minister's proposed changes in taxing capital gains.

We know that until quite recently, only 50 per cent of capital gains were taxable. According to the Minister's proposals, however, 75 per cent of capital gains will now be taxed at the marginal tax rate. Since flow-through shares are deemed to cost zero cents because their purchase cost was deducted from the investor's income for the previous year, when the shares are sold, the full selling price is considered a capital gain, which is then taxed at 75 per cent instead of 50 per cent.

So when you add the reduction to zero of the earned depletion allowance—33 1/3 per cent to 16 2/3 per cent to zero in 1989—to the capital gains tax which takes a greater share, you realize that the risk is too great. You would be better advised to invest your $100 in some other type of less risky activities.

People are wrong when they say it's a tax evasion, for it is a sort of reverse RRSP. When we invest money in an RRSP, what do we do? Instead of paying the income tax in the current year, we postpone paying it until our retirement and we start paying income tax at the then marginal rate when we retire.

In the case of flow-through shares, it is the opposite. We offer the tax advantages immediately at the time of the investment, and that is the reason why we refer to it as earned depletion. Which is called "épuisement gagné" in French. We offer the tax advantages immediately at the moment of investment, instead of offering it at the time the company which is making profits may start deducting its expenses from its profits. This does not cost a cent to the Government, except that instead of paying in three, four or five years, we pay now, which makes it possible for people to carry out mining exploration when they want.

This also makes it possible for junior companies not only to get involved in exploration, but to keep and develop these mines, something which was practically impossible before because of the required cash flow. But now it is possible.

That is why I say that the Tory Government's action today will turn off the tap for mining exploration and prevent junior companies from maintaining their involvement both in mining exploration and development.

• (1330)

[*English*]

Mr. Deputy Speaker: The period for questions and comments has now expired. The Chair plans to recognize the Hon. Member for Kamloops—Shuswap (Mr. Riis) on debate. However, since we have three minutes remaining before the luncheon break, would there be unanimous consent to break for lunch now and allow the Hon. Member for Kamloops—Shuswap to start his speech after Question Period?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Therefore, it being 1.35 p.m., I do now leave the chair until 2 p.m. this day.

At 1.35 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

TRANSPORTATION

CLOSURE OF TERMINALS—EXTENSION OF SPECIAL SEVERANCE PAYMENT PROVISIONS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, with respect to the closure of Route Canada terminals on November 20, 1987, in places such as Sydney, Nova Scotia, CN proposed that separation and severance payment provisions contained in an expired special collective agreement be extended to employees affected by terminal closures. However, Route Canada was not prepared to enter into such an agreement with the Canadian Brotherhood of Railway Transport and General Workers, nor would it authorize Canadian National Railways to do so on its behalf.

CN says that it cannot unilaterally enter into an agreement with the trade union representing the employees of another employer without the written authorization of that company. Why would a company like Route Canada, which picked up assets of CN worth about $80 million for approximately $23 million, object to CN or the Government helping the employees it has treated so miserably? Is it just a trumped up story between CN and Route Canada whereby one of the costs to Route Canada of getting these assets for such a ridiculously low price was that Route Canada take the fall?

TAXATION

NORTHERN DEDUCTIONS—ELIGIBILITY OF BORDER COMMUNITIES

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, I rise today to urge that the commission of inquiry looking into the eligibility of border communities seeking the northern deductions begin its work.

As all Hon. Members know, the definition of isolated communities was adopted in 1980 for the purpose of determining benefits under remission orders. The remission orders conferred benefits only on those who received financial assistance from employers for housing and travel costs. The northern deduction now extends similar benefits to everyone in isolated communities. As a result, these benefits are widely known in the isolated communities and the adjacent communities that are on the outside.

I have spoken with constituents in Victoria County, Guysborough County, Inverness County and Richmond County. They want an opportunity to present their cases to justify getting northern deductions. The northern deduction is more equitable than the remission orders it replaced but inequities remain. The commission of inquiry is an important avenue for addressing these inequities. I urge that it get under way with its work.

* * *

THE ADMINISTRATION

LETTERS FROM CIVIL SERVANTS IN SUPPORT OF MINISTERS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, on February 29, the assistant deputy minister of telecommunications and technology, Richard Stursberg, wrote a letter to the editor of *The Financial Post* to defend his Minister, the Hon. Minister of Communications (Miss MacDonald). It seems to me that this is extraordinary. Is the Minister so weak that she cannot defend herself on this matter?

Right below that letter on the letters to the editor page was a letter from the Minister of Consumer and Corporate Affairs (Mr. Andre). There have been letters to the editor written by the Minister for International Trade (Miss Carney), very witty letters.

Why is a civil servant writing to defend the Minister of Communications? The letter is about a very controversial matter involving the Call-Net decision, the overruling of the CRTC decision, the issue of jobs in the telecommunications sector and the issue of costs to consumers for long-distance and local calls. It seems to me to be against Canadian tradition for a civil servant to write letters to the editor on behalf of his Minister. I think it should stop. What will we see next, someone from the Department of Justice, an assistant deputy minister perhaps, writing to defend Mr. Jean Sirois?

S. O. 21

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

FEDERAL CONTRIBUTION TO DEVELOPMENT OF EASTERN MONTREAL

Mrs. Carole Jacques (Montreal—Mercier): Mr. Speaker, I rise in this House today to emphasize this Government's interest in Eastern Montreal.

Last week, the Minister of Regional Industrial Expansion (Mr. de Cotret) announced a federal contribution to Eastern Montreal's economic renewal. This is an over-all investment of $275 million distributed through a number of departments, under which moneys have been especially allotted for eastern Montreal's economic development.

This includes the Federal Business Development Bank which is setting aside an estimated $125 million for loans to industries in the East End. The Department of Employment and Immigration will put aside $115 million under its Canadian Jobs Strategy programs. Moreover, we have injected an extra $35 million to strengthen the local industrial structure and encourage diversification of eastern Montreal's industrial base.

Mr. Speaker, these are concrete actions taken by this Government, as opposed to the Liberals who neglected eastern Montreal during more than 20 years.

EASTERN MONTREAL—EXTENT OF FEDERAL CONTRIBUTION—IMPACT

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the Hon. Member for Montreal—Mercier (Mrs. Jacques) just endeavoured—but as usual she is beside the track, and I understand her former colleague for Terrebonne (Mr. Toupin).

Mr. Speaker, she has been inactive and this is the reason why last week workers went to protest and boo the Minister and the Hon. Member because they did nothing for eastern Montreal. It is inaccurate to boast of the figures she just mentioned. This has been—

Mrs. Jacques: Oh! oh!

Mr. Malépart: —denounced. Only $37 million of new money was announced. Everyone knows the Federal Business Development Bank only puts up money when no trust company or bank will lend you and you are cornered.

Mr. Speaker, the City of Montreal injected $90 million. The Quebec Government came up with money. Only the Canadian Government did not respond to the request from the early retirement program and this is the reason why the Hon. Member for Montreal—Mercier will not be re-elected at the next election, just like the Hon. Member for Hochelaga—Maisonneuve (Mr. Desrosiers) and the Hon. Member for Gamelin (Mr. Gravel) for the simple reason they did not look after the people from eastern Montreal.

[*English*]

RIGHT TO LIFE

OPPOSITION TO ABORTION—STATEMENT OF POPE JOHN PAUL II

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, Pope John Paul II recently received in audience participants in a study conference on the right to life. I would like to put on record some of his remarks. He said:

> Unconditional respect for the right to life of the conceived but unborn human person is one of the pillars sustaining every civil society. When a state places its institutions at the disposal of those who may act to suppress the life of the unborn child, it renounces one of its primary duties and its own dignity as a state.
>
> A state has as its primary duty the defense of the fundamental rights of the human person especially of those who are weakest. And who is weaker than an unborn child?

The Pope went on to say:

> The legalization of abortion has been inserted as a foreign body bearing within itself the seeds of corruption.
>
> How is it still possible to speak of the dignity of every human person when the killing of the weakest and most innocent is permitted?
>
> The state must always reflect as that of being a place where a person, every person is affirmed in his comparable dignity.

* * *

TRANSPORTATION

AIR SAFETY—POSITION OF MINISTER

Mr. Rod Murphy (Churchill): Mr. Speaker, it is becoming increasingly apparent that the Government does not really care about air safety. We have seen innumerable examples of lapses in airport security that appear to go unheeded. Now we see that the Minister of Transport (Mr. Crosbie) is rejecting an opportunity to meet with those people most directly involved with the problem.

In a recent letter to Shirley Carr, President of the Canadian Labour Congress, the Minister stated that he could not meet with the Council of Aviation Unions. He claimed that his schedule is far too busy. He cannot meet with them this week, he cannot meet with them next week and he cannot meet with them next month. He will be so busy in the foreseeable future that he cannot possibly set a date aside.

Does the Minister mean to say that he is far too busy to listen to the concerns of these employees who are directly involved in the industry he administers? Are we to assume that the Minister is simply too busy to find a solution acceptable to everyone?

It is entirely unacceptable for the Minister to claim that he is simply too busy to ensure fairness or true effectiveness in any regulations that he might come up with. I demand that the Minister make the time in his schedule to meet with this group and allow it to present its case. The Minister is putting aside the safety of Canadian travellers because he does not want to

meet with a group of unions directly involved, and that is uncalled for.

* * *

[*Translation*]

NEW DEMOCRATIC PARTY

UTILIZATION OF CHIEF'S TELEPHONE CODE—REQUEST FOR EXPLANATION IN THE HOUSE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, on February 24 last, I accused the Hon. Member for Oshawa (Mr. Broadbent) of having allowed extensive use of his telephone code number for the organization of his party's political campaign in Quebec. The office of the Member for Oshawa stated that it was a mistake. I should point out, Mr. Speaker, that the telephone code numbers are distributed on our desks here in the House of Commons. The code of the member for Oshawa had become a public utility in Abitibi among the Trudels, the Houles and Lemires, all so-called honest workers of the socialist party.

Following my statement, they tried to stifle the matter by cancelling the code of the member for Oshawa. Mr. Speaker, the member for Oshawa, the leader of the socialist party does not have to give explanations to the medias for the illegal use of his telephone code but to the House of Commons. This is the forum where he has to prove his honesty, if any!

* * *

[*English*]

TRADE

FREE TRADE AGREEMENT—EFFECT ON WOMEN

Mrs. Lucie Pépin (Outremont): Mr. Speaker, yesterday leaders of the women's movement from across Canada kicked off a campaign to oppose the free trade agreement. Canadian women are gathering momentum each day to protest a deal that has been hidden from the Canadian public in page after page of Conservative rhetoric.

The debate over free trade is not about economies of scale or trade revenue. It is really a debate about how we live in Canada and what makes life good here. It is about moral and social standards and about how much we are willing to sacrifice in the name of economic principles.

Everyone seems to agree that women, who make up 65 per cent of the textile industry and 80 per cent of the service industry labour force, will be big losers under free trade. Women are facing massive job losses as well as threats to the existence of essential social programs like maternity leave, child care, pension plans and employment equity.

Faced with these very real threats under free trade, the Government continues to hide behind rhetoric and continues to cut spending on job training that would help women adjust to the disaster they are facing. I support the women's campaign against the free trade deal and I urge the Government to listen to their message. I urge the Government to reconsider this—

* * *

THE CONSTITUTION

PROTECTION OF MINORITY LANGUAGE RIGHTS

Hon. Bob Layton (Lachine): Mr. Speaker, a fundamental purpose of the Constitution of Canada is to protect the basic rights of all Canadians including aboriginal peoples, English-speaking and French-speaking minorities and religious, ethnic and other minority groups.

• (1410)

The 1987 accord states that the existence of English-speaking Canadians present in Quebec constitutes a fundamental characteristic of Canada. I believe it is in the national interest that the language rights of the English and French-speaking minorities in Canada be respected and protected in a spirit of tolerance, civility, amity and generosity. Bill C-72, the Officials Languages Act, is a step in the right direction.

It is increasingly apparent that current legislation in Quebec restricts the English-speaking minority commercially, socially, educationally and in the workplace. I invite the Government and the Quebec National Assembly to take action as expeditiously as possible, each within its own jurisdiction, to effectively protect the rights of the English-speaking minority in that province.

* * *

TAXATION

EFFECT OF INCREASE IN PROVINCIAL SALES TAXES

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, in the last few weeks Canadians from coast to coast have been struggling late into the night with the annual ritual of filling out their income tax returns. They have been shocked at just how much income tax they have been forced to pay. Most Canadians pay thousands upon thousands of dollars. Yet there are reports that Ontario Minister of Finance Robert Nixon was recently heard to exclaim: "It is still not enough. We want more. We have to make them pay more taxes!"

It was reported that Mr. Nixon paced back and forth grumbling to himself that he wanted to raise taxes again, just like the Tories in Ottawa. "Anything they can do I can do better", he said as he yelled at his bureaucrats to take action.

After hours of wringing his hands and wrestling with the problem, he was heard to cry: "Eureka, we will raise sales taxes just like the Tories!". After it was pointed out to him that sales taxes fell hardest on the poor, he scoffed: "I am not interested in fairness. I am a Liberal. It is money that I want."

The moral of the story is that when it comes to taxes, Robert Nixon is like Michael Wilson. There is no difference. Given the chance, they will both soak middle and low-income earners to provide tax loopholes for their wealthy friends on Bay Street.

* * *

JUSTICE

VICTIMS OF VIOLENT CRIME—LACK OF CONFIDENCE IN PAROLE SYSTEM

Mr. Alan Redway (York East): Mr. Speaker, have you ever heard of an organization called Victims of Violence? Some may disagree with their point of view but they always make a lot of sense to me and, I suspect, to the 63 per cent of Canadians who have lost confidence in our criminal justice system. The Victims of Violence wrote the Prime Minister (Mr. Mulroney) on February 23, 1988, and I quote:

> Hardly a day goes by without a news report of violent crime being committed somewhere in Canada by a repeat offender out on some form of early release. In the last eight months alone we are aware of at least seven murders committed by murderers who had been released by the National Parole Board.
>
> Ole Instrup keeps letting them out on parole . . . There have been more repeat murders by murderers out on parole since he took office than in all the years Bill Outerbridge served as Chairman.

Canadians who have lost confidence in our criminal justice system, the Victims of Violence, and myself, all look forward to the Prime Minister's reply.

* * *

FINANCE

REINSTATEMENT OF FLOW-THROUGH SHARES AND DEPLETION ALLOWANCE

Mr. Maurice Foster (Algoma): Mr. Speaker, the Minister of Finance (Mr. Wilson) continues to deny to those resource producing areas of our country reinstatement of flow-through shares and earned depletion allowance. Many communities gathered here in Ottawa earlier this week to protest the cutting off of this program, communities like Elliot Lake, which passed a resolution calling for the reinstatement of this program, and communities like Wawa in northern Ontario. Other communities like the Town of Haileybury are calling on the Government to reinstate this program.

The Government could show its concern and interest in regional development, in assisting the resource producing parts of our country, by fully reinstating this program and the 133 per cent earned depletion allowance with flow-through shares.

* * *

EXTERNAL AFFAIRS

SUPPORT FOR INTERNATIONAL CONFERENCE

Mr. William G. Lesick (Edmonton East): Mr. Speaker, as a member of the Standing Committee on External Affairs and International Trade, I was pleased to be part of a recent fact finding mission to Jordan, Egypt and Israel. It was an intense and emotionally charged experience. We met political leaders and soldiers on all sides. We spoke with working people, refugees and children. We visited hospitals and churches. We came away with a feeling that the conflict, although as serious and tragic as any, can be resolved if only the parties could sit down and negotiate their differences in good faith.

Upon returning to my constituency I had the opportunity to report my findings to the Jewish Federation of Edmonton, the Canadian-Arab Friendship Association and the Palestinian Action Committee. Each community leader joins me in urging the Secretary of State for External Affairs (Mr. Clark) to support an international conference which will begin to build trust, confidence and peace between the Israelis and the Palestinians.

* * *

HUMAN RIGHTS

AMNESTY INTERNATIONAL—HUMAN RIGHTS NOW

Hon. André Ouellet (Papineau): Mr. Speaker, today, Amnesty International groups and supporters in over 150 countries and territories around the world are launching the biggest and most ambitious campaign for the promotion of human rights ever undertaken by their movement. It is a difficult but essential task for, as the Right Hon. Leader of the Official Opposition (Mr. Turner) recently said, human rights know no frontiers.

I am particularly impressed by the title Amnesty International has chosen: "Human Rights Now". The word "now" recognizes that action deferred means justice delayed. It injects a measure of urgency into a situation which cannot be allowed to continue, as we know that torture has been reported recently in more than 60 nations, and prisoners of conscience are held in nearly half the countries of the world.

Today, with the launching of this human rights campaign, Amnesty International is taking an important step toward the goal of universal respect for human rights.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL RELATIONS

LEVEL OF FOREIGN AID TO THIRD WORLD

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and concerns the Government's approach to human rights both here in Canada and abroad.

Today the Minister for External Relations, in a very extravagant booklet, announced that Canada will freeze the level of foreign aid in spite of its commitment that it would increase that aid. Will the Minister explain why the Government has abandoned its commitment on aid to the Third World?

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, it gives me great pleasure to tell my hon. colleague and all Hon. Members about the document tabled today which constitutes a comprehensive review of our assistance program. This is the first such review in 13 years.

Mr. Speaker, I believe that the Government of Canada, in consultation with Canadians and with the assistance of the standing committees of this House, has been able to develop an assistance policy which truly meets the needs of the Third World. I believe that this is the purpose of our new strategy and I am very proud of it.

GRANTING OF SUBSIDY TO SENEGAL—GOVERNMENT'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in spite of her commitments to this country and this Government contained in the statement made today by the Hon. Minister, she has announced a freeze on foreign aid.

In her report to the House, the Minister for External Relations also stated today that, in the future, Canada would take into account the human rights record of Third World countries before granting them assistance.

This morning, the *Ottawa Citizen* announced a subsidy for Senegal. Yet, the leader of the opposition in that country is still in prison. Will the Government respect the commitments made this morning by the Minister and take the necessary action as concerns this subsidy to Senegal?

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, I am very glad to be able to tell the House that we have undertaken to maintain the level of expenditure for our assistance projects at 0.5 per cent of the Gross National Product until the beginning of the next decade.

The Right Hon. Member recently made a speech in which he promised on behalf of his Party to increase Canadian assistance budgets by 50 per cent, or up to 0.7 per cent of the GNP. This is another miscalculation by the Leader of the Opposition as we have now reached the level of 0.5 per cent and as a 50 per cent increase would be less than what our Government has planned to do until the next program. The Right Hon. Member should know that we have made a serious commitment and that we are keeping it. As concerns our assistance program to Senegal, I should point out that, as in the case of all Third World countries, our assistance programs meet the needs of the population. Indeed the main purpose of our new policy is to meet the basic assistance needs of the people in Third World countries.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the subsidy to Senegal violates the commitment made by the Minister in her document this morning. As for her mathematics, I suggest she should go back to school—

Some Hon. Members: —to grade school.

Mr. Turner (Vancouver Quadra): —to grade school!

* * *

• (1420)

[*English*]

EXTERNAL AFFAIRS

LETTER TO PROVINCIAL PREMIERS—MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, may I again address a question to the Secretary of State for External Affairs concerning human rights right here at home. Yesterday the Secretary of State for External Affairs tabled a letter that he had written to all provincial Premiers counselling them not to meet with members of certain Sikh organizations in Canada because "Some members of these organizations have also engaged in or promote violent activities". I believe those were the Minister's words.

Will the Minister explain to the House why he has chosen to condemn and boycott all members of these organizations for the alleged actions of a few? If he has any evidence backing up his letter, would he be prepared to table that evidence in the House of Commons so that we could judge the appropriateness of that letter?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I welcome that question. The letter which, as the Right Hon. Leader of the Opposition noted, was tabled yesterday was very specific. This House knows that the vast majority of Canadians of Sikh origin are first-class Canadian citizens trying to raise their families in peace and trying to raise their families in freedom.

I specifically named three organizations, organizations which exist largely to advocate the creation of an independent Sikh state. Some of the members of those organizations seek legitimacy in Canada by identifying themselves with prominent Canadians and some of them have engaged in or promote violence in Canada and elsewhere. Those are activities which should not appear to be condoned by Canadian authorities.

As the Right Hon. Leader of the Opposition well knows, some members of the Canadian Sikh community do not feel free to speak on these matters. The Government has a duty to help Canadians live their lives in peace and in freedom. We are going to do that.

I would urge Members of this House and organizations outside of this House not to be drawn inadvertently into support of activities which threaten the peace and the freedom of Canadians, including particularly the peace and the freedom of that vast majority of Canadians of Sikh origin who seek to live in those circumstances.

ALLEGED RACIAL INTOLERANCE AND TENSIONS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is also for the Secretary of State for External Affairs, and it, too, is with regard to the letter that he sent to only some Premiers urging the boycott of these three organizations.

In his letter to Premier Peterson, for instance, he also justifies the boycott by writing:

> I would appreciate your cooperation in avoiding events and activities which could be perceived as supporting the Sikh organizations mentioned above or their objective in the creation of an independent Sikh state.

Can the Minister justify why the Government's position on a foreign issue, which is sovereign to the citizens of India, is negatively impacting domestic policy at home whereby the rights of Canadian citizens to participate in the community and political life of Canada are being denied?

If the Minister cannot legitimately justify his actions, why does he not do the honourable thing and withdraw and apologize for his offensive declarations which have aggravated racial intolerance and racial tensions in this country?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there was an implicit question as to why the letter went to only some Premiers. It went to Premiers who we thought, either personally or in their government capacity, might be invited to attend and lend their authority inadvertently to organizations of this kind.

Certainly I would extend my counsel, not only to all Premiers but to all Members of this House. I repeat, as I have just said to the Right Hon. Leader of the Opposition, that there are activities engaged in by some members of some of these organizations which should not carry with them the authority of public office holders in this country.

I am not issuing any edicts to anyone. I am not telling Premiers or Members of Parliament that they cannot attend certain organizations. However, I have a duty to Canadians, as has the Government, to promote public order in the country. We intend to carry out that responsibility.

I sincerely hope that Members of the House of Commons who understand the sensitivity of this issue, and who understand also the commitment to Canadian values of the vast majority of Canadians of Sikh origin, would help us in encouraging peace and freedom in this country.

Mr. Marchi: Mr. Speaker, we all condemn violence and terrorism, but that does not give you open season and licence to smear the reputation of a collectivity, which is what you did.

Mr. Speaker: The Hon. Member will put his question and put it properly.

POSITION OF INDIAN GOVERNMENT—ALLEGED DISCREPANCY

Mr. Sergio Marchi (York West): Mr. Speaker, my supplementary question is again directed to the Minister who also wrote in his letter to Premier Peterson the following:

> The government of India has taken particular exception when elected officials attend functions sponsored by these organizations.

Given that the Indian High Commissioner in Ottawa has contradicted the Minister and denied that they ever requested such a boycott, can the Minister explain this serious discrepancy? Even if the boycott was asked for by the Indian Government, since when should the interests of a foreign government be allowed to undermine the rights of our own citizens here in our own land?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, they should not be and they are not. The Hon. Member is distorting, I am sure inadvertently, what was said by the High Commissioner. Certainly the High Commissioner did not ask me to write the letter.

Mr. Marchi: Who did?

Mr. Clark (Yellowhead): I took that decision for Canadian reasons as a Canadian Minister with regard to Canadian values of peace and security in this country. I do not want to make this a partisan matter and I am sure that no Member of good will would want to make this a partisan matter.

I was very impressed by the response of the Liberal Premier of Ontario to my request. He understood what I was seeking to do and understood my responsibility to do it. I hope that there will be a similar understanding of the sensitivity of this issue and of the importance of our respecting the situation of the vast majority of Canadians of Sikh origin.

* * *

EXTERNAL AFFAIRS

SEIZURE OF CONTRIBUTIONS TO ANTI-APARTHEID GROUPS IN SOUTH AFRICA

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Last May the Prime Minister of South Africa announced his government's intention to take action aimed at stopping outsiders, from whatever source, from aiding even non-violent anti-apartheid groups within South Africa.

As the Secretary of State for External Affairs will know, two days ago that Government in South Africa introduced repressive legislation aimed at carrying out this intent which that Government announced last May. The Government of South Africa will now have the authority to seize any such funds coming in to, I repeat, even peaceful groups within South Africa.

Is this not the most blatant illustration of the present South African Government's total unwillingness to co-operate with the most open, democratic and, one would have thought, harmless actions by peaceful governments such as Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I take the matter seriously, as I know the Hon. Leader of the New Democratic Party and his Party do. I spoke on the matter yesterday in a statement, to which there was a very measured response by the spokesman of his Party.

I remind the Member and the House that that which is before the Parliament of South Africa is a Bill—it is not yet a law. We are studying the detail of that Bill to see what effect it will have upon Canada. We are naturally encouraging the Government of South Africa, with whatever authority we have, that that Bill not go forward.

I indicated yesterday that we are also vigorously seeking any means open to us which can help us to help the victims of apartheid in that country to oppose that legislation or other means. I am not sure what those openings are, but we are looking for them and if the Bill is passed or other measures are taken we intend to aid the victims of apartheid in fighting them.

IMPOSITION OF COMPREHENSIVE ECONOMIC SANCTIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I read the serious statement which the Minister made in the House yesterday in which he gave reasons for maintaining the current level of diplomatic relations with South Africa. He also commented on his current view about comprehensive economic sanctions. In both cases he talked about the need for Canada to be able to maintain an openness to provide such financial assistance to peaceful groups within South Africa.

If, as the Minister said in his answer this afternoon, the Government of Canada, in its contacts with South Africa now, does ascertain that the Government of South Africa indeed plans to go ahead with this legislation and will, in effect, cut off the peaceful channelling of money into that country which we have accomplished, will the Government of Canada then be prepared to impose, by ourselves, comprehensive economic sanctions against South Africa?

• (1430)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the only answer I can give the Hon. Member is that we would certainly have to consider that and certainly will. I do not want to anticipate events that have not occurred. It is for good reason that we have a practice against answering hypothetical questions in the House.

However, I want there to be no question about our seriousness. One of the reasons that I and the Prime Minister repeat and underline the commitment the Prime Minister made on behalf of this country in the United Nations is that it is very important that South Africa and others know the bottom line of Canada, and if we have no options other than to suspend our diplomatic and economic relations with South Africa, then we will exercise that option.

[*Translation*]

REQUEST AS TO WHEN COMPREHENSIVE SANCTIONS WILL BE IMPOSED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the South African Government is becoming increasingly anti-democratic, not the opposite. And if now is not the time to impose comprehensive economic sanctions, when, I am asking the Minister, will that time come?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that is a good question, but one which cannot be answered today. As I said yesterday in the House, there are positive actions which Canada can now take in South Africa to help the victims and opponents of apartheid. We want to keep on doing what we can. If and when we are no longer able to exert a positive influence, we will have to use other available options and, in those circumstances, end our economic and diplomatic relations with South Africa.

However, I think that it would now be preferable to try and influence the situation by having diplomats there.

* * *

[*English*]

EMPLOYMENT

EMPLOYMENT TRAINING PROGRAMS—ECONOMIC COUNCIL RECOMMENDATION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Yesterday the Economic Council said that in recent years the number of trade sensitive industries in Canada has been increasing with the result that adjustment due to job turnover has also been increasing. It went on to say that these adjustment problems have been more acute with older workers, workers with low education and workers from remote small communities.

In these circumstances, why has the Government cut employment and training programs by over 30 per cent since 1984, with the recent Estimates proposing further cuts of 11 per cent for next year? Yesterday the Economic Council recommended the strengthening of adjustment and training programs. Why is the Minister and the Government ignoring that advice?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I am always pleased to compare our figures on jobs with those of the Hon. member and his government years ago. I believe that Canadians want jobs. We have created many jobs. I do not have to give any numbers because I am sure my friend from Notre-Dame-de-Grace is well aware of them. We will continue to deal with that issue.

At the same time I believe that the Canadian Jobs Strategy provides many ways to deal with the problems he raises.

We are conscious of the change in the labour force and the change in employment. However, again, I believe we have provided the answers that Canadians want.

INCREASED TRAINING AND ADJUSTMENT—MINISTER'S POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, the Minister has not answered the question. If he wants to compare the records and jobs, let him do it with the pre-recession period of 1970 to 1975—

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member will put his question.

Mr. Allmand: A Gallup Poll published last week found that Canadians still consider unemployment as their greatest concern. Yesterday that was confirmed by the Economic Council when it said that older workers, low educated workers and workers from remote small regions were the hardest hit and had the greatest difficulty in adjusting to unemployment. The Council clearly recommended that we should strengthen training and adjustment programs. What is the Minister's answer to those recommendations?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, it is exactly what I said before. If you look at the percentage of the unemployment rate in remote communities in all the provinces of this country, it is down compared to what it was three or four years ago. The Liberal Party would like us to raise a lot of issues and answer them with a lot of programs. The problem is that three or four years ago they had job creation programs but had unemployment rates too.

[*Translation*]

BANK OF CANADA

REQUEST THAT MINISTER DIRECT THE BANK TO REDUCE THE PRIME RATE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the Minister of Finance and it concerns interest rates in Canada. During the past two months, the value of the Canadian dollar increased by 2.5 cents against the U.S. dollar, essentially because of the anti-inflationary monetary policies of the Bank of Canada and the resulting high interest rates. In view of the economic slowdown predicted for 1988 and of the adverse effects on our competitiveness and our exports of a stronger Canadian dollar, is the Minister now ready to instruct the Bank of Canada to take whatever measures are needed to reduce interest rates in Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, our economy is indeed very strong now. I think our economic performance in the fourth trimester of 1987 was very good and even better than what most observers predicted before the results were known. I believe the policies of the Governor of the Bank of Canada reflect his understanding of the performance of the Canadian economy. I personally agree with these policies.

[*English*]

CANADA-U.S. INTEREST RATES—PROPOSED DECREASE IN DIFFERENTIAL

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I am interested to know that the Minister of Finance supports the policy of the Bank of Canada, which is to bring inflation to zero whatever the consequences on unemployment, particularly in the regions of this country.

Some Hon. Members: Oh, oh!

Mr. Cassidy: Is the Minister saying that an 8 per cent unemployment rate, which his forecasts say will rise during 1988, is acceptable, or is the Minister prepared to step in in order to bring down the differential in interest rates of 1.5 per cent between Canada and the United States to ensure that we can continue to have economic growth in all regions of Canada, not just southern Ontario?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I suppose I will have to remind the Hon. Member again that unemployment came down in every province of this country during 1987.

The Member from Notre-Dame-de-Grace says "Big deal".

Mr. Allmand: 7.5 per cent.

Mr. Wilson (Etobicoke Centre): During his term of office when he was minister of employment, the rate of unemployment increased in every province of the country. There is the big deal for the Member from Notre-Dame-de-Grace.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MR. ROGER CLARK, PROGRAM DIRECTOR, CANADIAN SECTION, AMNESTY INTERNATIONAL

Mr. Speaker: I wish to bring to the attention of Members the presence in the gallery of Mr. Roger Clark, Program Director, Canadian Section, Amnesty International.

Some Hon. Members: Hear, hear!

* * *

INDIAN AFFAIRS

LUBICON LAKE BAND LAND CLAIM

Mr. Albert Cooper (Peace River): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. It concerns the longstanding Lubicon land dispute. Will the Minister confirm the article in today's *Edmonton Journal* which states that the province has agreed to transfer 25.4 square miles to the Lubicon Band? If he can confirm that, will he tell us what implications that has on the ongoing negotiations with the band?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I appreciate the Hon. Member's interest on behalf of his constituents. I can confirm that yesterday Alberta and the Government of Canada reached an agreement in principle on the transfer of 25.4 square miles to settle an outstanding claim.

Some Hon. Members: Hear, hear!

• (1440)

Mr. McKnight: The Province of Alberta has also offered to have the boundaries drawn so it would include the point of land on which the Lubicon Band wish to establish its community. Chief Ominayak is meeting with Premier Getty tomorrow. I hope the discussions that take place will assist in fulfilling outstanding commitments so there can be a just settlement.

We intend to enter into negotiations as soon as the Lubicon wish, on non-land issues such as housing, infrastructure, a hospital, those infrastructures which are necessary to establish the community. I hope in the weeks and months to come we can have ongoing negotiations and reach a just and negotiated settlement.

Some Hon. Members: Hear, hear!

COMMUNICATIONS

TRANSFER OF BUDGET FUNDS FOR INTERNATIONAL TRADE TO EMPLOYMENT AND IMMIGRATION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Minister for International Trade. We learned yesterday, with the tabling of the Supplementary Estimates, that the Government has over-spent its propaganda budget for the trade deal with the United States by close to $4 million. At the same time the Economic Council is saying we need to substantially enrich programs to help Canadian workers, but the Government does not seem to be able to find the money to do that.

As a gesture in the right direction, would the Minister cancel the bloated budget the Government has to try to sell its trade deal, to put out its own version of the *National Enquirer* in the Safeway stores across Canada, and give the money to the Minister of Employment and Immigration who does not have the ability to get the money himself for the needed programs to help workers in this country?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I think the Hon. Member's question is quite timely. As we have said before in the House, the extra funds were needed because we had to issue extra publications before and after October. We had to print additional publications in December when the final text was agreed upon.

I think the Hon. Member himself in the past has urged this kind of information. I can quote from *Hansard* on September 24 of last year when the Hon. Member, when calling for an emergency debate on free trade said, "It is very important that information be shared with Canadians". We agree entirely and that is what we have done.

Mr. Axworthy: Mr. Speaker, I think I would just like to remind the Minister that there is a difference between information and propaganda. We are fully in favour of the first, but the Government does not know the difference between that and the latter.

CANCELLATION AND RECONSTITUTION OF ADVISORY COUNCIL

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like to direct my supplementary question to either of these two inept Ministers. The Economic Council clearly recommended that there be major enrichment of the adjustment programs, yet the Government has cancelled programs like the Labour Adjustment Program that was providing that service. Instead, the Government has introduced a temporary short-term advisory council that does not even have representation from the major labour groups of Canada to help plan adjustment.

Should that advisory council not be cancelled and reconstituted as an independent agency with proper powers to do the necessary studies and to undertake the necessary programs to

help Canadian workers, doing so in full consultation with the labour groups of this country?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I think Canadians can bestow their confidence in the council that has been established. It represents some of the best brains in this field to advise the Government. We look forward to its reports. I again point out that most of the adjustment will be upward. It will be people moving from jobs in traditional industries into the new growing industries because new jobs are at the heart of the free trade agreement.

I do want to comment on the Member's use of the word "propaganda" because at two o'clock today we did release the impact study on agriculture. It contains such information as the current U.S. and Canadian tariffs on grains and oilseeds, which is all good information, and it discusses the potential markets—

Mr. Speaker: The Hon. Member for Humboldt—Lake Centre.

* * *

AGRICULTURE

INTEREST RATES—DOLLAR VALUE—EFFECT ON EXPORTATION OF FARM PRODUCTS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is directed to the Minister of Agriculture who ought to know that over the past year, farmers in my part of the country who export grains, beef and pork, because of the changes to the Canadian dollar, have watched the value of their products decrease by 11 per cent, and have watched the costs of borrowing money go up about 1.25 per cent over the past year. During the course of the Minister's administration they have also watched the value of their lands drop by about 50 per cent. Since these are all very much deflationary values and deflationary results, when will the Minister be satisfied that he has deflated agriculture enough?

[*Translation*]

Hon. Pierre Blais (Minister of State (Agriculture)): In spite of the figures which have just been quoted, Mr. Speaker, I suggest that our Government has responded to the difficulties experienced by our Canadian farmers over the past few years by increasing by 400 per cent the investments which have ended up in the Canadian farmers' pockets, especially in his region. We were aware of the problems and we came to the conclusion that in spite of the significant reduction in interest rates—they were between 4 and 5 per cent lower than those charged during the darkest hours of the previous Liberal Government—we had to inject enormous amounts, thus making it possible for Canadian farmers to finally recognize that this is indeed a Government which meets the needs of Canadian farmers.

An Hon. Member: Absolutely!

[*English*]

Mr. Althouse: Mr. Speaker, I guess I let the word "agriculture" slip out. I had intended the question for the Minister of Finance.

LEVEL OF INTEREST RATES FOR FCC LOANS

Mr. Vic Althouse (Humboldt—Lake Centre): Since the Minister in charge of agriculture has answered my first question, I wonder if he could explain how 12.25 per cent interest at the Farm Credit Corporation, which is not being taken up by farmers—the allocation is not being used—is helping the farmers when they can go to the banks and get credit for much less even though the bank rate has been going up in the last year? How is that helping farmers?

[*Translation*]

Hon. Pierre Blais (Minister of State (Agriculture)): Mr. Speaker, the purpose of the Farm Producer Assistance Program which we announced in December 1987 and which provide for over $3 billion in assistance, including several additional hundreds of millions of dollars for the Farm Credit Corporation, is to help farmers. The interest rates you are talking about are greatly lower than those we experienced during these darkest years which no Canadian wants to live through again.

* * *

[*English*]

THE ADMINISTRATION

ALLEGED PATRONAGE—LEGAL FEES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Deputy Prime Minister. It concerns the Prime Minister's friend, Mr. Jean Sirois who received $400,000 in legal work in addition to his juicy political patronage appointment. Can the Deputy Prime Minister explain to this House why the former Minister of Supply and Services gave Mr. Jean Sirois, according to media reports, a $195,000 contract to assist in an eight-year old legal case which was ready for trial? Given that Government lawyers refused to state how much work he actually did on the job, will the Deputy Prime Minister tell us now when the Government will put an end to this kind of sordid political patronage?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I do not quite fully understand what the Hon. Member is driving at. The fact is that legal agents are hired by the Government on a number of files; outside counsel. There is in fact a standard procedure under which all of this is done. When the bills are submitted, they are submitted on the basis of work done on an hourly basis. They are taxed or, to put it in layman's terms, they are

scrutinized by the Department and then paid by the client Department. It is important to understand that legal agents perform work and services on behalf of the Government of Canada and that they are paid for services rendered.

• (1450)

Mr. Boudria: Mr. Speaker, that is not a very good answer. Obviously, the Government had its legal counsel already for that case, and that was added in at the last minute.

[*Translation*]

JEAN SIROIS AFFAIR—REQUEST FOR TABLING OF DOCUMENTS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a question this time for the Deputy Prime Minister: When asked about the need to hire Jean Sirois and to pay him $195 000, Civil Servant Fred Sparling stated: It was the Minister's decision. Is this not a case of shameful patronage? Is the Government now prepared to table in the House the list of all the contracts awarded and all the amounts paid to Jean Sirois, so that we can put an end to all this sordid affair once and for all?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, Mr. Sparling is responsible for the Canada Business Corporations Act. The Javelin file has been around for literally decades. When the new Government came into power we were interested in and informed about it, trying to bring the matter to a conclusion. Mr. Sirois was added as co-counsel acting in this very complex case. I understand it has been going on for years and years.

The amount of legal fees that have been collected over the years on this matter are shocking to me as a non-lawyer. I think I am in the wrong profession.

Some Hon. Members: Hear, hear!

Mr. Andre: Mr. Speaker, I understand that, basically, the legal work has been completed. It will be going before the court soon. Hopefully, the Javelin case can be put to bed after the last two decades or so.

* * *

HUMAN RIGHTS

PROHIBITION OF DISCRIMINATION ON THE BASIS OF SEXUAL ORIENTATION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Minister of Justice. Two years ago this week the then Minister of Justice promised to take "whatever measures are necessary" to ensure that sexual orientation is a prohibited ground of discrimination in relation to all matters within federal jurisdiction. In view of the fact that we do not choose to be gay or lesbian and are not seeking special rights, merely the right to live openly and in dignity without fear of losing our jobs, our homes or being subjected to violence, I want to ask the Minister this. Does he stand by the promise that was made by his predecessor as Minister of Justice? If so, when will he finally move to make equality a reality for Canadian gays and lesbians?

Some Hon. Members: Hear, hear!

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate the question from the Hon. Member who has had a long interest in the matter of human rights and has in fact been vocal in that regard.

Of course I stand by the declaration made on behalf of the Government with respect to the response to the parliamentary committee. I have, with my colleagues, been giving the matter very serious consideration on the wide range of issues that were raised. We continue to consult with respect to this matter.

It is my hope that at an appropriate time we will be able to bring forward a statement with respect to this matter that will address all of the issues contained in the report.

[*Translation*]

APPEAL FOR ENTRENCHMENT IN THE CHARTER OF RIGHTS PROHIBITION OF DICRIMINATION AGAINST HOMOSEXUALS

Mr. Svend J. Robinson (Burnaby): Twelve years ago, Mr. Speaker, the Quebec Government amended the Quebec Charter of Rights to prohibit all discrimination based on sexual orientation. Today, the Tory Government refuses to keep its promise to amend the Federal legislation in the same direction. Why does the Minister of Justice accept to maintain such an intolerable situation which deprives both gays and lesbians in Canada, and especially in Quebec, of equality and justice? Why?

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, since the supplementary question was very similar to the first question, I want to reiterate the fact that in the course of its consideration of the matter of the Charter of Rights and Freedoms the parliamentary committee covered a wide range of matters and a wide range of recommendations, all of which were responded to in principle. The Charter of Rights and Freedoms does have meaning. Certainly at the federal level we are examining the various options that are available to us to implement those items that were indicated in the response of my predecessor.

We believe that the Charter of Rights does serve an important function and role. We intend to take such steps as are appropriate with respect to the implementation in a legislative way of those matters within our jurisdiction.

Oral Questions

EXTERNAL RELATIONS

IMPACT OF DECENTRALIZATION OF CIDA ON THIRD WORLD

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is for the Minister for External Relations. As a member of the Standing Committee on External Affairs and International Trade that reviewed Canada's official development assistance last year, I welcome the Minister's positive response in the form of a strategy which projects into the next century. Will the Minister tell the House how the decentralization of CIDA as outlined this morning will impact on the controversial issue of more effective aid delivery in Third World countries?

[*Translation*]

Hon. Monique Landry (Minister for External Relations): I wish to thank my colleague for his question which gives me the opportunity to elaborate on one aspect of this new strategy. I am aware of the important role played by my colleague in this regard in his capacity as member of the Standing Committee on External Affairs and International Trade.

Decentralization means more people in the field to plan our aid projects better. It will also allow for a simplification of decision-making on aid projects.

The other important factor, Mr. Speaker, is that decentralization will allow us to involve the very people we want to help in the development of our programs and in that sense involve them in their own development.

There are other measures which come to mind, but simply stated, this is what decentralization will bring about.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

FUNDING OF SCIENTIFIC RESEARCH ON IMPACT OF ACID RAIN

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is for the Minister of the Environment. This year's budget for Environment Canada goes up by 3.5 per cent compared to a 30 per cent increase for the Department of Energy, Mines and Resources; a 24 per cent increase for Agriculture; and an 11 per cent increase for Communications. Considering the pitiful performance on the part of the Minister in securing adequate funds for his own Department I would like to ask him this. Does he have any funds left for scientists and economists in his Department to examine the impact of acid rain pollution on the Canadian environment so as to prepare a total cost to be submitted at the next summit when the Prime Minister meets with President Reagan in Washington?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member for Davenport has lately been making a career of misrepresentation with respect to the budget of Environment Canada. He goes across the country and repeats these nonsensical statements, in committee and on the floor of the House of Commons, that the Government of which I am a part has slashed my Budget in environmental expenditures across the board. Nothing could be further from the truth.

The budget of Environment Canada this year and last year is higher than it has ever been since the Department was formed in 1971, including when the Hon. Member was Minister. That is a fact.

What is more, we are spending more money outside Environment Canada but within the federal Government under environmental matters than has ever before been the case.

Mr. Caccia: The Hon. Minister may be good in rhetoric but he is weak in arithmetic.

RESEARCH INTO THE EFFECT OF ACID RAIN ON HEALTH

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my supplementary question is for the Minister of National Health and Welfare. Last fall the Minister indicated in Question Period that there was not adequate information available to launch a study on acid rain and health. In light of the study that was published a few days ago linking acid rain and cancer of the colon in the northeast of the United States and eastern Canada, is he now prepared to launch a study since his colleague, the Minister of the Environment, is broke anyway?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member says that the Minister of the Environment is broke. The Minister of the Environment is richer than any of his predecessors have been, including the Hon. Member.

In fact, quite apart from the budget of my own Department, which again is higher than it has ever been since 1971, the Government of Canada is spending on environmental matters within the total system outside my Department, for example, $106 million to establish a national park in South Moresby, 50 per cent of which is coming from the budget of other Ministers, among them western diversification and DRIE; we have undertaken a $37 million clean up of the Sydney tar ponds in Cape Breton, the biggest single industrial dump site cleanup in the history of Canada, the second biggest in the history of North America, from the budget of the Department of Regional Industrial Expansion.

Some Hon. Members: Hear, hear!

• (1500)

IMMIGRATION

DEFECTION OF ATHLETES IN CALGARY—ALLEGED DIFFERENCE IN TREATMENT

Mr. Dan Heap (Spadina): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. As the Minister has acknowledged publicly, two athletes at the Calgary Olympics have defected from their teams, and they have both asked for Canada's protection against being returned to their countries, one to communist Romania, the other to fascist Chile.

Will the Minister explain to this House why he decided that the Romanian will likely be accepted next week, but the Chilean must wait, perhaps for months, without permission to earn a living, and without the Minister's assurance of a favourable decision. Is this not a continuation of the bias of 40 years ago that excluded suspected communists, but brought well known Nazis into Canada?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, in the first case mentioned by the Hon. Member, there has been a policy set up in this country since 1968 which refers to what we call East European countries. This policy makes it possible to deal very swiftly with those cases.

Mr. Broadbent: That's the point.

Mr. Bouchard: There is a richness in this country from those people who have come from those countries and who are Canadians today. I think my friend would agree with me.

I would like to tell the Member for Oshawa that last year we had 1,600 refugee claimants. Chile was one of the countries from which we accepted the most refugees in Canada, and we will continue.

I wish to say that Canada has one of the best performances of all countries in the world in receiving Chileans.

Mr. Broadbent: What's that got to do with the question?

Mr. Nystrom: Answer the question.

EXPEDITED TREATMENT—MINISTER'S POSITION

Mr. Dan Heap (Spadina): Mr. Speaker, since the decision to take a person out of the refugee stream and give him special quick treatment, as in the case of the Romanian, was a decision of the Minister, will the Minister explain why he will not do the same for a Chilean who is in Canada under the same circumstances and has the same reason to fear return to Chile?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I think I have been very clear on that. There has been for 20 years a policy allowing people coming from East European countries to submit their case. That policy which I believe has been followed normally by the previous government and that we follow today allows those people to have their case processed rapidly. But again the cases of Chileans that have been submitted and considered as refugee cases have also been processed normally. Therefore, I do not see why my hon. friend suggests there is a double standard in this case.

[*English*]

Mr. Speaker: A single question from the Hon. Member for Papineau.

* * *

[*Translation*]

EXTERNAL AFFAIRS

STATE OF EMERGENCY IN SENEGAL—REQUEST THAT MINISTER SEND NOTE OF PROTEST TO SENEGALESE AUTHORITIES

Hon. André Ouellet (Papineau): Mr. Speaker, my question is for the Secretary of State for External Affairs (Mr. Clark) who is no doubt aware that President Diouf of Senegal has declared a state of emergency and arrested his political opponents.

Is the Minister prepared to send a note of protest to Senegalese authorities or at the very least to ask for the release of the chief opponent of President Diouf, Mr. Abdoulaye Wade, as well as of the two leaders of the Senegalese democratic party who have been jailed for denouncing the elections as a fraud and a sham?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I always take seriously the Hon. Member's representations. I am not certain of all the circumstances involved but I will enquire. If it is appropriate for Canada to take such action, I will do it. Otherwise I will inform the Hon. Member of my decision.

* * *

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to ask the Deputy Government House Leader to give us the usual statement of government business for the coming week.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, as the House is aware, today is an allotted day. Tomorrow will also be an allotted day. On Monday, we will resume second reading debate on Bill C-72, and continue that through Tuesday, if the debate does not

wrap up on Monday. The back-up Bill for Bill C-72 will be Bill C-113, the Western Economic Diversification Act. Wednesday and Thursday will be allotted days. As far as legislation for Friday is concerned, we are looking at the possibility of either Bill C-82, an Act respecting the registration of lobbyists, and/or Bill C-107, an Act respecting plant breeders' rights.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—FLOW-THROUGH SHARE TAX PROVISION

The House resumed consideration of the motion of Mr. Cassidy:

That this House notes that the flow-through share tax provision has been instrumental in revitalizing mining communities and regions across Canada, and consequently urges that the initial benefit level of this provision not be reduced but be retained to encourage mineral exploration and development by small and medium-sized companies.

And the amendment of Mr. Garneau:

That the motion be amended by adding after the second "that" the words:

"because of the 33 1/3 per cent earned depletion allowance" and adding after the second "provision" the words:

"and, specifically, the 33 1/3 per cent earned depletion allowance".

Mr. Deputy Speaker: Before the oral question period the Hon. Member for Laval-des-Rapides (Mr. Garneau) had moved an amendment to the motion of the Hon. Member for Ottawa Centre (Mr. Cassidy) and the Chair has decided that the amendment is in order.

[*English*]

The debate will therefore continue on the amendment, with the Hon. Member for Kamloops—Shuswap.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I am delighted to have an opportunity to participate in today's debate sponsored by the New Democratic Party. It is appropriate to remind Members what we are debating today. The motion is as follows:

That this House notes that the flow-through share tax provision has been instrumental in revitalizing mining communities and regions across Canada, and consequently urges that the initial benefit level of this provision not be reduced but be retained to encourage mineral exploration and development by small and medium-sized companies.

Without going into the details of the flow-through tax mechanism suffice it to say that this mechanism is recognized by miners, those living in mining communities, and those serving the mining industry in all parts of Canada, as being one of the very few tax expenditure programs that makes sense.

I know I do not have to remind you, Mr. Speaker, but perhaps it would be worth-while reminding some others, that some time ago the New Democratic Party conducted what it called Tax Probe '86. One of the recommendations offered by Tax Probe is that the Government ensure that corporate tax expenditures aimed at investment and job creation be overhauled to make sure that the tax benefits conferred are gained only on the basis of demonstrated performance. Flow-through shares are an example of a tax incentive that has, in the main, worked. This motion recognizes that that particular tax program has resulted in considerable benefits accruing to Canadians, particularly in the regions of Canada. This motion is an effort to improve the nature of those flow-through shares by targeting them more closely to the small and medium-sized companies that are almost by definition 100 per cent Canadian-owned.

Mr. Fulton: What was that report?

Mr. Riis: My friend, the Hon. Member for Skeena (Mr. Fulton), asks, "What was that report?" Tax Probe '86 is a report on the tax system prepared by the New Democratic Party. It identified this particular provision as one of the tax provisions that makes a great deal of sense, particularly when one considers the development and exploration activity that has occurred in places like northern British Columbia, which is one of the highest mineralized zones in all of Canada, throughout the Yukon, across the territories, the entire northern parts of the Prairies, northern Ontario, Quebec, and including the Atlantic provinces.

There is not a region in this country that is not affected by the mining industry. From downtown Toronto to the smallest and most isolated northern community the effect of the mining industry is felt either directly or indirectly. When one considers the tens of thousands of people employed by the mining industry, the billions of dollars of business activity generated on an annual basis from this industry, the tremendous amount of tax revenues that accrue to various levels of Government from the industry, as well as the tremendous trade benefits that accrue, for Canada this is a major industry, and of particular interest in the regions of Canada.

We all recognize that the economic prosperity that has occurred in pockets of southern Ontario has not necessarily occurred in other parts of Canada. I remember back in 1986 when the Government pointed out that 95 per cent of all jobs created that year were created within 100 miles of the CN Tower in downtown Toronto. This meant that for most of Canada no jobs were created in 1986 in terms of net gain. Whether it is the Yukon, the Prince Rupert area, across the Kootenay regions of British Columbia, the northern part of Manitoba, or the northern part of Ontario, we are talking about single industry towns and communities which depend either exclusively or largely on the mining industry.

• (1510)

We recognize that the mining industry is a cyclical industry which is vulnerable to the international market-place and, consequently, vulnerable to cyclical trends in the market. We know about the boom and bust situation which exists in the industry. The flow-through mechanism was a method whereby this benefit could be spread over the years so that a net financial gain was always accruing to areas which happened to be nearby or within mineralized zones of the country.

Earlier today I had an opportunity to speak with a number of brokers in Kamloops, representatives of the B.C. Mining Association, representatives of the local chamber of commerce, presidents of some exploration companies, as well as some prospectors themselves. These individuals brought home very clearly that the particular flow-through share mechanism was absolutely necessary if we hoped to maintain present levels of exploration in these areas, and particularly if we hoped to see any increase in these levels.

In my own constituency literally hundreds of people have been employed in the last few months. They were previously unemployed, but they are now out in the field staking claims, trenching, drilling, and carrying out all other activities associated with mining exploration, in the hopes of identifying an appropriate ore body and establishing a full mine one day.

When we talk about the benefits of the flow-through mechanism we have a number of supporters. It is not only the New Democratic Party which feels that this initiative must be maintained. I refer, for example, to the White Paper on tax reform, sponsored by the Standing Committee on Finance and Economic Affairs. After analysing the particular program, the committee wrote a report, and I would like to refer to the section dealing with the flow-through share mechanism. I want to remind you, Mr. Speaker, that the committee heard from mining associations, prospectors, developers, brokers, and corporations in the mining industry—a whole host of witnesses.

The committee indicated that a study done by the Association of Prospectors of Quebec found that the flow-through mechanism and related incentives for the mining sector contributed to the realization of 71 public share issues in 1985, of which 38 were from junior companies and 33 were from flow-through shares, and resulted in 25 discoveries that in future may generate profits, 66,000 jobs, $2.8 billion of value added, and $300 million of net income for federal and provincial Governments. This was simply one witness indicating what had happened in one part of Canada as a result of the flow-through mechanism.

Mr. Fulton: Who is opposing these flow-through shares?

Mr. Riis: I do not know if you heard the Hon. Member for Skeena (Mr. Fulton), Mr. Speaker, but he asks: "Who is opposing these flow-through shares?" Obviously the finance committee found that its witnesses thought that it was an excellent idea, and I will indicate in a moment others who thought that it was an excellent idea. As I look around the Chamber I can only assume, since we will be having a vote later, that it must be the Conservatives who oppose it. I know that the Minister of Finance (Mr. Wilson) made clear in his presentation that he was against it, but I also know that there are members in the Conservative caucus—and I would like to think that it is the overwhelming majority—who actually believe in this principle. Whether they have the courage of their conviction will be seen later this afternoon when we get to the vote.

Another group representing federal and provincial organizations formed a subcommittee on mineral taxation and gave a report to the Government in which it indicated that the junior mining sector in particular would be hurt by tax reform changes affecting flow-through shares. It feared that a reduction in exploration could lead to a serious decline in economic activity in remote regions. That joint federal-provincial group of organizations made clear in its recommendations that to tamper with the flow-through share mechanism would cause serious problems in the country.

We could also look to what the Mining Association of Canada had to say. For example, it indicated that large amounts of funds had been raised for exploration in Canada through the medium of flow-through equity share financing, and that the device had been particularly significant in giving access to capital to junior mining companies as distinct from senior or producing mining companies, although a number of senior companies not in a taxable position had also found the device useful. The individuals representing the Mining Association of Canada indicated clearly that the mechanism played a very, important role in their development.

The February 15 edition of the *Northern Miner* contained a very interesting article. It reminded us of the recently formed save flow-through committee representing tens of thousands of people involved in the mining industry across Canada, from Labrador to Vancouver Island and up to the northern tips of the Yukon and the territories. Thousands and thousands of Canadians representing the mining industry have come together in a desperate move to try to bring the Government to its senses, to try to make it understand that if it continues with its plans to gut the flow-through share mechanism it will have a severely negative impact on these communities in Canada. They pointed out that in 1987 alone more than $900 million in flow-through money was raised to assist the mining communities and mining areas of Canada through exploration activity.

I do not have the time to refer to every area and to indicate why this particular tax provision was so important for the future of the areas they represent, virtually every major mining area of the country. I wish I had the time to do so because they pointed out the tens of thousands of new claims as a result of activities over the last few years and the hundreds of millions of dollars in new mines and new mining properties that have been developed. It is really tremendous.

I have looked at the briefs presented to Members of Parliament which point out that not only do the mining industry and the miners involved benefit directly. However, if we look at the *Northern Miner* magazine, we see pages and pages of related industries attached directly to the program.

Mr. Fulton: It sounds like a ripple effect.

Mr. Riis: It has a real ripple effect. I suppose we could see the flow-through share mechanism as being the pebble we would drop into the water and, as the ripple effect reverberates throughout the economy, it would incorporate people who make tents, people who manufacture mining exploration equipment, motel and hotel owners, grocery wholesalers and retailers—

Mr. Fulton: Small airlines.

Mr. Riis: Small airlines, yes, to people who make boots, shoes, and snowshoes. I could take up important time of the House by referring to hundreds of companies related to this industry which will be severely hit. Certainly their activities will be curtailed dramatically if the flow-through share mechanism is ripped apart as the Government now plans to do.

I noticed the other night that *Mining Life* in its most recent publication contained pages and pages on the effects of this action on airlines, shopping plazas, pump manufacturers, drilling equipment manufacturers, and so on.

Mr. Fulton: What are the headlines?

Mr. Riis: The headlines go for pages and pages, indicating the various communities which support flow-through share funding and that, for example, a chamber of commerce questions the wisdom of the Minister of Finance in cutting this mechanism. On the front page, it says: "Broadbent will speak at the flow-through symposium, Mulroney and Turner not available". I suppose it was only the Leader of the New Democratic Party (Mr. Broadbent) who had an opportunity to represent the views of parliamentarians at that important convention that was held recently.

• (1520)

There is no question that in spite of the prosperity that exists in certain communities in southern Ontario, the same does not exist in the regions of Canada. In some areas, things may have improved marginally. I think of the kind of changes that have occurred in the Yukon. The territorial Government has taken a whole set of measures over the last number of months that have decreased employment substantially and encouraged a great deal of economic activity, particularly in the mining industry. The Government of the Yukon feels so seriously about this particular measure that—

Mr. Fulton: Tony Penikett.

Mr. Riis: As soon as Mr. Penikett in the Yukon heard that the Government had decided to destroy the effectiveness of the flow-through share tax provisions, he was in touch with the Minister of Finance pointing out what this would do to that particular part of the territories.

I wondered if the other representatives of the territories have bothered to mention this to the Minister of Finance. I have not heard them in debate today. As a matter of fact, I cannot recall ever hearing them raise this matter in the House of Commons. The day is not over yet. Perhaps we will hear them speak in favour of this motion later.

In the regions, Canadians are doing their best in spite of the Government's actions to generate activity in their regions, to take initiative in local communities, and to take advantage of those few provisions in the tax system that give them some encouragement and support in their activities. In areas like the Kootenay region of British Columbia, this has been important. The people of those areas are mystified about why the Government seems to be cutting back.

I can say without any hesitation, on behalf of my colleagues from constituencies like Thunder Bay—Atikokan, Thunder Bay—Nipigon, Skeena, St. John's East, Prince Albert, Yukon, New Westminster—Coquitlam, Cowichan—Malahat—The Islands, Nickel Belt, Kenora—Rainy River and Churchill as well as many others, just to name a few, that we will be standing in our places, shoulder to shoulder, unanimously supporting the reintroduction of these flow-through shares. I will be watching carefully the representatives of the Territories to see how they will be voting, knowing that their constituents will be more than interested in whether or not they rise.

People from the Kootenays, the Lac-Saint-Jean region, the Okanagan Valley, Timiskaming, Timmins, Prince George, other parts of northern British Columbia, northern Alberta, Saskatchewan, Manitoba and of course Quebec will be watching. I suspect that tonight most Canadians will be riveted to their television sets when that vote takes place to see whether or not those who represent them rise.

I do not like embarrassing anyone, and I will not do so today, but I could have read into the record a whole number of letters to the editor sent by Conservative Members about their support for the flow-through share mechanism. Many of them feel that the decision to gut this program was not a good one and they would like to see it changed. In the spirit of co-operativeness and positiveness and in an attempt to make this a businesslike place, we would provide an opportunity for those Members to indicate how serious they are this afternoon, or are they simply writing about their interest as opposed to standing up, as a Member of Parliament ought to for his or her constituents?

This motion provides an opportunity for all Members of the House to speak. This is a non-partisan issue. This is one of those issues in which politics ought not play any role at all, quite frankly. When I look across the aisle at my Conservative friends, knowing how they feel about this issue—

Mr. Fulton: They will want to support us.

Mr. Riis: As my friend from Skeena has said, they will want to support this particular measure, as any knowledgeable person would. I heard the finance critic for the Liberal Party speak in favour of this initiative.

When reading through the various mining magazines and newspapers, I find that there are not very many people who have not indicated in writing their support for the return to the provisions that existed back in the mid-1980s when the benefits of the flow-through share mechanism were being felt by people in virtually every part of Canada. Hundreds of thousands of Canadians benefited. It is unfortunate that I do not have a chance to name the Canadians who have benefited personally from this mechanism, as will their children and their children's children.

We are delighted to provide this opportunity for Hon. Members, be they Liberals, New Democrats or Conservatives, to send a clear message to the Minister of Finance. I think the Minister has lost touch on this issue. He is an honourable man, and I think he is probably doing the best job he can as he sees it. However, he sees it from Bay Street. From downtown Toronto, it is difficult to appreciate just how tough life is in the territories and in the single-industry communities that now feel threatened by this particular action of the Government.

In a spirit of goodwill, enthusiasm and a positive attitude, I will resume my seat now to allow some Conservative Members to indicate their support for this initiative.

Mr. Thacker: Mr. Speaker, I simply cannot let that very able speech go by. My friend from Kamloops—Shuswap (Mr. Riis) has put the case for a special deduction for a particular industry very well. I think he would agree that it is a very generous deduction, a deduction of 133 per cent. What he also knows but did not put very well was that all sorts of other sectors want these deductions as well. There is no doubt that if one can invest $1 and deduct $1.33 from one's tax, one is doing very well.

During the three election campaigns in which I have campaigned against the NDP, NDP Members have identified each time the tens of thousands of Canadians who have not had to pay income tax because of these special deductions, whether they be for the film industry or the oil industry. Is the Hon. Member now saying that members of the NDP will forever stop going after these 60,000 people who do not pay income tax because they take advantage of the special deductions? Is the Hon. Member prepared to back off on his attack on those people and say that he recognizes that they are making investments and that they therefore should not have to pay income tax?

The logical flow-through of that is that ordinary Canadians have to pay more if we let the top people take these special deductions and not pay their fair share. Is that what members of the NDP are saying?

Mr. Riis: Mr. Speaker, that is not quite what we are saying. I too recall the last federal election campaign. At that time, the issue was a minimum personal tax. The Prime Minister (Mr. Mulroney), as a matter of fact all three Leaders, said during that very famous debate that they felt that a minimum personal tax was appropriate.

Since we now have in place the mechanism for a minimum personal tax, and though there are still a few exceptions who somehow slip through the cracks, we feel that by and large everyone now pays at least a minimum tax. In terms of the personal tax system, there is some equity now in the system.

Those people who will provide the flow-through money by providing equity financing for resource companies will still be required to pay a minimum tax, even if they use significant tax reductions to bring their incomes down. We all agree with that minimum tax, I suppose, if we believe the Leaders of the various political Parties and their commitments to that and the legislation that was subsequently passed in the House.

I think the Hon. Member is referring to the 60,000 corporations that do not pay any income tax in spite of profits. He knows very well that the flow-through program accrues by and large to companies that are not in taxable positions. That is why the flow-through mechanism makes it through the company and into the hands of certain investors who will in fact pay a minimum tax.

We are talking about 60,000 profitable corporations. I use the word "profitable" because too often people are under the impression that we want to tax unprofitable companies. That does not make any sense. However, companies like Brascan, Cadillac-Fairview, the Royal Bank of Canada and Alcan have profits of perhaps $200 million or $300 million. We say that companies with profits like that should pay some income tax. The Mom and Pop shops next door, the small welding shop, all pay taxes if they are profitable. We are simply saying that should also apply to the large corporations and multinational branch plants. I think we agree on this, if I understand my friend's question correctly.

• (1530)

Mr. Fulton: Mr. Speaker, earlier in the week the president of the Single Industry Towns Committee for Canada appeared on the panel at the symposium on flow-through shares. He indicated that they did a calculation of the effect of the Minister's removal of the provisions for flow-through shares. They estimate a job loss by the end of June of 75 per cent of those involved, particularly those with junior exploration companies. When the Minister of Energy, Mines and Resources (Mr. Masse) appeared before this symposium, the only thing he had to offer on behalf of Progressive Conservatives was to consider action once the effect of unplugging flow-through takes place. Having heard representatives of the juniors and the single industry communities, it is pretty obvious that the effect of unplugging flow-through will be disastrous for the juniors.

It was interesting to note, as pointed out by those who were there, that no representatives of the senior mining companies turned up. They did not have any representatives in attendance and did not participate in the symposium. They may well end up being able to buy up a lot of properties across the country at bargain basement prices because there simply will not be

enough capital around for the juniors to operate. For example, in my constituency, out of Smithers alone, it amounted to $40 million last year. The community has done estimates that $30 million of that will not be available this year as a result of this manoeuvre. Given what the Minister of Energy, Mines and Resources had to offer with respect to bringing some sort of program in six months or a year from now once the juniors have wound down, is that the kind of approach a federal Government should take to one of the sectors which provides a large amount of employment and a substantial amount of balance-of-trade benefits to Canada?

Mr. Riis: Mr. Speaker, that is a thoughtful interjection. He has flagged a very critical issue. We are obviously about to have a major fire sale.

Mr. McDermid: You have been wrong in every one of your predictions, Nelson!

Mr. Riis: Every one of the junior mining companies will have difficulty raising equity financing and will have to dump their properties. The large corporations, now that the work has been done and the properties identified, will be picking up those properties at fire sale prices. My feeling is that the Minister of Finance has cosied up a little too closely to the large mining companies and perhaps some of the large multinationals. He has set the stage for a sale of properties that the juniors will not have a chance to develop on their own.

We of course have not yet mentioned how the free trade deal might be rearing its head in this decision by the Minister. The Americans made it clear that these various programs, either direct or through the tax system, which encourage and support, if you like, a particular industry will not be allowed under the trade deal. The Minister said that we are going to have to back off all these programs which help the regional economies because the Americans will not allow us to do it any longer. That is one of the major reasons why we in the NDP have opposed the free trade deal.

In a country like Canada, the second largest geographically, where a lot of our communities are separated by great distances, we sometimes require assistance from local, provincial or federal Governments to get our local manufacturing, service or, in this case, resource sectors really revved up to speed. Unfortunately, we did not have an opportunity to develop that aspect of the debate, that this is probably the result of Americans making overtures because of the free trade deal.

Mr. Dorin: Mr. Speaker, I have a comment and a question for the Hon. Member. I know he has had a long interest in tax matters. Yet what we are witnessing today is something very remarkable. We are witnessing the greatest transformation in a political Party and the greatest flip-flop on policy we have ever seen. The NDP has decided to endorse tax benefits for the rich!

I am very familiar with flow-through shares. For three years prior to being elected I was with a mining company in Edmonton. It was listed on the Toronto Stock Exchange and it survived on flow-through shares. My salary came from flow-through shares. It did not come from income from gold or silver mining, which we were ostensibly doing. It came from flow-through shares and from doctors, lawyers and dentists in Toronto. I know where the money came from. Yet the same people who pay the money and take the tax breaks are the ones that the NDP complain about.

Tax Probe, led by the Hon. Member for Kamloops—Shuswap (Mr. Riis), went around talking about fairness and how there are all these tax breaks for wealthy Canadians. The official critic in this area for the NDP, the Hon. Member for Ottawa Centre (Mr. Cassidy), was talking about tax breaks recently. He said that when we are talking about tax savings, we are talking about someone else paying that amount. If that amount is not paid by the taxpayer, we are all going to be paying it, as we have been reminded by the Government many times. He said he did not think there were many people in his constituency in a position to sink $10,000 into oil, gas or mining exploration. He went on to say that he felt these benefits, flow-through shares and others, were strictly for the rich.

The Hon. Member will also know that his official critic, myself and some others were in New Zealand a week or two ago. That country has a Labour Government. For a Labour Government, it has been doing some strange things. It put in place a flat tax. There is no capital gains tax. It has been privatizing government departments. It also introduced a tax on food.

Mr. McDermid: A socialist Government?

Mr. Dorin: Obviously what has happened is that the Hon. Member for Ottawa Centre saw the light on that trip. He has been reformed. He has seen what the Labour Party is doing in New Zealand and his whole Party is captivated. They have even started a contest with a prize of a $7,000 vacation for two in Hawaii, New Zealand and Australia. They promise to give you an insider's tour of two capital cities. You might even meet Prime Minister David Lange of New Zealand.

Now that we have this flip-flop on flow-through shares, are we going to have a change in position on capital gains taxes, as the New Zealand Government has done? Is he going to call for a food tax? Can he answer those questions?

Mr. Riis: There were a lot of questions there.

Mr. McDermid: Let us see if you can come up with any answers.

Mr. Riis: Let me preface my remarks by reading from *Tax Probe '86*. My hon. friend will remember that. I know he read it because he has commented on it in the past. I wonder if he will recall this particular part which says that the Government ought to ensure that corporate tax expenditures aimed at

investment and job creation are overhauled to make sure that the tax benefits conferred are gained only on the basis of demonstrated performance.

In other words, out of all the tax exemptions we have, and we have many, I think there is unanimity in this place for the belief that some of those are boondoggles, just plain loopholes that do not result in a net gain for this country. If they cost us $500 million in lost revenue, normally we do not get $500 million worth of new investment, R and D or employment programs.

The odd one is obviously good, particularly if there were to be some minor changes made to it. What this says is that if, on the basis of performance, tax expenditures are seen to be appropriate, so be it. As a matter of fact, it goes on to say that flow-through shares are an example of a tax incentive that has worked. I do not know how more explicit or specific I can make it.

• (1540)

The Member talks about flip-flops. I remember that a little while ago the Minister of State for Finance (Mr. Hockin) stood in the House and said that the flow-through share mechanism was an important one for Canada, that it helped the regions, helped single-industry towns, helped most communities in the regions of Canada, and was one of the best tax programs which the Government has. Then the Government cut it. The Minister of State for Finance said it was a wonderful program and then the Minister of Finance cut it. Therefore, in terms of changing minds, it has been demonstrated clearly that it is the Progressive Conservative Party and no other that has changed its mind on this issue.

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, it is indeed an honour to be able to enter into this debate today on the motion moved by the Member for Ottawa Centre (Mr. Cassidy). I take a great deal of pleasure in participating on the very important issue of flow-through shares which the NDP finance critic has presented. As the House well knows, quite often the Hon. Member for Ottawa Centre and myself conflict on this issue.

Allow me to refresh the memory of the House and that of my colleague on information which he presented to the House in December, 1986. He talked about the terrible tax loopholes. He said that only wealthy Canadians benefit from flow-through shares and that Bay Street investors were laughing at the food banks in Ottawa and across the country. He concluded that flow-through shares were a major tax rip-off which had to be removed.

Then in February, 1987, echoing his finance critic's comments, the Leader of the NDP, the Member for Oshawa (Mr. Broadbent), visited my riding of Timiskaming. Right in Kirkland Lake the leader of that socialist party stated that the NDP's position on flow-through shares was that the NDP could not support this tax loophole. Right in Kirkland Lake. Everyone in Timiskaming, in all the communities of northern Canada, and everyone in the mining sector knew then and knows today where the NDP stands. The NDP is not fooling anyone with this motion today. The NDP is still against flow-through shares. This is nothing but politics being played here today.

On December 16, 1986, the Member for Ottawa Centre participated in a debate here on Bill C-23. As reported in *Hansard* at page 2171, he said:

> —we should simply tell the Government to stop it, take the measure away, start all over again, and strike out the loopholes.

A September 26, 1987, editorial in one of the papers in my riding said:

> The NDP are likely the spearhead of the effort that helped decimate the flow-through plan in the last Budget.
>
> A year ago they took on the funding plan with a vengeance, seeing it as another tax break for big business. As such, the NDP hated it, and constantly complained about it, putting an incredible amount of pressure on Finance Minister Michael Wilson.

The editorial continues:

> And it was all because the NDP shot off its mouth, hoping to strike out at big corporations, and instead threatened thousands of jobs and hundreds of communities across the country and in northern Ontario.
>
> All of a sudden, it seems, the NDP have opened their eyes and noticed the obvious job-creating benefits of the plan. They have suddenly noticed the unmistakable. But the damage has already been done.

I have here a picture of the Leader of the NDP in Kirkland Lake. The NDP saw flow-through shares not as a valuable tax investment incentive for activities and growth in communities like Kirkland Lake, but rather saw it as a tax loophole that had to be closed. So much for what they have said. The past speaks for itself.

I believe it is very important to review what, in fact, the record shows with regard to flow-through shares in mining across the country. I and the Conservative Party did not start talking and fighting for flow-through shares only today, or yesterday when it was brought up by the Leader of the NDP, or this week when a symposium on flow-through shares was held here, or in the past year when a number of interest groups began lobbying Members of this House. We have been in full support of flow-through shares since they were introduced.

As for myself, Mr. Speaker, the Member for Timiskaming, right from my maiden speech in this House on November 1, 1982, the record shows that I have spoken out for the mining sector. I have supported, and this Party has always supported, this vital investment vehicle which mean so much to so many, not only to the mining industries but, more important, to the many northern resource based communities across this country.

I would like to take a moment to review some of the statements that I have made in this House in the last five and one-half years. In my maiden speech I stated: "Just last week, 390 iron ore miners were laid off . . . in Kirkland Lake". That day I did not hear the NDP speaking out about mining, lay-offs, and their concern for the steel workers at this mine. I never heard a word.

In my speech on the Budget on March 5, 1984, I said:

> Not once in this Budget has there been anything done to help the mining industry in northern Ontario or across this country, Mr. Speaker.

On November 19, 1985, I asked a question in the House. I said:

> Each year at this time mining and exploration companies have run into difficulties with flow-through shares and exploration work.

It used to be that the end of the calendar year was the last time that you could make use of flow-through shares. It was this Government, this Minister of Finance (Mr. Wilson), and the Minister of State for Mines that changed the system so that flow-through shares would go through until the end of February. Where was the Hon. Member from Ottawa Centre in those days? He was speaking against it. He had no concern whatsoever because there were no political points for him to make. He had no concern for the mining community, be it the drillers, the companies, the small communities or the unemployed because there were no political points in it for him. In that December the Government followed through on this and announced extensions for flow-through shares to the end of February.

On October 29, 1986, as reported at page 858 of *Hansard*, I asked a question of the Minister of State for Finance (Mr. Hockin) with regard to whether there would be a continuation of flow-through shares. The Member for Timiskaming was again ensuring that flow-through shares would continue, as they did for 1987.

On December 16, 1986, that great critic, the new mining and exploration giant, the Hon. Member for Ottawa Centre, again decided that flow-through shares were not a great deal and need not be continued. In debate in the House on that date I said:

> Mr. Speaker, I find it shocking—I guess that is the only expression to use—that the NDP would try to eliminate something that has done so much for so many Canadians. Why eliminate something that has developed so many jobs over the last number of years and has brought so much to the economy of the northern part of Canada?

• (1550)

At that time they wanted to eliminate flow-through shares.

In a statement in the House on January 26, I mentioned that in the last part of 1984 there was an increase of 49 per cent in development, an increase of 80 per cent in latter 1985 and in the first quarter of 1986 an increase of 100 per cent in mining exploration across this country. This is attributed to flow-through shares, but the Hon. Member from Ottawa was still against flow-through shares.

February 16, 1987, is a date that will go down in history because the Leader of the NDP told about 100 supporters in Kirkland Lake—

Mr. Nickerson: That many?

Mr. MacDougall: They had 100, but I doubt whether they have them any more after this statement. The NDP said again that flow-through shares were nothing but a loophole that had to be changed. They said there was no need for flow-through shares.

The record of this Member and this Government shows that we have done much to ensure the viability of the mining community. The mining community is in its present state because the Minister of Finance, the Minister of State for Forestry and Mines (Mr. Merrithew) and my colleagues have ensured that flow-through shares benefited Canadians.

On Tuesday I had the opportunity to be at the Holiday Inn when the white knight of the NDP rolled in to address whom the NDP would call the mining magnates, the corporate bums of the world who have so many loopholes and do not have to pay tax. He got up in front of them and said: "We were wrong. We were wrong. We think that flow-through shares are the greatest thing since sliced bread". Why would he do that? The only time he mentioned anything about mining was yesterday and today in the House. It is pure politics. The NDP has no concern whatsoever about the mining community and no concern about small communities across this country. All that we are seeing today is—

Mr. Manly: That is not true.

Mr. MacDougall: You will have your chance later.

Mr. Manly: What you are saying is not true.

Mr. MacDougall: The truth hurts.

Mr. Manly: It is false. We have concern for small communities across the country and you know it. We will not take that nonsense from you.

Mr. MacDougall: It is Tuesday before we hear anything from them about flow-through shares.

What has the Government and the Minister of Finance done? A proposal for the alteration of the flow-through shares investment mechanism was suggested by the Government with its introduction of tax reform. As a result of the proposals in this comprehensive package, finance officials and Government Members consulted with the mining industry to find out the future effect of the proposed changes.

In December, the Minister of Finance announced the changes to his proposals. The mining industry continues to have concerns, so the Government has undertaken to consult further with representatives of the mining industry and with interested groups and individuals across the country on the impact of the changes. Meetings have taken place this week and will continue with individuals across the country.

In the past few months much progress has been made. The button I am wearing today is from the flow-through committee of Kirkland Lake, including Evelyn Kasner, René Adams,

Mayor Joe Mavrinac, and other individuals from our community, who along with prospectors and developers from the Provinces of Ontario and Quebec, and chambers of commerce across the country have been meeting. I and members of my caucus from coast to coast have been meeting with them and with individuals from the investment community. We will be working with them to see what can be done.

It should be pointed out that flow-through shares are not gone, as some Members would like to suggest. On December 16, the Minister announced as part of the Notice of Ways and Means Motion adjustments to the June 18 proposals that pertain to flow-through shares. These include a slower phase-out of earned depletion. Therefore, the depletion rates will be as follows: 33-1/3 per cent until June 30, 1988; 16-2/3 per cent from July 1, 1988, to February 28, 1990, which is extended from June 30, 1989, as had been proposed in the June 18 White Paper.

Earned depletion will be excluded from the CNIL pool and only 50 per cent of Canadian exploration expense will be included in the pool. The additional eight-month extension of depletion will facilitate the adjustment process of the exploration sector to the new rules. The adjustment to the CNIL rules will improve the attractiveness of flow-through shares to many investors who would otherwise have been discouraged from investing in them under the June 18 proposals.

The Minister of Finance also announced that the federal Government will continue to monitor mineral exploration levels in the future, and will introduce appropriate measures, if and when they are needed for exploration and regional development.

Over-all, the change to the CNIL rules and to depletion have the purpose of providing an incentive level high enough to ensure adequate levels of investment in flow-through shares. However, let us also remember that on October 19, the stock market crashed. No one could control the stock market, and the investment funds that would be flowing into flow-through shares completely dried up. Anyone involved in the investment community will say that the financing that was available in June and September, 1987, is not there today because it was lost on the market.

When one considers this additional problem, returning flow-through shares to 133 per cent may not be the answer. The Minister of Finance wants to consult with those involved in the mining and investment communities to ensure that if adjustments will be considered the proper adjustments are made. It is a simple matter to put the flow-through shares back to 133 per cent, but what happens in six weeks or six months if the investment climate has not changed? Will they admit they were wrong and ask the Minister to make another adjustment?

The Hon. Member who moved this motion has made a magnificent flip-flop, as he and his Party have done on many other issues. Recently the Member for Ottawa Centre was in Quebec City playing partisan politics by stating that Saint John should not have been awarded the federal Government frigate contract. The next day in the House the Leader of his Party apologized and said that he was not speaking for his Party. Members of the same Party are doing the same thing on such issues as NATO, tax issues, and nationalization of the banks. Now there is flow-through shares.

Unfortunately, today's debate is not dealing with this issue in a proper manner. I was not sent here to play partisan politics. I was sent here to work for my constituents, for the betterment of the mining community and the betterment of all Canadians. I am not here to spend a day in the House to respond to a Party that suddenly recognizes that there is a mining community, with a Member who until today and yesterday did not realize there was a future in mining. They knew nothing about mining. I can put on the record today that the mining community is not new to me. I will be speaking for the mining community in northern Ontario and across this country for many years to come. I regret to see what has gone on here today. Let me say that I will vote with my Government because we have the answers for the future. We are working on the problems of flow-through shares and we will ensure the future of our communities and the mining sector for many years to come.

• (1600)

Mr. Garneau: Mr. Speaker, I listened very carefully to the speech of the Hon. Member for Timiskaming (Mr. MacDougall).

Mr. McDermid: It was a good speech.

Mr. Garneau: Yes, it was a good speech, indeed, but I was wondering how the Member is going to vote on this motion. He did not say. If he supports the idea of flow-through shares and the symposium to keep the flow-through shares alive, will he vote for the motion? That is my first question.

Second, the Member talked about the market crash. I understand it caused difficulty for everyone. Does the Hon. Member believe that cutting the 33 per cent earned depletion and flow-through shares and increasing the taxation of capital gains to 75 per cent, together with the market crash, are reasons why it will be very difficult to raise money? Due to the fact that the mining sector will have to suffer from the crash and from the change in capital gains, does the Hon. Member believe in the idea of keeping the 33 per cent earned depletion, as requested by the representatives of the mining industry, who came to Ottawa last Tuesday wearing the button "Go With the Flow", which the Hon. Member is wearing on the lapel of his coat? Will the Hon. Member try to convince his Minister to keep this 33 per cent and give the mining industry a chance to raise funds in 1989?

Mr. MacDougall: First, the buttons were made in Timiskaming and Kirkland Lake, so there is revenue coming into my area.

I would like to answer both the Hon. Member's questions. First, with respect to whether I will vote for this motion, if I thought the motion was a sincere motion, I would vote for it,

but the motion is not sincere. It is a political motion. It is not an issue that I as a Member, or this Government, would ever want to support. We have been working on this issue away prior to the group coming here to Ottawa. My colleagues have met with the mining committee. We have had discussions with the Minister of Finance. We have been in touch with the mining sectors across the country. They are having meetings with the Ministers' officials in the Department of Energy, Mines and Resources and in the Department of Finance. They are meeting again today. I believe that is the manner in which we should approach the problem.

The Hon. Member thinks that one 133 per cent may be the answer but let us really make certain that is really what we are looking at. Let us make certain that one 133 per cent adjustment is all we need. There may be other parts we have to adjust, but let us make certain. Dollars that would have been invested are no longer there because of the market crash. There are a lot of individuals across this country hurting from that market crash. They do not have the dollars they normally would have to invest in flow-through or junior mining. Let us make certain that we are able to come up with a program, working with the industry, that will be viable for years to come.

Mr. Cassidy: Mr. Speaker, I understand that the Hon. Member for Timiskaming (Mr. MacDougall) took a fair amount of time looking at the New Democratic Party's position and far less time looking at his own position. I happened to meet with the Mayor of Kirkland Lake when he was here with the delegation from the Save Flow-Through Share Committee earlier this week. He made it clear that he in fact appreciated the position of the New Democratic Party with respect to sharpening up and focusing the flow-through share provisions but at the same time retaining the benefits that are there as is proposed in the motion.

The Hon. Member has come up with a new principle; never look at what a Bill, motion or resolution of the House of Commons actually says but try to discern how it fits on your sincerity meter before you decide whether or not to support it. What this resolution urges is that the initial benefit level of the flow-through share provision not be reduced but be retained to encourage mineral exploration and development by small and medium-sized companies.

I know from the people who were present, Mr. and Mrs. Kasner and Mr. Mavrinac, that people who are prominent and important and know the mining industry in the Hon. Member's constituency want this motion supported by the Hon. Member for Timiskaming. I am very sorry he does not see it that way.

I would point out to the Hon. Member as well that the New Democrats have raised this issue on a number of occasions. I have raised it with the Government. The Government has had lots of time to know the concerns of the mining industry and mining communities. The Government turned turtle between December and June of last year. Now would be an appropriate time for the Government to indicate that it was in fact prepared to listen to those concerns, instead of which we have stonewalling from the Minister of Finance (Mr. Wilson) and stonewalling from the Hon. Member who says: "Trust me. We are dealing with it behind the scenes". It is almost as limp an excuse as when the Liberals were back-benchers and said the same kinds of things in response to a Conservative and NDP Opposition.

Mr. MacDougall: Mr. Speaker, I have been waiting for this day. I wonder if the Hon. Member asked the question of the Mayor of Kirkland Lake when the Hon. Member was in the provincial House and his Party closed down the United Asbestos Mine in Matachewan, which totally destroyed that community. Three hundred and fifty jobs were lost and the Hon. Member never once said there was any problem there, none whatsoever. And now he wants to talk about credibility.

Let me make it very clear, I believe in honesty, sincerity and truthfulness. That is number one. To support a motion such as this, there is no possible way.

Mr. Layton: Mr. Speaker, I would like to join in the comment and question period following the intervention in this debate by my colleague, the Hon. Member for Timiskaming (Mr. MacDougall). I recall two or three years ago I was the Member's guest at a very special initiative which he undertook. It was always his goal to achieve improvements to the flow-through share program to which the Government was prepared to respond. In particular, there was a need for access to the resources. As I recall, there were mining installations and refineries in the area of Kirkland Lake which no longer had that efficient access to the resources. The Member was particularly effective in bringing that problem to the attention of not only our Government, but to the attention of the Ontario Government. It was in Kirkland Lake one morning, as I recall, that the entente, with the Mayor and all present, was signed which allowed for the development of those access roads.

Would the Hon. Member comment on whether they have achieved some of the goals he set out for them?

Mr. MacDougall: Yes, Mr. Speaker, in fact it was a very proud day back in 1985. With the federal-provincial agreement, ERDA, we were able to fund an access road into the Harker-Holloway area of my riding which hooks into Kirkland Lake. That started to develop the American Barrick Resources mine, which will be open this July with 250 full-time employees. There are mining exploration possibilities with the Canamex ramp going down now. There can be a lot of exploration in that way in conjunction with flow-through shares, federal-provincial agreements. Yes, it was a proud day for Timiskaming, and it is going to be a prouder day in July when we open up that function.

• (1610)

Mr. Deputy Speaker: Resuming debate with the Hon. Member for Algoma (Mr. Foster).

Mr. Maurice Foster (Algoma): I am glad to have a chance to speak to the amendment, moved by the Hon. Member for Laval-des-Rapides (Mr. Garneau), to the motion of the Hon. Member for Ottawa Centre (Mr. Cassidy). The amendment spells out in clear detail that we are not just talking about flow-through shares here but about the earned depletion allowance. Every time that I or other Members have put a question to the Minister of Finance (Mr. Wilson) asking him to reinstate the earned depletion allowance, he slides off on the limp excuse that we have flow-through shares. We know that we have flow-through shares. That is not the problem.

The problem is that the Government is phasing out the earned depletion allowance. The motion of the Hon. Member for Ottawa Centre does not spell out the 33 per cent earned depletion allowance which is the crux of the problem facing hundreds of communities across the country with the collapse of the stock market last October and the loss of equity investments. Added to that general problem in the market, especially in junior mines, is the loss of the earned depletion allowance that has been in place since 1982. It has been very successful in creating employment in communities throughout northern Ontario, northern Quebec and many other parts of the country.

The magnitude of the economic activity in those communities could not have been generated in any other way. Every mining community eventually faces the problem of diversification or renewal with new mines. It often happens that new ore bodies are found. Some 10 years ago Timmins was in a very bad way. It is now a booming and prospering community with many new mining activities. Similarly, the Kirkland Lake area was suffering from the lack of new ore bodies.

The Minister and his officials in the Department of Finance argue that this may not be as efficient a way to create economic activity in those mining communities as some other method. What that overlooks is the tremendous social investment that we have in these communities. Hundreds of millions of dollars have been invested in housing, streets, schools, churches, commercial enterprises and so on. There are not many instruments that the federal Government has. The provincial Governments have many more which perhaps deliver the type of payload in terms of economic activity.

In this respect I need only look at the area around Wawa and the mining operations that are opening up there. We faced the problem with the iron steel industry of Algoma Steel cutting back its economic activity by several hundred jobs at the Wawa mines. We now see tremendous mineral exploration and development activity moving down from the Hemlo field into the Wawa area to Batchawana, where there is a great deal of activity.

A couple of years ago we faced the prospect of the possible shutdown of Wawa. The ability to diversify that economy and bring in some other means of economic activity were very limited. I attended meetings with respect to what activities could take place there, even though it is not in my constituency. Tourism or a specialized pulp and paper operation and so on were considered. Fortunately, the generation of hundreds of millions of dollars that we have seen through the earned depletion allowance in flow-through shares has made possible important discoveries there. Thus the social costs which have been paid in that community will be used. People will be living there. They will have new jobs in new mining activities.

The earned depletion allowance is used for the most risky part of mining exploration and development. Flow-through shares will do the job once one gets to the development of the mine itself. But at the exploration stage money is needed, with a tremendous incentive. That is why we have a 33 per cent incentive on top of the 100 per cent write-off for those people who want to invest. In Quebec there is a 166 per cent incentive because the province, up to the limits of its income tax system, provides an additional incentive.

We are not only looking at exploration and development activity since in a way it is only the catalyst. Even though we are talking about $400 million or $500 million per year being generated for exploration development, those are small amounts of money compared to what is seen once the ore body is delineated and development starts and contracts are let for sales overseas. I take the example of Elliot Lake and the development of the mines at Denison and Rio Algom which were developed back in the early 1960s. They involved some $300 million in the one case and $400 million in the other just to develop two or three existing mines to put them into modern operations.

If we want to have mines actually being developed three, four, or five years down the road, since these things do not happen over night, then we have to make the commitment of funds now for exploration and development. This is why there has been such a tremendous outpouring and rallying this week at the symposium being held here on flow-through shares and earned depletion allowance at the Renaissance Hotel. Literally hundreds of people across the country who are concerned with economic development in the slow growth regions were here to protest the Government cutting off this program during the next 18 or 24 months. They are here to demand that the Government follow through.

One of the officials there, Mr. Massicotte, who is a councillor in the Elliot Lake town council, is also the president of the Mining Municipalities of Ontario. There were a great many representatives from the Rouyn-Noranda area as well. They pointed out that between 1982 and 1986 the unemployment rate in that area due to intensive mining exploration development activity has fallen from some 26 per cent to 6 per cent. That is nothing short of a miracle. Every mining activity in the country is going through a contraction of employment compared to production of mineral because it has to be more

efficient, more automated and more safety related. To see the unemployment rate drop in an area which has been mined for several generations now due to the flow-through share and the earned depletion allowance is nothing short of a miracle.

However, there is another aspect to this. Although most of the resource areas are relatively active, prosperous, and unemployment is down, much of that prosperity has taken place in the last 12 months. The employment was there, but the value of minerals, for example, copper and nickel have skyrocketed in the last 12 months. During the first several years after the recession from 1982 until the latter part of 1986 or early 1987, things were not that great, but with the mineral value going up, the economies are blossoming in places such as Sudbury, Hemlo, Wawa, and the Kirkland Lake area. The Minister and the Government should be warned that this prosperity is incredibly fragile.

• (1620)

I talked to a mining exploration development engineer who was doing a lot of work in my constituency in Batchawana, an area along the Lake Superior shore about 50 miles north of Sault Ste. Marie. He stated that they did not know, but they thought that there were five mineral deposits there that may turn out to be of production quality, but whether funds can be generated to carry out the detailed analysis and development is all dependent on this whole system.

I cannot understand why the Minister of Finance when asked if he would reinstate earned depletion allowance and retain the flow-through shares stated: "The problem is that the equity markets all collapsed with the stock market crash last October 19". We agree that that is one of the problems. But with the equity markets down, the interest down, now is the time to maintain this mechanism for generating hundreds of millions of dollars, some $300 million in Ontario last year, and I understand from an earlier figure back in the early 1980s of only $100 million.

It is very important that the House pronounce itself on this resolution, not only the flow-through shares as stated in the original NDP motion, but also in the amendment put forward by the Hon. Member for Laval-des-Rapides which is crucial. That is the part that is important. It spells out the earned depletion allowance which is so important.

It would be easy to list every municipality that is concerned about this matter. I would like to read a letter from Mayor Thomas Despres, who lives in the constituency of the Hon. Member for Timiskaming (Mr. MacDougall). In the letter Mayor Despres spells out how important this is. How the Hon. Member for Timiskaming can vote against the motion, I am not clear. I wish to read part of that letter from Mr. Despres, the Mayor of Haileybury:

> Since the economy of Haileybury and Northern Ontario have grown dependent upon the activities of mining and exploration, it is my feeling that "flow-through" investments have been, and hopefully will continue to be, a major stimulant to both the community of Northern Ontario and Canada as a whole. However, I believe the announced tax reform will retard our economic progress and leave ourselves vulnerable to economic instability. This can and will result in loss of jobs in areas that have been traditionally economically disadvantaged.
>
> Therefore, will you please—urge Mr. Wilson and the Finance Committee to re-evaluate the effects of tax reform on "flow-through" investments. The livelihood of many northerners is at stake.

That letter was signed by the Mayor of Haileybury. I have similar letters from the Town of Elliot Lake, the Township of Michipicoten, which is the community of Wawa, which call on the Government to reinstate this program because it is essential.

The last point I wish to make is terribly important. A report was given in the last issue of the international mining magazine, The *Journal of Mining*, which tends to indicate that the reason the earned depletion allowance is being phased out is due to the free trade deal between Canada and the United States. That is very disturbing.

The Americans have different ways of doing regional development. They build military bases, and there are hundreds of them across the states. They have procurement programs, and so on. We have a distinctive way of providing regional development, and I think that we do a better job.

Last week I was in Fredericton with the Liberal caucus task force on free trade. A representative of McCain Foods described the impact that free trade would have on the operations of that company and on the Province of New Brunswick. Someone put forward the argument that the New England states, for example Maine, have a similar land base to New Brunswick and they have had free trade with the rest of the states for years. There is not a poultry operation, egg laying operation, very little dairy or food processing, yet they have the same land mass as provinces like New Brunswick which has a very well developed food processing industry with companies like McCain, and a reasonably prosperous dairy industry. Our system of regional development is our own. But with this deal that is proposed we will not have the freedom.

In an editorial in the *Mining Journal* of February 5, 1988, published in London, Mr. Karl Glackmeyer, Director of the Prospectors and Developers Association told the mining magazine that the proposed reduction in the earned depletion allowance will effectively eliminate flow-through funding and could put 10,000 jobs in northern Quebec at risk, and will threaten new mining projects. Ottawa's position is that the incentives have to be eliminated in accordance with the recently agreed Canada-U.S. free trade agreement. Mr. Glackmeyer suggests that the reduction be gradually phased out over a decade rather than being cut off over 12 months.

I do not think it is should be phased out at all. Our finance critic has suggested that we commit ourselves for a five-year period, and at that time it is reviewed to see if it is still necessary and useful. The article further points out that $900 million was spent in mining exploration in Canada during the last year.

That is one side of the coin of the free trade deal as it affects the earned depletion allowance. The second part of the equation, which was pointed out in an article by a financial accounting house in Toronto, is that once it is phased out it will not be possible to reinstitute it in Canada as an incentive for regional development for mining exploration and development without Canada being subject to countervail or other attacks of remedial action by the United States.

That is very serious business. This responsible mining journal states that this tax mechanism that has generated $400 million or $500 million is being phased out because of the trade deal. Another responsible house in Toronto that deals with taxation matters and the free trade arrangement states that because of the free trade deal it will not be able to be reinstituted after it is phased out without retaliatory methods being taken by the United States.

• (1630)

We are puzzled about why the Government is doing it and what will be the long-term implications. Surely they will not be good ones. Also, we are surprised that the Hon. Member for Ottawa—Centre came on side and supported flow-through shares. A couple of years ago the Hon. Member clearly indicated that he was not in favour of earned depletion allowance. However, those of us from mining areas throughout Canada are glad for all the support and assistance we can get. We appreciate the tremendous efforts of the Hon. Member for Laval-des-Rapides who has been fighting for the issue ever since it was proposed a little over a year ago.

The issue is important in my part of the country in terms of employment and in terms of providing funds for an industry involved in an extremely risky business. There is no guarantee that when an exploration program is started it will pay off in the development of a mine, regardless of when. In my opinion, action is imperative now because of a downturn in equity investment since last October. I think that is the best reason beyond all others.

I hope the Government reconsiders its policy, backs down, and reinstates the earned depletion allowance which is so important to hundreds of communities across the resource rich regions of the country.

Mr. Langdon: Mr. Speaker, I have a question for the Hon. Member for Algoma (Mr. Foster) respecting the nature of the resolution before us today. I direct it to him, because with the harsh words going back and forth between the Conservatives and New Democrats, I thought it might be useful to have a neutral view from the Hon. Member.

If the motion were accepted, as amended or as originally put, it would not be, if I am correct, an expression of lack of confidence in the Government. I would simply like to have confirmation from the Hon. Member that that is how he sees it.

Also I wonder whether he knows of any better way to put pressure on the Government, and specifically on the Minister of Finance (Mr. Wilson), than by putting the motion through the House today in order to bring about change within the flow-through share regulations proposed by the Minister.

Mr. Foster: Mr. Speaker, I thank the Hon. Member for Essex—Windsor (Mr. Langdon) for his question. I think he put the case very well. The motion, as amended, reads:

> That this House notes that, because of the 33 1/3 per cent earned depletion allowance, the flow-through share tax provision has been instrumental in revitalizing mining communities and regions across Canada, and consequently urges that the initial benefit level of this provision, and, specifically, the 33 1/3 per cent earned depletion allowance, not be reduced but be retained to encourage mineral exploration and development by small and medium-sized companies.

It does not condemn the Government, although many Hon. Members have done that. It does not criticize the fact that the Government has cut back on the program or is planning to cut back in July of this year and on December 31 next year. It simply calls for an expression of the will of the House.

I would want to support it and simply call upon Hon. Members from all parts of the House to support it, not just those of us from mining and resource areas, who are obviously a minority. We do not represent highly populated, urban centres. All we are doing here is trying to express the will of the House with regard to an important regional development matter. I would certainly want to see it supported all the way around the House because it would be a useful expression.

It does not cause the Government to fall. It does not even criticize the Government. It talks about the urgency and need for reinstating fully a provision of the Income Tax Act which is not due for change until July 1.

Mr. Garneau: Mr. Speaker, I also have a question for the Hon. Member for Algoma (Mr. Foster). He participated in the symposium which was organized by the mining industry last Tuesday at the Renaissance Hotel in Ottawa.

I am asking the question because I heard the speeches of the Minister of Finance (Mr. Wilson) and of the Hon. Member for Timiskaming (Mr. MacDougall). If we listened to what they said, we would believe that there was no reason to organize the symposium to try to save the flow-through share mechanism. I have heard all sorts of nice things about flow-through shares, but in fact the Tory Government will destroy the system by cutting earned depletion by 33.3 per cent in 1989.

Could the Hon. Member tell us why that group had to spend a lot of money to organize that symposium in Ottawa? If the speeches of the Hon. Member for Timiskaming and the Minister of Finance were true, why did they bother to organize it? Could he explain what he heard at the symposium, for the benefit of the House?

Mr. Foster: Mr. Speaker, the representatives of the various municipalities are not involved in the mining business itself. They were simply here as representatives of their communities

which had started to pick up because of exploration and development activity and are now starting to go down. They spent a great deal of money to come here with delegations of three or four people. Although my own community of Elliot Lake may not benefit, it has a representative on the mining municipalities committee who happens to be the president.

All these municipalities are very concerned. Everyone knows that even when a mining municipality is booming, as many of them are, they are dealing with a depleting resource. Even though the actual development of the mine may take eight or ten years, if exploration and development activities are going on, they will ultimately benefit from it if in fact there are any new mineral deposits to be developed.

The 200 or 300 people who attended the symposium were prepared to come to Ottawa and to spend two or three days meeting with the various party caucuses and impressing upon them the fragile nature of prosperity in mining communities. Due to international forces, to commodity prices, and to mineral prices going up and down, their prosperity is very fragile. They were willing to come here on their own time and at their own expense to ensure that this earned depletion allowance be replaced. I thought it was a very well handled seminar. Representatives of all three Parties made presentations. The people were devastated and very disappointed when the Minister of Energy, Mines and Resources (Mr. Masse) was not prepared to make any commitment but was only prepared to talk in long-term generalities.

• (1640)

The people were pleased that the Hon. Member for Laval-des-Rapides made a firm commitment to bring this matter before the House as he has done today in the sub-amendment which spells out the 33 1/3 per cent mining earnede depletion allowance. That is the crux of the matter. The flow-through shares exist, there is no question about that. They are not being removed. It is the earnede depletion allowance that is crucial.

The Hon. Member for Laval-des-Rapides was able to make a firm commitment that he would put that issue before the House to give Hon. Members an opportunity to discuss this, particularly Members on the government side. There is no opposition on the opposition side now to it, even though there may have been a year or so ago. The Hon. Member for Laval-des-Rapides made the commitment that he would give Hon. Members of all Parties a chance to put the pressure on the Government, because after all, the Government has 210 or 211 Members and is in a position to reinstate this provision at the will of the Prime Minister (Mr. Mulroney) and the Minister of Finance.

I have not seen the Minister of State for Forestry and Mines (Mr. Merrithew) in the House today. I had hoped that he would be here because I know he is very concerned about this issue. Other Members like the Hon. Member for Timiskaming and the Hon. Member for Timmins—Chapleau (Mr. Gervais) were heavily lobbied by their municipal councils and by the Hon. Member for Abitibi (Mr. St. Julien), who made a statement the other day.

This is a matter that goes beyond politics. It is a matter of crucial economic importance to those resource communities which want to live, survive and continue to grow just like the rest of the country.

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I am very glad to have the opportunity to speak on my Party's motion concerning flow-through shares. It is necessary for Canada's prosperity and economy to continue the arrangements which have produced such impressive results in the mining exploration industry and which have had dramatic, positive repercussions not only across northern Canada but also in some of the major economic centres.

I am glad to say that we have before us a motion which is quite specific and is not phrased in partisan terms or indeed in terms that anyone in the House could find offensive either to conscience or political position. Instead, it is a motion that is substantive, meaningful and addresses an issue of great importance and significance, particularly to the remote areas of Canada, the resource communities, many of which are like the ones I have the privilege of representing in this House.

The motion reads:

> That this House notes that the flow-through share tax provision has been instrumental in revitalizing mining communities and regions across Canada, and consequently urges that the initial benefit level of this provision not be reduced but be retained—

No one would argue with the proposition, particularly in so far as precious metal deposits are concerned, that the flow-through share tax provision has indeed been instrumental in revitalizing communities. The total value of investment by means of the flow-through share mechanism, since it was brought in in 1983, has been in the order of $2 billion. That investment has gone largely to communities which, prior to 1983, were depressed, some to very considerable degrees, not having the exploration and mining development business on which they had grown and prospered in the past.

The interest-rate crisis under the Liberal Government of 1981-82 had largely eliminated the pool of capital which had been flowing previously into mining developments, most of it of a speculative or risky nature. The high interest rate policy pursued by the Liberal Government had soaked up capital, drawing it into short-term instruments and mere financial instruments such as bonds, guaranteed income certificates and term deposits. It had taken away the pool of funds which had previously gone into investments that led to the development of Canadian communities, particularly in resource areas.

Unlike many other corporate tax measures, the flow-through share provisions have extended benefits almost uniformly across northern Canada and, by the interchange of expenditures and the sourcing of materials, services and personnel, right through into major economic headquarters such as Toronto, Vancouver and Montreal. These are the places where

many of the most profitable parts of the exercise such as financing are in fact carried out. This measure was not one of those corporate tax measures which simply gave funds to those large companies which were already prosperous and left with them funds that could have been recaptured for financing social services, economic development expenditures and regional equalization. By contrast with those sorts of measures, the flow-through tax share provisions spread benefits throughout the economy from community to community across northern Canada.

Because of the well-known multiplier effect which of course is much more significant outside small communities, indeed this measure spread those benefits right through the Canadian economy. Most tax expenditures go to the major centres of corporate activity. They go particularly to Toronto and the Golden Horseshoe. By contrast, this specific tax measure spread benefits right through the economy.

Prior to 1983, the rate of development of new mines in Canada was at a level of about 4 per cent, comparing new mine development with the productivity of existing mines. In the five years or so since this flow-through provision has been in effect, that rate has quadrupled so that we now have, primarily in the precious metals sector, a level of new mine development in the order of 16 per cent.

Over those five years, approximately 60 new exploration and development properties have been started by flow-through share investment, some in locations such as Nova Scotia where there had always been the potential but no development. In 1987 alone, about 35 new mines were opened, most of them small, it is true, most of them not Mom and Pop operations but on the level of 50 or 100 employees. These 35 mines have provided employment in communities across Canada which prior to the coming on stream of these mines had indeed been economically depressed.

The operation of flow-through shares produced regional development without favouritism, without patronage and without political partiality. In truth, it produced economic development in an equitable and democratic fashion. That is indeed the sort of economic development that I and my Party want to see, the kind we will be encouraging and promoting when we form the Government of this country.

That regional development was truly benefiting all the regions of Canada which had previously been economically depressed. There were some exceptions where there was not adequate mineralization to permit profitable exploration.

For those Members of the House who do not represent mining communities and are not familiar with the dynamics of exploration and development, it bears pointing out that most of the actual work in exploration and development is done by junior resource companies and sometimes still by individual prospectors. In many cases, small consortia of individual investors group into what are known as junior mining companies. In many cases, the people involved live in the communities which are close to where the exploration is being done. Of course, some of the more highly trained geological and geomorphological consultants operate out of major communities with excellent transportation networks. Yet we see a high degree of turnover of these funds within the mining community.

• (1650)

I noticed that in the past the Mayor of Kirkland Lake referred to large exploration companies as robber barons. Without being too harsh on that judgment, I would say that if there were improvements that could be made in the flow-through share structure, we in the NDP would seek improvements to increase the percentage of funds generated by the shares to the small and medium-sized exploration companies, the individual junior listings, rather than the major companies and major consortia. The economic development brought by smaller companies is more equitable and more widespread. It represents a better spreading through the economy of that multiplier effect. The profits, when they are made, are generally spent or invested in these or neighbouring communities rather than being repatriated to a major corporate headquarters.

We know that the tax value of flow-through shares has been cut in half, according to the White Paper tax changes. The Standing Committee on Finance and Economic Affairs asked that the depletion allowance be continued to keep the value of shares at the present level, and it bears pointing out that that is an all-Party committee of this House.

In addition to investment in exploration and development, flow-through shares indirectly encourage, over time, more processing in the communities where the mining takes place. Prior to the introduction of flow-through shares, mining communities were experiencing cyclical busts and booms, like any other resource economy, with some communities becoming ghost towns within months. We do not expect that the continuation of flow-through shares is going to lead to elimination of that cycle in resource economies, mining in particular. We know there will always be ups and downs.

As northerners we realize that every boom in mining exploration is going to produce a drop-off period in which there is consolidation, analysis, a period in which financing must be arranged and in which strategic decisions must be made *vis-à-vis* the development of one property or another. However, we do know we have experienced very popular results in economic terms in the vast majority of those communities where flow-through shares have had an impact on resource development.

I would like to address a point which I think is worthy of note by all Members of this House. Mining communities very

often have extremely expensive social capital and infrastructure. Obviously they are built in areas of significant mineralization and the very minerals being sought are geologically bound and integrated with the Canadian Shield. I note, for example, that in the community of Red Lake in my riding it costs twice as much to service a single house with sewers and water as it does in the community of Dryden, some 160 kilometres to the south in an agricultural clay belt area where soils are far easier to penetrate. What that means when we have these high levels of investment in social capital is that there has to be a productive economy creating wealth, paying salaries higher than the Canadian average, if people are to enjoy a standard of living on a level with the average across this country. Mining communities, traditionally and almost without exception, face these higher costs and require that steady stream of new development work to produce the wealth capable of providing those services.

Let us also not forget the degree to which mining profits and mining income benefit the exchequers of this country, both provincially and federally. Let us not forget that people are out there even now as I speak drilling in the bush. It is 10, 15 or 20 degrees below zero and they are running drills. They are running drills in the Yukon, around Red Lake, Kirkland Lake and Val d'Or. They are well paid, as they should be, and because of that they are producing very significant returns to government exchequers.

The history of mineral development in this country has of course been cyclical, as indeed it is in almost all other countries. There have been some unattractive phases to it. We had the gold rush with a terrible toll in lives and health. We had the period when financing was virtually unregulated and fortunes were made and lost, largely lost, by means of the operation of unethical financing instruments and unethical financiers. Yet the mineral resource development industry is part and parcel, indeed a keystone, of the varied economic development of Canada.

There is, I believe, a fundamental interest for all Canadians, even in the larger centres, that there be healthy economies in remote communities. With those healthy economies we ensure that remote communities do not become ghost towns and people do not have to move everything and lose all the equity they built up in the community; not only the equity in their homes but all they have contributed to the development of a community. That is the sort of economic development that my Party is seeking and wishes to further in consideration of the extension of these flow-through provisions.

It has been said, and I have not heard the observation refuted yet, that one of the reasons for eliminating flow-through shares is because it will be found to be a subsidy under the trade agreement the Government signed with the United States. I believe that is not a good reason for eliminating a successful financing provision. It should be a good reason for negotiating again with the U.S. concerning its acceptability, and ensuring that there is some acceptance. As the Hon. Member for Algoma (Mr. Foster) observed earlier, the U.S. does its regional development, bearing in mind its task is much less than in Canada because of the size of the economy and the smallness of their geography, in very different ways which sometimes have more of a private sector flavour, a more capitalist bent. These include financing military research and distribution of military facilities, which are very powerful regional development instruments nonetheless.

We should look very carefully, and the Government should study this if it has not already done so, at the effectiveness of flow-through shares as a tax creator. As I said, through the multiplier effect I believe it is possible to demonstrate that, unlike the scientific investment research tax credit introduced by the last Government and which ended up costing an enormous amount, some of which was used to finance research in Brazil, we could prove that the flow-through share mechanism has produced an over-all positive cash flow to the federal and provincial Treasuries.

As my Party's spokesman on mines, I had the opportunity on several occasions to bring attention to this mechanism in this House. I note that in my statement of Wednesday, December 9, I quoted the Leader of my Party who was addressing *l'association canadienne des prospecteurs et entrepreneurs* of Rouyn-Noranda when he said this fiscal measure corresponds well to the objectives of our Party with respect to the creation of jobs and development of resource-based regions. I am very pleased to be able to put that on the record again today.

Let us look at financing for a moment. As the Prospectors and Developers Association of Canada says, many junior companies which rely exclusively on equity financing will be forced out of the market. It is of course easy for people to make judgments on the proliferation of junior mining companies. Yet what it does show is that the participation in the mining industry of this country is being democratized. My Party would like to see it further democratized by making it possible for smaller initial investments to purchase flow-through shares than has been the case up until now.

• (1700)

Within my riding I have seen some very profound benefits from flow-through shares. There are three areas in particular; the Red Lake gold area which has historically been the second largest producing area in Canada, the Pickle Lake area, and the area around Cameron Lake south of Kenora. I had the opportunity to meet with the mining recorder in Red Lake some three weeks ago and I was amazed by what I saw and heard.

His office was jammed to the rafters with charts, maps and geological analyses. He told me of the ripple effect right through the economy in that community. The reeve has estimated that it has affected approximately 25 per cent of the total economic activity in the community. It has affected the hospitality industry, the supply industry, the maintenance of mining equipment, and the furbishing of provisions right down to a shelter workshop which is doing a booming business making core trays for storing the mining cores. The effects are going right through the community to the point where there are now approximately 26 drills currently operating in Red Lake whereas five years ago there were three.

Similarly, the community of Pickle Lake, which had been gravely depressed by the pull-out of the Umex mine, is now again enjoying a very healthy economy because of the number of drills that are running in locations around Pickle Lake. Also, partly as a result of flow-through shares, there are three properties in the Kenora area which are very close to coming on stream.

Let us look at this motion realistically. This motion is not partisan. It is simply supportive of something which has proven successful in economic development. I believe that every Member of this House could and indeed should support this motion.

Mr. Boudria: Mr. Speaker, I would like to make a brief comment. I am not going to get into the issue of who did flip-flops on what. That has already been raised enough times today. My purpose, rather, is to speak on something which involves my own constituency, the constituencies of other Members in the House, and perhaps that of the Member who has just spoken as well.

Many people today in the debate referred to the mining sector. Indeed, that is quite an appropriate and worth-while topic. However, I want to bring to the attention of Members of the House that the mining sector is not the only one negatively affected by the change in earned depletion allowance on flow-through shares.

Indeed, one company in my constituency was in the process of preparing a proposal to install a hydro generating station in the constituency of the Member of Parliament for Cochrane—Superior (Mr. Penner). They were also preparing for a similar project in Crysler, Ontario, in the riding of Stormont—Dundas. They informed me earlier this week that unless changes are made to restore the earned depletion allowance to its former status, the entire industry of small hydro-powered generating stations will come to a complete stop.

As well, I understand that consulting firms from Toronto have written to the Member of Parliament for the Willowdale area. Others have made representations to their MPs as well. I have a lot of correspondence on it but because I am making only a brief statement and asking for comment, I cannot recite it all into the record.

However, does my colleague have proposals for small hydro-generating projects in his riding? Has he heard that that industry will be negatively impacted upon as well by the decision of the Minister of Finance (Mr. Wilson) to reduce the earned depletion allowance on flow-through shares? If he has, would he comment on that? Would he agree with me that the provisions should be restored for those people who are working in the alternate energy sector including the small hydro generating sector?

It is my opinion that there is a lot more opportunity for job creation, particularly in northern Ontario and remote communities, when one works toward developing mini hydro projects than there is in mega projects for nuclear generating stations with high tension power lines that bring in the power from 500 miles away and provide no local employment. At least these small hydro generating stations have a large job-creating factor in ongoing maintenance and so on which contributes to the local community. I invite my colleague to comment.

Mr. Parry: Mr. Speaker, I am indebted to the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) for his comment. I was beginning to wonder, when he started, what his remarks had to do with the substance or import of my speech. I thought the Hon. Member was simply exercising his quick wit to get something on the record by way of replacement for not getting the opportunity to make a speech on this motion.

However, the Hon. Member raises the matter of mini hydro, small-scale hydro. That, of course, is a completely separate topic but, nonetheless, a fascinating one. Having been given the opportunity, I would be happy to expound on it.

If memory serves me correctly, the proposal in the riding of the Hon. Member for Cochrane—Superior (Mr. Penner) would be Jack Fish Falls. I believe that the Crysler project was the reopening of what had once been a private hydro generating station, which falls under the general heading of low-head hydro development, and that it involved the installation of a new generator within an existing penstock reservoir and feed channel to the generator.

I am not sure whether that involves the earned depletion allowance or a change in capital cost allowance. However, I think the general principle is the same. I am certainly in agreement with the Hon. Member on this general principle. I think that the tax law of this country should be so structured as to favour the provision of localized employment rather than the provision of centralized employment. If there is anything in our tax regime which would favour the construction of a large, centralized generating station, be it nuclear, coal, oil-burning or whatever, over the construction of small localized generating facilities, then those provisions should be eliminated.

After all, it is not simply the fact of large generating stations but the concentrations of capital which are required, the way in which this distorts capital markets by allocating excessive funds to a single project, and also, as the Hon. Member points out, the need for transmission lines which not only deteriorate the landscape but have their own inherent problems.

Therefore, if it is a matter, as the Member suggests, of retaining the earned depletion allowance, of retaining a

previous structure within capital cost allowances, or introducing new rates to favour the provision of local hydro projects, then that is certainly something which I would support.

In my own riding we do not presently have any projects for the construction of low-head mini hydro development. However, we do have a couple of sites which are under study and we do have, interestingly enough, a couple of sites which were previously operated by a private paper company and are now in the process of being sold for redevelopment by what will become private generating utilities.

• (1710)

I think it is worth pointing out the progressive step the Government of Ontario has taken in this instance by mandating the buy-back of hydro by Ontario Hydro from private or small corporate generators so that that can be used to feed into the grid system. This accomplishes a very worth-while effect in terms of load levelling, load utilization and the availability of feed-in buy-back load by co-generators in order to reduce the necessity for constructing these large centralized facilities to cope with big demands.

Mr. Boudria: Mr. Speaker, I rise on a point of order. I made a mistake earlier when I referred to earned depletion allowance. It was accelerated capital cost allowance.

Mr. Dorin: Mr. Speaker, the Member will be aware that the only people who can purchase flow-through shares and take advantage of the tax benefits they provide are people in the higher income tax brackets, earning at least $60,000 a year or more.

Since the NDP constantly complain about that, does he believe this is appropriate, or does he agree with his Leader who said a few days ago that there should be other methods available in giving away thousands of dollars to wealthy individuals?

Does he agree with the Member who moved the motion, the Member for Ottawa Centre (Mr. Cassidy), that rather than indicate what is good or bad about the measure the Government should simply scrap it and start over again? The same Member voted against flow-through shares altogether. Later, he saw that there were 25 or 30 ridings where this issue was important and that his Party would have to rethink its position. I presume that the Hon. Member's riding is one of those 25 or 30. Therefore, has the NDP changed its position and, if so, why?

Mr. Parry: First, I must thank the Hon Member for acknowledging, as my Party does, that my riding is an important riding. I think ridings in Edmonton are important as well.

It is one of the traditional tactics of adversarial politics in this country to decry the dogma of an opponent rather than acknowledge the pragmatism. I think we should acknowledge that in the matter of supporting the flow-through shares, my Party is able to recognize there are some things which may be questionable on principle but which are successful in practice.

It is quite true that neither I nor my Leader want to see any individual investor completely wipe out their tax liability by way of investment in flow-through shares. That is one reason why we have supported the Government's alternative minimum tax proposal and indeed have very happily given that tax proposal to the Government.

We must recognize that it was one of the planks of my Party's platform in the last election campaign, rather than something which the Progressive Conservative Party was advocating. I see no conflict here, although I am sure the Hon. Member would be glad to set one up.

• (1720)

[*Translation*]

Mr. Deputy Speaker: The Parliamentary Secretary to the Minister of Finance on debate.

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am pleased to take part in this important debate on the tax principles of this Government and this country. But it is also very important to show the hyprocrisy of our colleagues opposite, the Members of the New Democratic Party.

The proposal made in the White Paper on tax reform which was amended in December and then tabled does not in any way eliminate tax incentives for the mining industry; indeed the tax provisions specifically designed for the mining sector remain unchanged. Percentages vary at some levels, and this is important: from 133 they drop down to 100 and this reflects the over-all approach of the tax reform. Thanks to tax reform, nine Canadians out of ten will pay less income tax, and nine elderly Canadians out of ten will either pay less income tax or none at all. We should keep that in mind when we look at the tax reform proposals. We can't pick what suits us and throw out the rest.

I think the Minister of Finance and the Conservative Government have shown that they know how to manage and administer this country. We reduced the deficit, and we managed to introduce proposals for a fairer and more equitable tax system. Once again, Mr. Speaker, tax reform provides for changes in various sectors. The mining industry, like all other small businesses, will see a reduction in its income tax rate. I did not hear anyone mention this particular point today, but it is an important one. The tax rate for mining companies will go down, and that applies to both junior companies and companies with annual profits of over $200,000.

Flow-through shares will be maintained, and they will help mining companies pass on unused tax incentives to their investors. I think we ought to be realistic and be aware of what the situation actually is like.

Mr. Speaker, we have talked about regional development practically all day. That is exactly why we have tax reform. The main purpose is to have an Income Tax Act that collects revenue, although I am sure, Mr. Speaker, you do not really like the idea and in fact not many people do. The purpose of the Income Tax Act, however, is not to provide for regional, cultural or social development. The purpose of the Income Tax Act is to collect revenue and hand it over to the departments concerned: Employment and Immigration, Energy, Mines and Resources, DRIE, and so forth. The Departments, which have people who are qualified and who know their business, can then distribute this money in the proper fashion.

Mr. Speaker, I hope Opposition Members don't want to go back to the scientific research tax credit scheme which cost Canadians billions but never did those who needed it any good. Our scientists never got anything out of it. They never got a cent.

The Minister of Finance (Mr. Wilson) and my colleague from Duvernay (Mr. Della Noce) pointed out to me that the then Minister of Finance in that red period—worse than a black period, it was a red period—knew about it but did nothing, and those billions of dollars slipped into the hands of most everybody except those who should have got them. This must be stopped. This is what tax reform is all about.

The Minister of Energy, Mines and Resources (Mr. Masse) emphasized this, the Minister of Finance emphasized it, and I think that on this side of the House we all agreed with that if in the future this Government were to develop for the mining sector or for any other sector, a plan for Western development, a plan for Eastern Canada, Northern Ontario, Quebec. If the mining industry needs special help in line with the policies of the relevant Department, at that point there is nothing to prevent supporting the development of resources, Mr. Speaker. There is absolutely nothing to prevent that. There is not a single act that prevents that.

On the other hand, Mr. Speaker, flow-through shares as we know have done a lot for mining areas. They also to a degree created a supermarket. The investment rate was too high. Everyone who is familiar with that industry agrees that we cannot sustain the rate we had in 1986 and 1987 particularly. That rate cannot be sustained.

Therefore, the fact that the rate has gone from 133 per cent to 100 per cent does not mean the mining industry can no longer grow.

It does not mean either, Mr. Speaker, that this reduction that is in line with the spirit and the framework of the tax reform under which corporate and individual tax rates are going down, that does not mean that this Conservative Government, the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney) do not support regional development.

An Hon. Member: Quite the opposite!

Mr. Vincent: This Government, Mr. Speaker, invested more into regional development than the previous Government over a comparable period of time. We have been doing profitable investment, Mr. Speaker.

When we refer to regional development, what does that imply? It implies helping businesses outside major centres.

I submit, Mr. Speaker, that Trois-Rivières is not what could be termed a major centre in Canada.

Mr. Speaker, in the constituency of Trois-Rivières investments have created nearly 3,000 new jobs since 1984. That is regional development! And the same thing has been done across the land, in every industry and every region.

Mr. Speaker, let them not suggest that flow-through shares equal regional development. There is a Department of Regional Development, there is a Department to look after mines, there is another to look after tax laws; let each one do its job! But let people not think that the Income Tax Act is there to do everything because all that would be left to do would be to discard the 39 other Departments while keeping the Department of Finance, with 39 Ministers of State for Mines, Regional Development, this or that. I think we must be realistic.

Mr. Speaker, allow me also, and I think it is essential to point it out, to refer to the New Democratic Party and its position on flow-through shares.

On February 26, 1986, the Conservative Government introduced measures to improve flow-through shares. In September, 1986, the inquiry on the tax system carried out by the NDP indicated that the tax system is an ineffective tool to promote regional development.

Mr. Speaker, for once in 1986, the NDP agreed with a position taken by this Party and pursued by this Government since its election.

On December 12, the NDP voted against the measures in committee. On December 16, the Hon. Member for Ottawa Centre (Mr. Cassidy) which we had the pleasure to hear today asked for the elimination of flow-through shares in this House. That was on December 16, 1986, less than two years ago, in fact some fourteen months ago. Some 14 months ago, the Hon. Member for Ottawa Centre who introduced a motion today asked in this House that flow-through shares be eliminated. And this is not all, Mr. Speaker.

On February 14, 1987, about a year ago, the NDP leader criticized flow-through shares saying that they were a mechanism through which the rich avoided to pay taxes. That was on February 14, 1987.

Mr. Speaker, you know that on behalf of the NDP leader, the Hon. Member for Ottawa Centre gives frigates to Quebec when he is in Quebec and gives them to New Brunswick when he is over there. Mr. Speaker, we would not have enough frigates with the NDP! They would need some in every province because they distribute them all over the place. The

NDP thought that the media did not listen to what was going on in the other provinces. Unfortunately, they missed the boat that day. This is the position of the NDP, Mr. Speaker.

On February 16, 1987, the Hon. Member for Regina East (Mr. de Jong) stated that flow-through shares should be replaced by another program outside the tax system. In 1987, they agreed with us. However, the Hon. Member went further than we did. He did not say that flow-through shares should remain at 100 per cent and that, if the mines needed some other assistance, the Government would provide it. He said that we should scrap flow-through shares and do something else! That is not what we are saying, Mr. Speaker. We are keeping the flow-through share mechanism because it is a useful tool for mining companies and investors and provides a reasonable rate of return. Thus, the people to whom the New Democrats refer when they say that the rich do not pay any taxes, in other words, people who earn $50,000, $60,000 or $80,000 a year and who use flow-through shares as a tax shelter . . . First, the NDP said: Tax them, they are not paying their share of taxes! But now they have just told us: No, leave them their tax shelter!

There is a phrase in English about people who speak from both sides of their mouth, but I think that it would also apply in French. The NDP took a position one year ago in support of taxes for people with high incomes and against tax shelters, but one year later, nearly to the day, they are saying the exact opposite, beginning with their Leader! Yet, on July 21, 1987, the Leader of the NDP promised not to change the policies of his Party simply because he was gaining in the polls.

Mr. Speaker, the Leader of the NDP has not changed since 1987 or since 1984; it is still Ed Broadbent. He was the one who said a year ago: Tax . . .

Mr. Boudria: The Hon. Member for Oshawa!

Mr. Vincent: My colleague is right. The Hon. Member for Oshawa. Thank you for calling me back to order. For once, the Hon. Member is right, Mr. Speaker. I shall even name him: the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria). As he is right for once, Mr. Speaker, I have to give him his due.

As I was saying, Mr. Speaker, this same Member for Oshawa . . . I can see that the Liberal Party nearly shares my views! This same Hon. Member for Oshawa, as the Hon. Member for Glengarry—Prescott—Russell pointed out, was saying in 1987 that his Party would not change its policies because of the polls. That was six months ago, Mr. Speaker. They have succeeded in completely reversing their stand since then. First, they want to tax high incomes and eliminate flow-through shares, and six months later, they want to give plenty of tax shelters to high income taxpayers and maintain flow-through shares. This is the policy of the New Democratic Party and this is how they want to gain the favours of Quebec and Canadian voters in any way they can.

Mr. Speaker, when a party is elected to govern the country, it has to make decisions. I believe that the Conservative Government, led by our Prime Minister (Mr. Mulroney), has made decisions for the general welfare of the Canadian population and to give all Canadians a better quality of life. A better quality of life means creating new jobs; it means ensuring that money is invested across the land, in every region; it means ensuring that people have a lower tax bill. That, Mr. Speaker, is what quality of life is all about. This is what the Conservative Party and the Conservative Government under the Prime Minister have been doing for three years.

Mr. Speaker, allow me a last quote.

On September 17, 1987, again, the Hon. Member for Ottawa Centre, recognizing the political nature of the matter of flow-through shares, began his turnaround.

While in July, Mr. Speaker, the Hon. Member for Oshawa (Mr. Broadbent) had said: We change nothing, in September the Hon. Member for Ottawa Centre said: Well, flow-through shares are not that bad. Then—it must have been in October or November—he went to Quebec and said: The frigates are coming to Quebec. While his Leader was in New Brunswick saying: This makes a lot of sense for New Brunswick—

An Hon. Member: And now he will go to Val-d'Or and suggest—

Mr. Vincent: —and now, I hope others will not be travelling across the country, Mr. Speaker, because we will have a problem with those frigates.

Mr. Speaker, in November 1987, the NDP minority report on tax reform recommended that the tax system be used to promote regional development.

Mr. Speaker, the NDP report that came out in November 1987 flies in the face of the national hearings they held in 1986. Because they held national hearings, they asked all Canadians for their views on the Canadian tax system. And as you will remember, Mr. Speaker, they made an awful noise with the tremendous work they had been doing to get the views of Canadians on the tax system. They had the views of Canadians that, lo and behold!, paralleled those of the Conservative Government, and now, one year later, they tell Canadians something else. That is the approach we took, the most profitable option.

Mr. Rossi: And then some more!

Mr. Vincent: I cannot answer that question, dear colleague.

It would seem that our small gang is more intelligent, there must be political gains to be made in some ridings of Quebec and elsewhere in Canada if we support flow-through shares, and since more people work with flow-through shares than there are rich people we will find a way to handle this. And that, Mr. Speaker, is the position of the NDP.

So in conclusion, Mr. Speaker, allow me to say that I will vote against this motion and against the amendment of the Liberal Party because—

Mr. Rossi: Careful now!

Mr. Vincent: —I said so at the beginning of my remarks and I will repeat for the benefit of my colleague opposite: regional development comes under the ministry responsible for regional development, not under the Department of Finance. And we do not want to experience with the flow-through shares what the Liberal Party had to experience as a result of the scientific research tax credit which ended costing taxpayers a bundle but did not serve Canadians as had been expected.

Mr. Deputy Speaker: Questions or comments. Debate. The Hon. Member for Cochrane—Superior (Mr. Penner).

• (1730)

[*English*]

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, it is my conviction that when this particular tax incentive was first introduced during the last Liberal administration, I doubt very much whether the then Minister of Finance really had a full realization of just how successful this measure would become as a tool of regional economic development. I think most Members in the House will know that if one did a comprehensive history of regional development policies in the country, one would discover that none of them have been particularly successful. It is not an area in which any Government has a particularly enviable or strong record.

There have been all sorts of experiments. There have been all sorts of endeavours. On occasion, large sums of money have been directed toward regional development policies and programs. But we know that none of them have worked particularly well. When Mr. Lalonde brought in this tax incentive, I do not think for a moment that he realized that here was a major tool of regional economic development and that we were going to go a long way in solving the problems in the remote resource-rich regions of the country.

That is what has happened. It has become a major tool of regional economic development. It began modestly. But, today, in remote resource-rich regions of Canada such as northern Ontario, northern Quebec, Newfoundland, north of 60 and in the northern parts of the other provinces, it really is the only thing standing between economic depression or something close to it and a relative degree of economic activity and some prosperity.

For example, when we look at the statistics for Ontario, we see that unemployment is down and growth is up. I was at Mr. Peterson's dinner on Tuesday evening. He is taking full credit for all the activity that is going on in Ontario. I do not remember him mentioning at all that the federal Government had much to do with it.

Mr. Garneau: Because it is the truth.

Mr. Penner: It is the truth that the federal Government has contributed next to nothing to the prosperity of Ontario. But certainly the federal Government has done not much at all in the North where the rates of unemployment are considerably higher than they are throughout Ontario generally.

The point I am making is that northern Ontario is not participating in the over-all prosperity of the province. Our rates of unemployment are well above the national average. We are having serious difficulty in maintaining our population and enjoying the prosperity that the other citizens of the province enjoy.

The one thing that we do have going for us is a great deal of activity in the mineral exploration business. It is evidenced if one goes to the City of Timmins. It can be seen in smaller communities such as Longlac and Geraldton. Throughout the North one can name any number of communities in this regard. There is some economic activity being generated. The question is: Why is the mineral exploration business so active? Why is it contributing in such an unbalanced and significant way to the economy of the resource-rich regions? The answer is simple and straightforward. The answer is that the flow-through shares joined with the mining earned depletion allowance is what is having that effect.

A Sudbury chartered accountant calls this tax incentive, this flow through, the great unknown economic program. Austin Davey, the gentleman in question, is quoted in a journal called *Northern Ontario Business* as having said:

> The tip of the iceberg is the tax incentive, the rest of the iceberg is jobs and economic diversification in northern Canada.

In 1987 $1.1 billion was raised as a result of this tax incentive through the flow-through shares. Because mining exploration is labour intensive and because the mines are found in the North, the mechanism of flow-through shares is employing thousands of people in regions such as northern Ontario and the other ones I mentioned earlier.

I am participating in this debate simply to urge the Minister of Finance (Mr. Wilson) in the strongest terms that I can find: "Please, do not destroy a tax incentive which is contributing so much to regional development".

The money available for exploration through the flow-through shares goes specifically to small and junior resource companies. That money is going to disappear entirely when this tax advantage becomes no more advantageous to the company in question or to the purchaser of the share than does buying an RRSP.

The Minister of Finance knows that it is not the big mining companies which are applying the pressure to preserve this investment scheme. Without flow-throughs the senior companies will be able to dominate the scene. They will be able to decide when exploration will take place. That will depend entirely on what is the world price of the mineral. If the world price goes up then there is exploration activity from the seniors. If the price goes down then the seniors become inactive and tend to put their money into other areas.

Once again, if we do not have the flow through and the mining earned depletion allowance, we are going to be back again into the boom and the bust cycle. That is something that we have been trying to avoid over the years with a variety of experiments in regional development.

This morning the Minister of Finance argued that it was not his tax reform policy that was the reason for the decline in investment for mining exploration. It is on the decline. He said, "Well, do not blame me. It is the state of mind of investors that has been caused by the stock market crash of last year". The Minister stated, "Investors are shy about buying equity, especially in areas like mining where the risk is high". I wish to tell the Minister of Finance that he has it all wrong. It is precisely because of the current attitude to the stock market that we need the full advantage of the flow-throughs. Flow-throughs become much less attractive if we do not have the 33 per cent mining earned depletion allowance. If we do not have that then junior stocks, which are among the highest risk investment in the stock exchanges, become totally unappealing to the investor. The advantage is needed to a greater extent today rather than when the market is buoyant. It is today we need it, and the Minister's explanation is very misleading.

• (1740)

To support this argument, I wish to refer to Mr. John Larche, President of the Prospectors and Developers Association, who makes the following statement in support of the view that I have just presented. He states:

> At present, flow-through is the only viable means of raising—capital for exploration. Neither of the normal alternative financing sources will provide the funds we need.
>
> Equity financing is crippled under present market conditions. And, in their current profit and cash positions, major companies will not have enough funds to keep up the momentum on exploration.

He further states:

> Close to $33 million were raised after the October crash for expenditure before the MEDA phase-down in July. This confirms the fact that flow-throughs can perform, despite the market conditions, and that they are being crippled by the impending tax reform measures.

To emphasize and underline the point, I understand why the Minister of Finance would say, "Don't blame me. Look somewhere else", but he is wrong. It is not the state of mind toward the stock market at present which is causing a decline in investment in mining exploration, it is because of the tax reform proposal which will do away with the 33 per cent MEDA.

For resource regions of this country the full tax advantage of flow-throughs is just as important as is the Auto Pact to the industrial regions of the country. It is just as important as the Auto Pact is to southern Ontario and to the automobile plants in the Province of Quebec.

I wish the House to know that, because of the flow-through shares, because of the mining earned depletion allowance, exploration activity in Canada has increased dramatically. There has been a 222 per cent increase in footage of diamond drilling in the last five years. Exploration efforts, largely due to the flow-through share financing, have brought about 34 new mines which are now committed to come on stream in 1987 and 1988. That is five times the typical average number of new projects, if that is taken over a period of time of the last 35 years. In addition, another 58 projects for future production are due to come forward as a result of the flow-through shares.

My hon. colleague, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) referred to another area, quite apart from mining, and this is a hydro project in my constituency at Yellow Falls on the Matagami River. The site location was approved by the Ministry of National Resources, a pre-feasibility study funded by the Ontario Ministry of Energy was completed, and the project was considered feasible. It is estimated that this small project in my constituency where jobs are desperately needed will create 50 man-years of employment to complete the project. The barrier which recently appeared was the new federal Budget which eliminated rapid depreciation or flow through and it could render the Yellow Falls project unfeasible.

I have many more arguments to advance, Mr. Speaker. I will conclude by saying to the Minister of Finance: "You are a reasonable man. You know the reality of the resource regions. Please reconsider, and do not spoil a tool for regional development which is as important as it has become".

Mr. Deputy Speaker: It being 5.45 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply in accordance with Standing Order 82(9).

The question is on the amendment. All those in favour of the amendment please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

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

(Division No. 314)

YEAS

Members

Allmand
Althouse
Berger
Blackburn (Brant)
Boudria
Cassidy
Copps
Desjardins
Fulton
Garneau
Gauthier
Guilbault (Saint-Jacques)
Heap
Henderson
Hopkins
Isabelle
Jewett
Langdon
Manly
McCurdy
McLaughlin
Mitchell
Murphy
Nicholson (Trinity)
Nystrom
Orlikow
Ouellet
Parry
Penner
Pépin
Prud'homme
Riis
Rossi
Skelly
Waddell—35

NAYS

Members

Andre
Blais
Blouin
Bosley
Brightwell
Browes
Cadieux
Caldwell
Cardiff
Champagne (Champlain)
Clark (Brandon—Souris)
Cochrane
Comeau
Cooper
Cossitt
Côté (Lac-Saint-Jean)
Crofton
Crosbie (St. John's West)
Crouse
Dantzer
Darling
Della Noce
Dorin
Edwards
Fennell
Fretz
Friesen
Gass
Girard
Gottselig
Gustafson
Hamilton
Hawkes
Hees
Hicks
Hnatyshyn
Hudon
Jacques
Jardine
Kempling
Kilgour
King
Leblanc
Lesick
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Malone
Marin
Mazankowski
McCrossan
McCuish
McDermid
Minaker
Mitges
Nickerson
Oberle
Pennock
Peterson
Pietz
Plourde
Porter
Ravis
Redway
Reid
St. Germain
Scott (Hamilton—Wentworth)
Sparrow
Suluk
Tardif (Charlesbourg)
Thacker
Towers
Tupper
Turner (Ottawa—Carleton)
Van De Walle
Vankoughnet
Vincent
Weiner
White
Wilson (Swift Current—Maple Creek)
Wilson (Etobicoke Centre)—82

• (1810)

Mr. Speaker: I declare the amendment lost.

The question is on the main motion.

Mr. Riis: Point of order, Mr. Speaker. I suspect you will find there is unanimous consent to apply the last vote to this motion as well.

Mr. Lewis: Mr. Speaker, I think that might be acceptable to the House with the exception of my colleague from Témiscamingue who I believe would like to vote with the Government on this motion.

[*Translation*]

Mr. Desjardins: Mr. Speaker, on the main motion I want to vote with the Government and against the motion of the New Democratic Party.

Mr. Prud'homme: Where is Mr. St. Julien?

[*English*]

Mr. Speaker: Is that agreed?

Some Hon. Members: Agreed.

The House divided on the motion (Mr. Cassidy), which was negatived on the following division.

(Division No. 315)

YEAS

Members

Allmand
Althouse
Berger
Blackburn (Brant)
Boudria
Cassidy
Copps
Fulton
Garneau
Gauthier
Guilbault (Saint-Jacques)
Heap
Henderson
Hopkins
Isabelle
Jewett
Langdon
Manly
McCurdy
McLaughlin
Mitchell
Murphy
Nicholson (Trinity)
Nystrom
Orlikow
Ouellet
Parry
Penner
Pépin
Prud'homme
Riis
Rossi
Skelly
Waddell—34

NAYS

Members

Andre
Blais
Blouin
Bosley
Brightwell
Browes
Cadieux
Caldwell
Cardiff
Champagne (Champlain)
Clark (Brandon—Souris)
Cochrane
Comeau
Cooper
Cossitt
Côté (Lac-Saint-Jean)
Crofton
Crosbie (St. John's West)
Crouse
Dantzer
Darling
Della Noce
Desjardins
Dorin
Edwards
Fennell
Fretz
Friesen
Gass
Girard
Gottselig
Gustafson
Hamilton
Hawkes
Hees
Hicks
Hnatyshyn
Hudon
Jacques
Jardine
Kempling
Kilgour
King
Leblanc
Lesick
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Malone
Marin
Mazankowski
McCrossan
McCuish
McDermid
Minaker
Mitges
Nickerson
Oberle
Pennock
Peterson
Pietz
Plourde
Porter
Ravis
Redway
Reid
St. Germain
Scott (Hamilton—Wentworth)
Sparrow
Suluk
Tardif (Charlesbourg)
Thacker
Towers
Tupper

Turner (Ottawa—Carleton)	White	Wilson (Etobicoke Centre)—83
Van De Walle	Wilson (Swift Current —Maple Creek)	
Vankoughnet		
Vincent		
Weiner		

Mr. Speaker: I declare the motion lost.

It being after six o'clock p.m., this House stands adjourned until tomorrow morning at 10 a.m., pursuant to Standing Order 3(1).

At 6.15 p.m. the House adjourned.

HOUSE OF COMMONS

Friday, March 4, 1988

The House met at 10 a.m.

Prayers

[*English*]

POINT OF ORDER

ALLOTTED DAY VOTABLE OPPOSITION MOTION—GOVERNMENT POSITION

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): On a point of order, Mr. Speaker, I would like to point out to the House that this is an Opposition Day and what is called an allotted day. The Opposition has seen fit to make its motion a votable motion under Standing Order 82(9). In fact, the motion very clearly reflects the Government's position on NATO. Our Government has always been in full support of the role NATO plays in our individual security and defence. We have consistently reaffirmed our commitment to continued Canadian participation in and active support for NATO. In fact, the Prime Minister (Mr. Mulroney) is returning today from NATO meetings in Brussels where he in turn reaffirmed this Government's and this country's support for this important organization.

We regret that the Opposition, whether purposely or inadvertently, has trivialized our country's position on this important organization by placing it on the Order Paper as a votable motion. The fact remains that this is a matter of confidence in accordance with our rules and traditions. Therefore, the Government has no choice but to vote against the motion.

I would also point out to the House that there have been nine Opposition Days since September 30, 1986, which have been designated votable. In each case the Government voted against the motion. The only exception was the matter of South Moresby where it was not a votable motion at the start and we came to an accommodation.

There are two aspects to this matter, and I will not take too much longer. There is the debate which the motion frames, and that is the subject of NATO and our country's support for it. Then there is the vote, which is a matter of confidence. The motion, as I suggested, is a clear reflection of the Government's policy but, I repeat, under the rules and traditions of this House the Government will be voting against the motion because it is a matter of confidence under Standing Order 82(9).

Hon. Herb Gray (Windsor West): Mr. Speaker, I suppose I could begin by in effect raising a point of order about the Hon. Member's point of order because he has made what amounts to a speech on the substance of the motion. I will not pursue that point but I will say that I do take grave exception to the comments of the Deputy Government House Leader in which he said that the Official Opposition is trivializing—that was his word—the important matter of Canada's role in and relations with NATO. How can a debate in the high court of Parliament, this House of Commons, on a subject be taken as trivialization of an issue? How can asking the House of Commons to pronounce itself by a vote be taken to be trivialization of an issue?

The fact of the matter is that it is because we consider the subject matter of the motion to be a profoundly important one for this House and this country that we have presented it for debate. It is because we consider it not only important but most relevant because of the NATO ministerial conference, which has just concluded, that we presented this motion.

I suggest that the Government has its perceptions and priorities completely upside down in raising a point of order in an attempt to challenge the importance of our motion in the way it did through the words of the Deputy Government House Leader.

I suppose the other point of the Deputy Government House Leader's point of order is that he wants to lay the groundwork for voting against the motion. He says, and I think these were his words, that the rules and traditions of this House make it necessary for the Government to vote against the motion because it is a matter of confidence. First, let me deal with the matter of the traditions of this House.

I say there are ample precedents dating as far back as 1951 for a Government to accept a motion like this by voting in favour of it. There are other precedents in 1952 and 1963 which support the view of the Official Opposition that if the Government agrees with the motion, as the Deputy Government House Leader claims it does, then it can vote for the motion without the matter of confidence being in play in any shape or form.

I want to tell this House that the speakers for the Official Opposition on this motion had intended to make clear, as I do now, that we will not consider this motion to be a matter of confidence such that the continuance in office of the Government will be placed in jeopardy through voting for it. That is

the position we intended to make very clear and which I make clear now.

• (1010)

It is strange that the Deputy Government House Leader raises this point when the unanimous report of the McGrath Committee, for which the Government always takes credit, said that the Government should, more and more frequently, declare its willingness to accept motions like this on the basis that they do not amount to matters of confidence.

All the Government would have had to do would have been to have stood up on a point of order or in its principal response and say that it does not consider this a matter of confidence, and that would have been the end of the matter. The Deputy Government House Leader may suggest that there is something in the rules which makes this a matter of confidence. I say that that is not the case at all. I challenge the Deputy Government House Leader to show me, this House, and the country where the rules say that this is specifically a matter of confidence.

I regret, and I think the people of the country will regret, the position taken by the Deputy Government House Leader in his point of order, first, for trying to say that raising an issue in the high court of Parliament is a way of trivializing the issue. Those are strange words from a Party which claims that it is enhancing and wants to enhance the role of Parliament.

Second, we must regret that the Deputy Government House Leader is not making use of the clear traditions of this Parliament and the recommendations of the McGrath Committee to say that this is not a motion which puts the confidence in the Government in play, but rather that it is willing to support it because it is a sound idea for the country, an idea which the Deputy Government House Leader himself says reflects the policy of the Government.

I do not want to say more than that this is not a valid point of order. Above all, it should be a matter of regret that the Government is taking this position when it does not have to and could stand firm in support of a stronger role for Parliament and also for the policy it claims to support.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I tend to agree with the point made by the Deputy House Leader in that if the Liberal Party were serious in its initiative this morning there is no reason why it could not have included, as part of the motion, wording indicating that this motion was not a non-confidence motion.

Mr. Gauthier: We didn't, that's the point.

Mr. Riis: Just to make it very clear, if the Liberal Party had been serious in its efforts today, wording indicating that there was no question of confidence or non-confidence could have been included in the text of the motion itself. Therefore, I tend to agree that there seems to be some element of playing loose and free with the rules of the House on this issue this morning.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I just want to reinforce the points made by my House Leader, which I thought were very convincing and, indeed, to the point. I hear laughter from over there. Evidently those people do not know or do not remember what was adopted by this House and what the purpose of the reform of the rules of the House was.

If you do not mind, Mr. Speaker, I will read from page 106 of the report itself where it says that it is not for the Speaker to decide what is confidence. Section 41 reads:

> Your Committee notes that the Standing Orders, as presently worded, declare to be "no-confidence" those votable motions which are moved by the Opposition on allotted days. We repeat that a question of confidence should be expressed in precise terms in the motion, and not be prescribed as such by the Standing Orders.
>
> Previous speakers have indicated that the determination of what is, or is not, a question of confidence is not a matter for interpretation by the Chair. We agree that this expression ought not to be used in the Standing Orders to predetermine the nature of a motion.

Section 42 is very relevant. It reads:

> Your Committee therefore recommends that all references to confidence be removed from the Standing Orders—

—and they have, in fact, been removed—

> —recognizing, however, the right of any Member presenting a motion to frame the motion itself in confidence terms.

That answers my friend, the socialist, over here. We did not frame our motion in confidence terms. We framed it because we believe it is important for the country to know where the Government, the Opposition, and the socialists stand on the issue. It is a political debate. That is what this House is all about and we think that the point of order on this question is absolutely irrelevant to the discussion at hand.

Mr. Speaker: The Chair has listened carefully to the interventions and will, of course, as always, consider them because it is appropriate to do so. However, under the circumstances, I think that the point of order, as the Minister of State has put it, is not one, under the circumstances and looking at the terms of the motion for today, upon which the Chair ought to comment at all. In fact, I doubt very much whether the Chair has any authority under the rules to make any comment. Orders of the day.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—NATO—COMMITMENT TO CANADIAN PARTICIPATION AND SUPPORT

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke) moves:

> That this House recognizes the pivotal role that NATO continues to play in mutual security and defence and in furthering progress in arms control and disarmament and, therefore, reaffirms its commitment to continued Canadian

participation in and active support for the North Atlantic Treaty Organization as a primary instrument of Canadian defence policy.

He said: Mr. Speaker, I want to echo the comments made by my House Leader and the Whip. It is rather interesting that with the Prime Minister (Mr. Mulroney) on his way home from NATO meetings in Brussels, having used a great deal of rhetoric there to reinforce the Government's image, a Minister of the Crown is standing up here in the House saying that the motion which you have just read is a trivial matter of discussion in the House of Commons. That surely does not state very clearly that the Government is in total sympathy with NATO. We know that the Government says it is, but if it is against having a day's debate in this House on NATO, what in the world is this Parliament all about?

Such a debate as this is not held in Parliament only for the sake of a debate on NATO. Thousands and thousands of Canadians and people from other countries have been slaughtered in battles because there were no serious attempts to prevent. NATO is an alliance for peace. Some people call it a warmongering organization, but that is absolutely false.

NATO is an intergovernmental organization wherein Governments have a chance to talk among themselves and to have discussions with major opponents in the world. It is essentially, above all, a defensive alliance. In peacetime, national forces receive orders only from their own authorities. The military task of NATO in peacetime is to draw up joint defence plans to provide for the best possible use of NATO forces without delay in the event of war. This military preparedness is aimed, above all, at preventing war.

I want to emphasize that those people who have died for Canada over the years would be proud to know that a debate like this is taking place today because it would have been very good for them indeed if the war in which they participated had been prevented by constructive measures. That is why this Parliament must discuss these important matters as time goes on. The Liberal Party not only continues to support NATO but in fact played a major role in the founding of the North Atlantic Treaty Organization.

• (1020)

We know that the Soviet Union did not disarm willingly following World War II, making the cold war too cold to tolerate. Therefore, the North Atlantic Treaty Organization was formed.

The growth of the Russian Navy following the Cuban crisis brought a dimension other than ground and air forces into perspective internationally. Without NATO's firm resolve in the late 1970s and early 1980s to upgrade its aging weaponry in Europe, chances are that a treaty to reduce intermediate nuclear weapons may not have been signed in Washington last December. If common sense prevails, this treaty will be approved and others will follow for the benefit of all mankind.

The New Democratic Party has been opposed to Canada's membership in NATO, but since we have been a NATO member since its beginning, under the Louis St. Laurent Government, in which the Right Hon. Lester B. Pearson was Secretary of State for External Affairs and with whose assistance that alliance for peace was originated, Canada can claim to be a member of a NATO team that is truly working toward peace in the world and, at the same time, a member of a defence team of NATO countries working toward peace and security for Canadians and all mankind.

I remind Canadians that it was the Government of Louis St. Laurent under the leadership of Lester Pearson, Secretary of State for External Affairs, that Canada gave its consent and indeed promoted the formation of the NATO alliance.

The aims of NATO today are the reduction of nuclear and conventional arms. The continued cohesiveness of the NATO alliance is extremely important. Deterrence is necessary. The Soviet nuclear and conventional power is strong, and European free countries cannot deal with it alone. As the nuclear threat is reduced, so must the conventional arms threat be reduced. Certain elements of the Armed Forces in the Warsaw Pact outnumber NATO forces by three to one. Therefore, we cannot remove the nuclear protection while leaving the European continent at the mercy of an overdose of conventional power.

Europeans have vivid memories and know that the balance of power is the key to world peace in any generation. It was true yesterday, it is valid today, and will be valid tomorrow. That is why this debate is taking place in the House today and why my House Leader emphasized that it is a sad day for Parliament when a Minister of the Crown stands up to say that this is a trivial debate.

After the Government released its White Paper on defence, the Prime Minister and Ministers of the Crown have travelled throughout Canada and the world praising the Government for its efforts on behalf of NATO and defence in Canada. Yet the Conservative White Paper on defence released on June 5, 1987, is one of the biggest political ploys ever perpetrated on Canadians. It gives the impression that the Tory Government will do more for defence than has ever been done before when, in fact, it promises less growth than the Canadian forces have seen in years.

The defence White Paper is to be sold to Canadians like a new product line, with fancy wrapping accompanied by familiar Tory rhetoric. "Honour the commitment" was a great slogan of the Tories during the last election campaign and is still used to make sure that the Tory rhetoric on Canadian defence is driven home. Indeed, it seems that the Minister of National Defence (Mr. Beatty) is honing his skills as a super-salesman. I will give him credit for being a super-salesman, who can make a 50-cent piece look like a dollar. He has planned his salesmanship job of the White Paper so well that even the experts tend to believe him.

The Minister of National Defence has used two major ploys to make his White Paper look like big news. He has highlighted his intention to purchase 10 or 12 nuclear-powered submarines and has lumped 15 years of defence budgets together, totalling $183 billion, which is a 2 per cent real increase in spending per year.

This has been done to create a positive impression about the Tory commitment to defence. Some people are already confused because they believe the Government is spending $183 billion on submarines.

Let us carefully examine some of these statements and compare them with what the Conservative Government has promised and actually done for defence since taking office. First, during the last election campaign, the Conservatives promised a 6 per cent annual real growth in defence spending. They have been trying to evade that promise ever since, and during their first three years in office only once exceeded over one per cent in real growth. As a matter of fact, in the 1985-86 fiscal year the Government did not even meet the rate of inflation, which resulted in a 0.7 per cent loss in the real growth of purchasing power of the Department of National Defence.

When campaigning in New Brunswick in August, 1984, the Prime Minister stated that a Conservative Government would increase the regular personnel in the Canadian Armed Forces to 90,000 within three years. His three years were up last September and the numbers in the Armed Forces according to the Defence Department's own White Paper stood at 84,600. No promise has been kept or even seriously addressed.

When the Prime Minister was overseas he stated to the troops at Lahr, West Germany:

> Since our Government took office in 1984 we have increased the Armed Forces strength to 86,000, with a target of 90,000 by the next century.

However, during the last election campaign he said in New Brunswick that there will be 90,000 in the Armed Forces by September, 1987. It is that kind of rhetoric and inaccuracy to which I am referring.

He went on to say in West Germany on March 1:

> We have also made a commitment to increase defence spending significantly each year for the next 15 years, while most other government programs are being contained or reduced in real terms.
>
> In the coming fiscal year alone, we will spend $11.2 billion on defence, an increase of more than 6 per cent over this year.

The Prime Minister forgot to deduct the 4 per cent inflation rate from that. We know from the Estimates that were tabled in the House last week that the real increase in defence this year is 2.1 per cent. Why did he not tell those 2,000 troops the facts instead of putting them in such unrealistic terms?

Let us seriously look at some of the statements the Government has been making. Let us talk, first, about equipment. When the Conservatives came to office they tried to claim all previous Liberal initiatives for purchases of equipment as if those purchases were their own. Erik Nielsen even froze many ongoing activities while he was completing his so-called government program review. Later the Conservative Government re-announced these initiatives as if they were Tory initiatives, but they had been announced by the previous Liberal Government.

• (1030)

Since coming to office the Conservatives have more or less left unaltered the basic plan regarding equipment modernization and new acquisitions put in place by the Liberal Government after 1975, and vigorously pursued in the early 1980s. This plan included projects all initiated by the Liberal Government. With respect to the navy, there was the Canadian Patrol Frigate Program, three batches of six totalling 18 new ships. The decision to move ahead with this program was made by the Liberal Government in 1983.

The Minister of National Defence in his White Paper cut back from 18 ships to 12 ships to help pay for the nuclear-powered submarines. The Tribal Class update modernization project involves upgrading and maintenance work on our four newest ships. That decision was made in 1983 under a Liberal Government.

With respect to the destroyer life extension project, a background information document on the Canadian Patrol Frigate Program, published by the Liberal Government in June of 1983, states:

> The Destroyer Life Extension Program has already begun and encompasses 54 separate projects designed to ensure that 16 steam driven destroyers maintain an acceptable level of operability and combat capability until the arrival of new frigate replacements.

The Sea King helicopter replacement program and submarine replacement program were under discussion as early as the 1980s. With respect to the air force, the C-18 fighter aircraft, a contract to purchase 138 planes was signed in 1980. Delivery started at two planes per month in 1982 under a Liberal Government. The last delivery will take place in late 1988. I would like to read an excerpt from the *Toronto Star* which talks about the Prime Minister:

> His 20 minute speech was preceded by two hours of colourful photo opportunities for television cameras, during which Mulroney watched infantry troops perform military manoeuvres with blank ammunition.
>
> He later posed with a CF-18 fighter plane and a Leopard tank.

Can you not see, Mr. Speaker, in the next election campaign the Prime Minister of Canada, with the television cameras rolling, standing beside a CF-18 aircraft, the contract for which was signed and delivery begun under a Liberal Government? Again the Tory Government is trying to take credit for the whole operation.

The 18 long-range patrol aircraft, the CF-140 Aurora, were acquired in the late 1970s and are at the leading edge of surveillance technology. They have been instrumental in sovereignty missions in the North and along our coasts. They are considered to be the best anti-submarine warfare aircraft in the world. They were purchased by a Liberal Government.

A space based satellite surveillance project was authorized in the early 1980s. The North Warning System modernization program, about which the Government is making so much fuss, was to replace the DEW Line. Negotiations with the United States were authorized by the previous Liberal Government in 1983 and were 90 per cent completed before the Conservatives even took office.

Again I refer to the Prime Minister not only posing with a C-18 aircraft, but he is also posing with a Leopard tank. The Leopard tanks were purchased by a Liberal Government in 1976.

In 1980-81 there was 4 per cent real growth in defence under a Liberal Government. There was 7.5 per cent real growth in defence in 1981-82 under a Liberal Government. There was 6 per cent real growth in defence in 1982-83, 9.2 per cent real growth in 1983-84, and 8.9 per cent real growth in 1984-85. Under the Conservative Government, by comparison, in 1985-86, its first Budget, there was a 0.7 per cent loss in defence purchasing power which did not even cover inflation, a 2.75 per cent increase in 1986-87, and its projected growth in 1987-88 is around 1 per cent or a little better.

The Government is making all kinds of promises with respect to the reserves. The fact is that it has neglected the reserves. I would like to quote from an article in the Winnipeg *Free Press* on January 23, 1988 which quotes the Minister of Defence as stating:

> We intend to see these citizens—soldiers, sailors and aviators—receive the recognition they deserve and we will give them a priority they have not had for several decades.

The article continues:

> Evidence of this new priority was received by reserve units in Winnipeg this week. They have been told that in the coming year they will have to get by with 12.5 per cent less training time than they had this year.

Other units have had their training time cut in half. This is the real emphasis the Tory Government is putting on the reserves. The increase in the reserve budget this year was about 3.5 per cent. The inflation rate is running at 4 per cent. The inflation cost is not even being met. That is why there is not enough money and the training time for the reserves must be reduced, and this is after giving them all these promises.

The present Minister of Consumer and Corporate Affairs (Mr. Andre) rose in the House one day when he was the Associate Minister of National Defence and stated that the Budgets of the Hon. Marc Lalonde back in 1983-84 projected a decline in defence spending. I have the Estimates before me and they say, about the commitment of the Liberal Government in the Budget of the Hon. Marc Lalonde in 1984, that if that Government had remained in office it would have been spending as much in defence last year as the Conservatives are this year, and last year it was $800 million below the projections in the Hon. Marc Lalonde's Budget.

Let us get rid of this rhetoric that the Liberals have done nothing for defence and that the Tories are doing everything. The Tories since taking office have been trying to take credit for all our programs as they come on stream. The Prime Minister goes to a military base and has his picture taken with the troops beside the equipment which was purchased under a Liberal Government, and Canadians will see this in the next election campaign. They will see that tape rolling.

I simply want to say in conclusion that the Liberal Party supports NATO. We support security and support all efforts for peace and disarmament which NATO is all about. Instead of using the rhetoric that it is doing things which it is not in fact doing, the Government should get on with it and do what the Liberals did in the late 1970s and early 1980s and increase its budget for defence.

The Acting Speaker (Mr. Paproski): Questions and comments.

Mr. Blackburn (Brant): Mr. Speaker, I will be speaking later on today in this debate, but I thought I should comment because after listening to my friend who just sat down I am totally confused. I do not think he has read his own motion, to begin with. In the first place, a motion of this kind really should be put forward by an external affairs critic, because it is major external policy, not a former defence critic. However, that is not the important thing. The important thing is that the Member has in his motion a pivotal clause dealing with arms control and disarmament and all he has talked about throughout his entire 20 minute speech is the inadequacy of the Government in not promoting arms, in not buying more tanks, more ships, more planes, and not pursuing a more aggressive policy in acquiring greater assets for defence.

• (1040)

I find this totally inconsistent with the motion as well as with the mood and the tone of the international regimen at this time, even between the two superpowers in efforts to bring some sanity back into militarism or arms control and to try to get across some limitations and reductions in both nuclear and conventional weapons in order to bring down the intensity that has existed in the world for so many years. Here we have a former defence critic of the Liberal Party saying that Canada is not doing enough to acquire more arms, more guns, more tanks, more planes and so on.

I fail to see any logic at all in the Hon. Member's speech. I say that with due respect. It is patently obvious that the Hon. Member did not study his own motion.

Mr. Hopkins: Mr. Speaker, I can understand why the Hon. Member for Brant (Mr. Blackburn) is upset. We all know where his Party stands with regard to NATO. He totally overlooked the fact that I very clearly said, and I will repeat it again for his benefit, that the balance of power in the world is the key to world peace. That is what NATO is all about.

I also stated, something which the Hon. Member obviously did not hear, that there are areas in conventional arms in which the Soviet Union or the Warsaw Pact bloc outnumbers the NATO forces by three to one. How can the Hon. Member

stand here today and say that it is not important for NATO countries such as Canada to continue to modernize our forces the way we have been doing over a number of years or that we continue to train first-class people in the Armed Forces today? That is part of the balance of power in the world. That is part of the balance of power that will maintain world peace.

I also stated, something which the Hon. Member obviously did not catch, that if it had not been for the determination and cohesiveness of the NATO alliance in the late 1970s and the early 1980s when it wanted to upgrade its missiles in Europe we would not have had the recent signing of the agreement in Washington to downgrade the number of nuclear missiles in the world today. That is the key.

The Hon. Member for Brant can get up and make all the excuses he likes for the New Democratic Party. He may have to make a few more yet, for all we know. But the fact remains that Remembrance Day is not something that we think about on November 11 alone. It is the duty of every Member of Parliament and of every Canadian to think of every day of the year as a remembrance day. It is our duty to try to prevent another war, not to sit back looking weak. Wars begin when one bully gets strong and decides he can take on everyone else. That is why it is important that we have this motion today. The Hon. Member may interpret it as he likes. That is the guts of world peace. That is the purpose of this important discussion in the House of Commons.

I say bravo to anyone who is willing to work toward maintaining a balance of power in the world. By doing that we are in fact supporting world peace and the prevention of another world war, something which none of us want to see. It cannot be done by sitting back looking pansy-eyed and not looking after one's own backyard.

Let me say that my speech was totally related to the subject at large. It cannot be carried out if we do not have the budget commitment. We will not do it if we do not upgrade our Armed Forces. If we are to say today, "Well, it looks as if everyone is getting nice and friendly", we want to promote that. There is no doubt about it. That would be what the Right Hon. Lester B. Pearson would have wanted us to do. He was one of the greatest diplomats the country has seen in a long time. He was one of those who worked on the founding of NATO. Surely, he would be in favour of this debate in the House today. He would also be in favour of a Liberal standing up in the House today talking about a balance of power in the world while at the same time being vigilant. That is the message that must get across.

When the Prime Minister gets up to say that he will do more and do great things for the forces, then he should do them. But on the basis of the figures that I put on the record today he should not go around saying that the previous Government did not do anything. If we had not increased the budget dramatically in the early 1980s, this Government would have had peanuts to work with today in the form of a budget. It has not even kept its own commitment. It has not put the 6 per cent in. Indeed, in its first year in power it put in less than the rate of inflation. It put in very little last year, and there was $800 million less than the projected figure in Marc Lalonde's Liberal Budget of 1984.

To my New Democratic friend I say, with the greatest respect, let us relate to the facts of life. Let us say that these things do relate to NATO and to international affairs. They do relate to the future safety of the world.

Mr. Blackburn (Brant): Mr. Speaker, I have just one supplementary question to ask of the Hon. Member. Following along with the Hon. Member's logic, the only question I have to ask is this. If his Government had done so much in the area of defence, then why is it that it allowed the Canadian navy virtually to rust out so that successive Governments, including the present one, and after that the next Government, if we are to retain a navy, will have to spend literally hundreds of millions of dollars to bring the navy into the 1980s, let alone the 1990s or the year 2000? That was one of the major points, although I do not agree that we should be spending billions of dollars on nuclear-propelled ships, and neither does my Party. I think it would logically follow from the Liberals position that they actually should be supporting the nuclear submarine program if they are so gung-ho to bring the navy up to NATO standards. There is an inconsistency there. On the one hand the Liberals allowed the old navy to rust out, while on the other they refused to accept the fact that in military terms, to go along with the major NATO powers, France, the United Kingdom and the United States, one would think that the Hon. Member would be advocating that his Party should support nuclear submarines.

The Acting Speaker (Mr. Paproski): The Hon. Member for Renfrew—Nipissing—Pembroke has one minute in which to answer the question.

Mr. Hopkins: Mr. Speaker, again the Hon. Member is saying at the same time that he does not support the spending of money on defence—

Mr. Blackburn (Brant): I did not say that at all.

Mr. Hopkins: —and at the same time he is asking why the Liberals did not spend more money. I have outlined our budgets here in very clear terms and in clear-cut percentages. The increases are there to see. I outlined the programs that were introduced for the upgrading of the navy and for the Government of the day to bring on program 18 frigates. The present Government has cut that back to 12 to help pay for its nuclear-powered submarines. I simply say to the Hon. Member that I think he is paranoid in the position of his own Party on NATO. I can understand that.

I just want to say again that the Liberals are the ones who put the budget in place today that is really propping up the Government. It did not put the commitment into that budget as it said it would during the last election campaign.

I read this morning the speech the Prime Minister made overseas to the troops. It was rather interesting. He too has been naming programs and giving the Government credit for actual equipment and programs that were introduced by a Liberal Government.

In conclusion I say to the Hon. Member for Brant that the Liberal Party is the Party that brought the defence budget to the point it is at today. We will continue to support NATO very strongly. We will continue a program of upgrading our conventional arms.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. The Associate Minister of National Defence (Mr. Dick) on debate.

• (1050)

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, I listened intently to the first speaker, the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins). I also listened intently to the comments of my colleague, the Hon. Member for Brant (Mr. Blackburn). I find that I have to agree with some of his first comments.

I read the motion we are looking at today and it talks about the House recognizing "the pivotal role that NATO continues to play in mutual security and defence and in furthering progress in arms control and disarmament and, therefore, reaffirms its commitment to continued Canadian participation in and active support for the North Atlantic Treaty Organization as a primary instrument of Canadian defence policy".

In the House of Commons sometimes we engage in fractious partisan debate which becomes quite unseemly. On other occasions it seems to me that the House of Commons rises above that and talks about some very important principles in this world; it talks about peace, disarmament, and what we should do in a philosophical way for defence and maintaining our sovereignty and security.

After reading this motion I was utterly astounded to realize that the Member who proposed it did not want to talk about the motion at all. He only wanted to do a lambasting of the Government and promoting of what he thought the Liberal Party was supposed to have done many years before, rah-rah, hoorah-hoorah! He has denigrated the significance of this important motion that we have before us today.

Quite frankly, I did not readily come prepared to talk on defence of the Government's spending Estimates and Budget versus what the Liberals thought they were doing over the last number of years. But I am quite prepared to enter a debate like that at almost any time, because I think it is so obvious to all the people in the Armed Forces and to Canadians that finally we have a game plan to do something with defence in this country. I came prepared to discuss and debate what the motion said, which is arms control and disarmament, and NATO playing a pivotal role in our security and playing a role in peace in this country. I am very depressed and upset at the rather partisan, ridiculous, and hypocritical approach taken by the Liberals in talking about the topic that they introduced.

When I first came in here there was a question on a point of order on whether or not we should support the motion. Sometimes there are differences even within a Party. We had a procedural problem facing a practical problem. I would like to support the motion, and in fact I would support the motion if somebody talked to the motion.

But I am very happy to vote against the motion after having heard the speech of the Hon. Member for Renfrew—Nipissing—Pembroke because he never spoke about the motion at all. I have no intention of supporting what he has put up as a cloud, a camouflage, or a smoke-screen for attacking the Government. If the Hon. Member sincerely meant what he stated in his motion, his speech would have been entirely different. The House is somewhat of a lesser place because he has not been able to do so.

I wish to quote the first and opening paragraph of the treaty of the North Atlantic Treaty Organization as adopted on April 4, 1949 in Washington. It states:

> The Parties to this Treaty reaffirm their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all Governments.
>
> They are determined to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law.
>
> They seek to promote stability and well-being in the North Atlantic area.
>
> They are resolved to unite their efforts for collective defence for the preservation of peace and security.
>
> They therefore agree to this North Atlantic Treaty:

There are a number of articles listed thereunder.

At the time this alliance was founded, the then Prime Minister, Louis St. Laurent, stated, "This treaty is to be far more than an old-fashioned military alliance. It is based on the common belief of the North Atlantic nations and the values and virtues of our civilization". That, Mr. Speaker, is still the view that Canadians hold and which successive Governments have held, some more strongly than others, since 1949.

The voices that cry out for the withdrawal from NATO on the grounds that Europe is now rich enough to look after itself, and that memberships in alliances inhibit our freedom of action in searching for peace, carry the wrong message about Canada to our allies, friends, and those countries which have a common heritage and a common free democratic society philosophy such as we are ourselves. NATO is much more a political than it is a military alliance. Many people do not realize this, but it was created under the authority of Article 51 of the United Nations whereby NATO was set up, and that opening paragraph which I quoted makes reference to contributing to the maintenance of peace by making clear its determination to exercise the right of individual or collective self-defence. That is a quote from Article 51 of the UN Charter. The North Atlantic Treaty Organization is embodied

and we are given permission by the UN body to set up the North Atlantic Treaty Organization.

I know this will sound a little like cold war rhetoric, and I do not wish it to sound that way, but why did we go into NATO? One historian has stated that you have to understand and believe your history, otherwise you are about to repeat it. For the sake of going through it, let me record that there were a group of forces in the world of countries which did not concur in our free democratic philosophy and the way that we would like to run our society and our country. Of course, that group has been headed by a country referred to as Russia or the Union of Soviet Socialist Republics. Let us look at the record that it has. We could start back in 1939-40. It invaded Finland, Latvia, Lithuania, Estonia. It moved into the Balkans and into its sphere of influence. It moved into Czechoslovakia and took it over, and it moved into Germany. After that there was a pause, and perhaps everybody in the cold war was standing off and saying that that was the way it was going to be.

But Hungary tried to break away, so Russia ruthlessly came in and crushed it. Then Czechoslovakia had a breath of fresh air, and the Russians and their colleagues came in and ruthlessly crushed them. In more recent years, just to show that perhaps they have not always changed over the 50 years in which they have been using their muscle, they invaded Afghanistan, and now are involved heavily in Ethiopia, Angola, and Cuba. Over 50 years, Russia does not have a great record in which we can have a lot of faith or a reason for laying down our arms and believing that it wants peace.

Let us be honest. In the last two years there has been a breath of fresh air coming from the Russians. Their leader, Mr. Gorbachev, in his discussions about *glasnost* has given us pause and the thought that perhaps the leopard has changed its spots. Let us take a look at this new opportunity. That does not mean that we should immediately lay down our arms while we look and analyse. For example, Russia throws out certain things which may fool some people. For example, it wishes to have a peace zone in the Arctic. We have to look at the peace zone that it is proposing in the Arctic. It wants a peace zone in the Arctic which will cover the Canadian North, cover the Scandinavian countries, and will take away the nuclear deterrent submarines that the Americans have and make an area of peace in the North Atlantic up through Iceland and between Iceland and England. But let us take a look at Russia's side of the Arctic. If it truly wanted to have a zone of peace in the Arctic and denuclearize the Arctic, then it would have to move out all of its nuclear submarines which are stationed in its Arctic territory, if they are not down in Vladivostok or in the Pacific.

• (1100)

The Russians have a massive nuclear fleet in the Arctic Ocean, and they have not proposed to take it away. The most highly intensive, built-up nuclear and military area in the world is the Kola Peninsula, just up from Murmansk. They have not suggested that they will take away everything in that area.

May I call it eleven o'clock, Mr. Speaker, and continue at twelve o'clock.

Mr. Speaker: I thank the Hon. Minister.

It being eleven o'clock a.m., pursuant to Standing Order 19(4) the House will now proceed to Statements by Members pursuant to Standing Order 21.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

AEROSPACE

OPPORTUNITY TO ESTABLISH SPACE AGENCY IN MONTREAL

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, on Sunday, March 6, the federal Conservative caucus will meet in Ottawa.

I would like to ask my colleagues and friends in the Quebec caucus of the Progressive Conservative Party in Ottawa to convince the Government that it should make a decision now about the space agency and in accordance with the hopes of the entire population of Greater Montreal, declare Montreal "spatial"; and that it should make this decision, which is a very important one, not just for the sake of the economy of the City of Montreal but for that of the entire province.

* * *

[*English*]

HUMAN RIGHTS

LEGISLATIVE PROTECTION FOR UNBORN CHILDREN

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, the recent decision of the Supreme Court of Canada in the Morgentaler case has led to much debate on the abortion issue in Canada. However, far from vesting an unrestricted right to abortion, the decision provides the possibility for changes in the law more favourable to the preservation of foetal life. We, as parliamentarians, must now make grave decisions that will have a life or death impact on our unborn.

Science has confirmed that life begins at conception. A human being's genetic individuality remains unchanged from conception to death. The foetus is but the weakest stage of life. It is also the only time in our lives during which we now have no rights.

All who claim to be civilized and interested in human rights or civil liberties must be concerned with the arguments that allow the taking of life by abortion. What is the morally relevant distinction between the foetus before birth and a child

after birth, such that we say one has the right to life and the other does not?

We must therefore ensure that new legislation provides the most basic of rights, the right to life, for our unborn children.

* * *

TRANSPORT

RAIL LINE REHABILITATION

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, now that the Minister of branch-line abandonment, formally known as the Minister of Transport (Mr. Crosbie), has announced the 1988 Prairie Rail Line Rehabilitation Program, the farmers of Kelvington, Saskatchewan would like to know whether their rail line is eligible for the $20 million which was allocated but which the Minister has again withheld from this year's program.

Furthermore, I question why the Minister has proceeded with such a meagre program for 1988, when the viability of many farming communities is at stake. The Minister is rewriting the commitment to farm communities by refusing to fund the rehabilitation of lines which have already received formal, committed approval from the Government of Canada.

Instead, he has now put out a once in a lifetime trucking proposal, which is not a formal commitment on the part of the Government. It is simply a red herring to get people off the idea of having their lines rehabilitated. Indeed I think the Government has reached the end of the line with this kind of action.

* * *

FINANCE

LOWERING OF LOAN INTEREST RATES

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, it is high time that interest rates in Canada began to decline and decline on two fronts.

First, with inflation in Canada now stable and with our foreign exchange reserves ballooning, as indicated in today's paper, as speculators take advantage of the relatively high interest rates of the Bank of Canada, the Governor of the bank should be taking the opportunity to curb speculation and to assist business capital spending by lowering the central bank rate.

At the same time, after a record profit year in 1987 on their Canadian operations, Canadian chartered banks today again demonstrated strong profits, with the Bank of Commerce showing an increase of 35 per cent over last year. Consumers, too, should be benefiting from these increasing spreads by having banks lower their loan interest rates.

[*Translation*]

PUBLIC SERVICE

LANGUAGE PROFESSORS—REQUEST FOR RESUMPTION OF NEGOTIATIONS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, 700 language teachers in the Public Service have been without a contract at least since August 1986, and they now must resort to strikes to make the employer respect their rights acquired through collective bargaining.

These language teachers are now working the same number of hours as their counterparts in secondary schools. Like other teachers, they need time to prepare their classes and correct work. However, Treasury Board now wants the teachers to teach their classes without any preparation, for up to 37 hours a week.

Mr. Speaker, the Government should show its good faith and at least respect the teachers' existing rights.

I urge the President of the Treasury Board (Mr. Mazankowski) to go back to the bargaining table with a more reasonable offer, so as to end a labour conflict that has caused so much inconvenience, which is in fact his fault. If he refuses, Canadians will have to believe the Conservatives have yet to make a genuine commitment to federal bilingualism in Canada.

* * *

[*English*]

REGIONAL ECONOMIC DEVELOPMENT

WESTERN ECONOMIC DIVERSIFICATION DEPARTMENT—DELAY IN CREATION

Mr. William G. Lesick (Edmonton East): Mr. Speaker, the four western diversification offices have fielded over 40,000 calls and 2,000 business proposals and have met with 3,000 clients while funding 262 projects so far.

Last month in Edmonton the Minister announced a $9.5 million commitment to Daishowa Canada to help build a $500 million pulp mill which will utilize aspen trees, a never before used resource that abounds in northern Alberta. This mill alone will create 630 direct jobs and 1,200 indirect jobs when completed. In December the Minister committed $7.75 million to develop and construct an $18 million engineering facility in Edmonton.

I believe the soon to be created department of western economic diversification marks the first time a federal government Department has been established with headquarters outside Ottawa.

I urge the opposition to stop delaying the legislation any further and to let this important government initiative go forward quickly.

S.O. 21

THE ADMINISTRATION

CROWN CORPORATIONS—TABLING OF REPORTS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the Conservative Government claims to be able to manage the economy efficiently. Well, here is a good test.

The Deputy Prime Minister and President of Treasury Board (Mr. Mazankowski) has just tabled an overview of how well his Government met its reporting responsibilities for Crown corporations.

Last year there were 237 reports and documents which the Government was to table by set dates. In only 55 per cent of cases was the statutory deadline met. In 106 cases the Government blew it. In 20 cases, believe it or not, Mr. Speaker, by its own admission the Government failed to make its reports even by the end of 1987. In one case that included a report still overdue from 1986.

So much for the Government's competence.

* * *

[*Translation*]

WOMEN

SUCCESS OF TWELFTH REGIONAL ATOM HOCKEY TOURNAMENT

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, who says women cannot do as much as men? In my riding of La Prairie, and more specifically, in the City of Brossard, a regional Atom Hockey Tournament was held from February 20 to 28. Sixty-four teams from the area took part. As you know, Mr. Speaker, sport is a training ground for young people to learn friendship, discipline, how to participate and also how to compete.

It was a wonderful sight to see these 10-to-12-year-olds give everything they had to win the gold medal, like the Olympic gold medal in Calgary, and always in a spirit of friendship. Who knows, some of them may be future Olympic athletes!

Mr. Speaker, to get back to the women, a women's committee worked more than five months to make Brossard's twelfth tournament a success. Mr. Speaker, it was a success. Everything went off perfectly, even better than expected.

Mr. Speaker, I have nothing more to add except: Three cheers for the women!

• (1110)

[*English*]

FISHERIES

INDUSTRY STOPPAGE IN B.C.—GATT RULING

Mr. Jim Fulton (Skeena): Mr. Speaker, work in the B.C. fishing industry has been stopped today to protest the incompetence of the Minister of Fisheries and Oceans (Mr. Siddon) and the Minister for International Trade (Miss Carney). These two Ministers fail to protect the B.C. fishing industry before the GATT panel, which has made a preliminary ruling which could cost B.C. 7,500 fishing industry jobs.

The Progressive Conservatives combined with B.C.'s Social Credit are the lethal combination of gutlessness and sheer incompetence. Following the feeble and failing attempts before the GATT panel, the Tories bumbled again by signing in to the Mulroney-Reagan deal a guarantee to abide by GATT rulings, and then bumbled again by protecting all provincial fisheries regulations except for B.C., and then bumbled again by failing to negotiate forcefully with the U.S. to head off a ruling by GATT later this month.

It is clear now that the B.C. fishing industry deserves the support of working people across the country to counter the incompetence of the Minister of Fisheries who has placed a $750 million B.C. fishing industry at risk. It is time for some political will, an attribute sadly lacking in the Mulroney-Vander Zalm administrations. They have been caught trying to give away Canadian jobs. It is time for all Canadians to say no.

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BANKS AND BANKING

IMPOSITION OF SERVICE CHARGES

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, a constituent has brought to my attention another example of the petty fogging, self-serving, money grubbing personal service charges being imposed by our chartered banks. A year and a half ago he obtained a car loan from the Bank of Nova Scotia and agreed to make a monthly payment at any branch in the amount of $200.30.

A few weeks ago, at a branch of the Scotiabank at O'Connor Drive and St. Clair Avenue, Toronto, he was told that he could not make his payment in cash unless he also paid a $2 service charge to cover the cost of the receipt. My constituent points out that over the five year period of the loan he will have paid $3,164.72 in interest and reasonably believes that that should cover the cost of receipting.

Is it any wonder that the banks are losing credibility with the public? This service charge is contrary to the written agreement that the bank issued this customer when the loan

was arranged. It has been arbitrarily imposed, without notice, and for no clear and sufficient reason. It is no wonder that many Canadians believe that the banks are imposing these charges, not to pay for services rendered but to make up revenue losses incurred by the banks' own management mistakes. Overcharging the public is the basic reason for the profits they are claiming.

* * *

TRADE

CMHC LOWERING OF STANDARDS—PLYWOOD TARIFFS

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, I want to alert Canadians on yet another possible free trade cave-in by this Conservative Government.

A section of the Canada-U.S. free trade agreement calls for the Canada Mortgage and Housing Corporation to decide by March 15, 1988—which is next week—whether it will accept U.S. CD grade plywood for use in housing financed by CMHC. The agreement also calls for the complete phase-out of the plywood tariffs over the next 10 years. But the problem, Mr. Speaker, is that U.S. Congressmen demand that in order to phase out the tariff on plywood over the next 10 years, Canada must lower its standards to that of the United States.

At the present time, CMHC requires that plywood used in housing financed by CMHC to be grade CC, a higher grade than used by the U.S., which is CD grade. I can assure you that not one Canadian would want to see us lower our standard in order to please the U.S.

I urge the Minister responsible for housing to resist caving in under this obvious and unfair threat.

* * *

FREE TRADE

SUPPORT BY ONTARIO MINING ASSOCIATION

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, the Ontario Mining Association in a letter to me dated January 18, 1988 wishes to reiterate its support for the Canada-U.S. free trade agreement. The OMA represents some 40 producing mines located across Ontario. Canada-wide, the non-fuel minerals industry employed directly some 108,000 people in 1986 and exported about $10.6 billion worth of minerals to the U.S. markets. The letter concludes:

> We believe that a move to freer trade is to the benefit of our industry in Ontario and Canada.

In northern Ontario the mining industry has been built upon the ideals of free trade. The increased security of market access provided by the agreement in combination with increased profitability due to tariff elimination will generate new investment. New investment means more jobs and more secure jobs for the people of northern Ontario who already form 73 per cent of the province's mining industry jobs.

The Canada-U.S. trade agreement is a good one for northern Ontario, for Canadians and for the mining industry.

* * *

ENERGY

CHURCHILL FALLS HYDROELECTRIC PROJECT—RESOLUTION OF DISPUTE

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, on December 7, 1984, the Prime Minister (Mr. Mulroney) from Manicouagan offered to take a hand in settling the long-standing dispute between Newfoundland and Quebec over Churchill Falls. Again, on April 19, 1985, the Prime Minister said in the House of Commons:

> —I am working on draft terms of reference whereby the federal Government might properly involve itself in co-operation with the Government of Newfoundland and Labrador and the Government of Quebec—

In June, 1986, the Prime Minister said:

> The federal Government will consider how it might properly involve itself—

On August 28, 1986, Premier Peckford said he, the Prime Minister, said to me:

> —I'll be talking to Mr. Bourassa soon.

From 1984 to 1988 the Prime Minister has promised to do something about an important project in a province which will be running out of hydroelectricity by 1990. I call on him now to stop the rhetoric and actually do something to bring about this important hydroelectric project, which is not only important for my province, but for the whole country.

ORAL QUESTION PERIOD

[*English*]

THE ADMINISTRATION

COST OF LEGAL SERVICES—JEAN SIROIS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Deputy Prime Minister. It concerns the legal fees of the Prime Minister's friend, Mr. Jean Sirois, who was paid $400,000 for two cases that he worked on which have shocked the wits out of the Minister of Consumer and Corporate Affairs.

Yesterday in the House, the Minister of Justice said, concerning the Javelin case in particular, that Mr. Sirois had been paid for "services rendered", an answer quite different from that of the Government officials who could not even justify why Mr. Sirois was hired or even what work he did.

Given that in the Javelin case Mr. Sirois was appointed immediately prior to the case going to trial; given that the trial lasted 66 days and he was paid $195,000, a grand total of $3,000 a day, can the Deputy Prime Minister stand up in this House today and justify that kind of billing? Isn't this a bit much, even for a friend of the Prime Minister?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Javelin file, as I indicated, is a file which the Government has had ongoing for about two decades.

A trial took place but that decision is being appealed, and Mr. Sirois was one of the co-counsel. Mr. Sirois is with a 22 person law firm with offices in Quebec City and Montreal. He performed legal services for the Government in respect to that file. I understand most of the work has now been completed in terms of the appeal, but as long as that case remains outstanding the Government will require legal counsel to represent its interests.

Mr. Boudria: That answer, of course, has nothing to do with the question I asked, Mr. Speaker.

[*Translation*]

DEMAND FOR IMMEDIATE RESIGNATION OF JEAN SIROIS

Mr. Don Boudria (Glengarry—Prescott—Russell): My supplementary is directed to the Minister of Communications and is further to yesterday's report on Radio-Canada that the Minister would recommend against renewing Mr. Jean Sirois's mandate next April as President of Telefilm. Could the Minister explain to the House why, if Mr. Sirois is considered to be incompetent as of April 15, he is still competent today? In other words, why not ask for Mr. Sirois' resignation today? Why wait until spring? Let him resign now!

[*English*]

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, Mr. Sirois was appointed chairman of Telefilm Canada in the spring of 1986 to complete the term of Mr. Ed Prevost who was the chairman until that time. The time expires in April this year.

Our first priority will be to see that there is a new executive director, a new chief executive officer in place. I expect that announcement will be made shortly.

• (1120)

I would also say, given the difficulties Telefilm has experienced in recent months and the fact that new management procedures and cash flow procedures have been put in place, it would be advisable to ensure that there is a new management team as well. In that light, all appointments to Telefilm will be reviewed.

REQUEST FOR TABLING OF DOCUMENTS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I think the Deputy Prime Minister will agree that we need answers and we need them now. We need to know why the Prime Minister's friend, Progressive Conservative organizer, organizer for the Minister of Communications when she ran for the leadership, and general Tory bagman received that kind of money. We need to know why $195,000 was necessary—

Mr. Speaker: I am sure the Hon. Member has a question and I am sure he wants to put it.

Mr. Boudria: Will the Deputy Prime Minister table in this House today a detailed list of all fees paid to Mr. Jean Sirois, not only as a Director of Telefilm, not only his expense account, but the legal fees and any other gifts and assorted moneys the Conservatives gave to this friend of the Prime Minister? Will he do that today?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I understand that information is already in the Public Accounts of Canada.

Mr. Hnatyshyn: Do you know what those are, Boudria?

Mr. Mazankowski: It is a red and white book and the Hon. Member may want to interest himself in that.

We have a specialist here in running high accounts. The Hon. Member, when he was in the provincial legislature, was a top traveller, top spender, spending $89,000. He is a spender.

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INDIAN AFFAIRS

LUBICON LAKE INDIAN BAND LAND CLAIM—TRANSFER OF LAND

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I direct my question to the Deputy Prime Minister. The offer made yesterday to the Lubicon Indian Band is based on the band's population as of 1940. Of course, that population is much larger today. In fact, the land offered is only one-third of that claimed by the band. Yesterday's offer was described by the Minister as an interim offer, and Chief Ominayak said that no interim reserve is acceptable unless a process is clearly established to reach a final settlement.

What assurances did Canada seek and obtain from the Province of Alberta that when negotiations have been successfully completed and additional land is to be given to the Lubicon Indian Band, that the province will in fact transfer that land? Will they do that or will it still be necessary for Canada to take the province to court in order to acquire that additional land?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, what has to be realized is that this is an important step in the resolution of

this important issue concerning the Lubicon Indian Band land claim. The setting up of this reserve and transfer of land by the province is an indication of the willingness of both Canada and Alberta to deal with the issue. What is important is that this transfer of land will be made without prejudice to the position of the parties involved. It does not affect the right of the band to seek additional reserve lands through negotiations or court action.

All we can say is that we are hopeful, this important step having been taken, we will be able to resolve the whole issue through negotiations.

Mr. Penner: I listened carefully to the answer and it lacked clarity. I gather somewhere in there is a yes, Alberta is prepared to give up additional land when a final negotiation process has been completed.

USE OF HON. E. DAVIE FULTON AS MEDIATOR

Mr. Keith Penner (Cochrane—Superior): My supplementary question deals with the negotiation process. Is the Government of Canada now prepared to use the Hon. E. Davie Fulton as a mediator, as requested by the band and as the Standing Committee on Aboriginal Affairs and Northern Development recommended to the House?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I indicated that the willingness of the Province of Alberta to transfer this amount of land for the reserve is an indication of the position of the province which also wants this resolved. The question of what number of further acres or square miles could result will come out of the negotiating process.

With respect to the latter part of his question concerning the mediator, the Minister of Indian Affairs and Northern Development has on many occasions indicated the position of Canada in that regard. We have indicated to the band and all parties involved many times that we were ready to use the conclusions of Mr. Fulton's report as a basis for negotiations. Because Mr. Fulton already made certain findings and has indicated his position, we do not feel that he can act as a mediator. It would be tantamount to having one of the parties choose not only the jury but the judge and the parties at the same table. We will not go in that direction.

* * *

EXTERNAL AFFAIRS

IMPOSITION OF BAN ON MEDIA IN THE WEST BANK

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The Government called in the Israeli Ambassador to indicate Canada's deep concern about the imposition of a ban on the press in the occupied territory. Was the Ambassador also told that shooting the messenger will only kill the momentum that the international press has provided, and that the only real prospect of a solution resides in effective negotiations as could, for example, occur in an international peace conference on the Middle East?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as has been reported in the media, on my instructions a senior official of the Department of External Affairs yesterday had discussions with the Israeli Ambassador to Canada. We reviewed Canada's concerns about events in the West Bank. We certainly did make the point that what is needed now is not to stop the media but to stop the beatings.

U.S. PROPOSAL—CANADA'S POSITION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, we would like to get a little clearer indication of what precisely is the Canadian position with respect to negotiations in the Middle East.

Is it Canada's position that it supports the American proposal as advocated by Secretary of State Shultz, or do we have our own unique position, or do we have any objection or any concerns about the proposal that we would like to set on the record now?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we are very encouraged by the initiative taken by U.S. Secretary of State Shultz, both because it holds the prospect of some movement and because he is, as the House knows, very well and widely regarded, both individually and officially, in that region.

Secretary Shultz took the opportunity during a meeting of NATO foreign Ministers two days ago to brief his allies as to what was developing in that region and what he hoped to accomplish. As the House will know, I was unable to make that trip and Canada was represented at that meeting by my colleague, the Minister of National Defence. Mr. Shultz is returning to the region with the support and encouragement of Canada, and if there are steps we can take that will make his activities more effective, certainly we will take them.

We are not planning at this stage some independent venture because we think it is important that there be encouragement to take seriously the very serious and important initiative undertaken by the American Secretary of State.

• (1130)

PALESTINIAN REPRESENTATION AT NEGOTIATION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, you would be aware of certain actions taken by the United States *vis-à-vis* the United Nations which have caused considerable concern. You will be aware also that Mr. Shultz has been unable to meet with Palestinian representatives. This raises a question to which an answer from the Government is extremely important.

Does the Government not agree that there cannot be any possible prospect for successful negotiations unless we agree that the Palestinians must be represented by those whom the Palestinians in the occupied territory consider to be their legitimate representatives?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, of course the Palestinians must be represented. There can be no question about that. Of course there must be a willingness on the part of the two sides directly involved in this conflict. Those two sides are, on the one hand, the Government of Israel and, on the other hand, the Palestinians.

What is being sought now is a practical means by which those groups can be brought together and some practical steps which they can take together to end the situation which is deeply rooted and is now expressing itself in violence and activities, which I think are condemned and regretted by the vast majority of opinion in Canada and throughout most of the free world.

If the Hon. Member is asking me to make a commitment now, either to some kind of independent freelance activity by Canada or to the particular form of an international conference which might preclude other things occurring, I will not make that commitment at this stage. There is a very important process underway which holds a slightly better prospect of success than recent activities have yielded. We want to encourage that process to move toward success.

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[*Translation*]

UNEMPLOYMENT INSURANCE

OPPORTUNITY TO AMEND ACT—GOVERNMENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Recently here in the House, everyone applauded the Minister's announcement that he would change the rules to give a widower, whose wife died leaving him with a very young baby, a chance to receive unemployment insurance benefits. This case has been dragging on for several weeks, and now the Minister claims there are problems with the Charter and that there may be a problem about introducing amendments. Why did the Minister make this promise in the House, on television, before all Canadians, if he is not ready to table a Bill today?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, my decision was the only one that could be made. However, when drafting a Bill, I think there are a number of points that must be considered, and if the Hon. Member would like further details, I suggest she consult with her Party's critic. I discussed the matter with him yesterday.

[*English*]

EXTENSION OF UNEMPLOYMENT INSURANCE MATERNITY BENEFITS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have discussed it with my colleague and I have discussed it with the Minister. Last week he told me that it was going to be brought into the House this week. This is Friday and we are still waiting.

Why will the Minister not accept the recommendation of my colleague and the all-Party committee which said that we should look at changes to the Unemployment Insurance Act so that other cases such as those of at least two women who are unable to collect benefits because their babies were born prematurely and they did not get out of the hospital until after the 17-week period had expired?

Why did the Minister not take our advice and reopen the unemployment insurance regulations so that we could consider all of these important issues instead of making a promise on which he is now not prepared to deliver?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member is talking about the UI Act which is another question. I said that we would move on Mr. McInnis' case. Yesterday the Member distorted the truth on the radio. I told her yesterday morning that we were in the process of dealing with that case.

Ms. Copps: Well, do it.

Mr. Bouchard: She said that my colleague told her that the file was dead. That is absolutely untrue.

The Member is trying to deal with all issues in the House. If she would deal with her own issues it would be much better for everyone.

* * *

HUMAN RIGHTS

SUPPORT FOR PROPOSED ABORIGINAL TREATY—LEGAL STATUS

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Right Hon. Secretary of State for External Affairs. As the Minister knows, Canada has many treaties with the aboriginal first nations of this country. The Minister knows that the plight of many aboriginal peoples in Canada is tragic, as is that of the Lubicon Band. He also knows that many indigenous peoples around the world are under extreme pressures.

For these reasons I would like to know whether the Minister will support the proposed evaluation by a subcommittee of the United Nations Human Rights Commission of the legal status of treaties between aboriginal groups in Canada and aboriginal groups and other governments around the world.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think the controversy in Geneva, more precisely, the controversy in this Chamber about the discussions in Geneva, has inadvertently been a little misunderstood. Canada is trying in Geneva to ensure that the legitimate questions relating to agreements affecting indigenous people apply to all the indigenous people of the world, not only those indigenous people who happen to have a treaty relation with the government of their country.

In other words, Canada is seeking a broader mandate for the UN Commission, not a narrow one. The mandate which is being proposed, which was raised by my good friend, the Member for Cochrane—Superior, when I was unfortunately absent earlier in the week, is a mandate which would not only confine that study to countries like Canada where there are treaty arrangements, but would also have the effect of confining it to only some of the relations between aboriginal and other Canadians in this country. We are looking for, working for, and arguing for a broader mandate for the United Nations.

RECOGNITION OF ABORIGINAL PEOPLES RIGHTS—CANADIAN REVIEW

Mr. Jim Fulton (Skeena): Mr. Speaker, I would dearly love to believe the sincerity with which the Minister has delivered his response, but the facts are quite different. That which he and his officials are arguing in Geneva is quite different. I have the documents here. The Minister knows that his own officials are arguing that there are not any treaties of Canada between Canada and the first nations of this country.

Very specifically, why will the Minister and his Government not stand up at the international level and defend what is in Canada's Constitution under Section 35 which states that the treaty rights of aboriginal people of Canada are hereby recognized and affirmed?

Why does the Government not argue in Geneva to the ILO on Convention 107; why does the government not argue in relation to the UN subcommittee that there are treaties in Canada and that they do need to be reviewed because aboriginal people in Canada are being treated damn badly by the Minister and his Government?

Right Hon. Joe Clark (Secretary of State for External Affairs): Two quick things, Mr. Speaker. I suppose that when you do not have a case you argue it more strongly, as the Hon. Member has just done.

Mr. Fulton: I have one. You put it before Geneva, Joe.

Mr. Clark (Yellowhead): Second, the Member said that he would dearly love to accept my sincerity. He knows the rules of the House. He is obliged to accept my sincerity as I am obliged to accept his, and I do that.

In the United Nations and elsewhere we are seeking to ensure that the activities which are undertaken by that commission apply to the range of relations between aboriginal people and their Governments—not limited in Canada, not limited to Canada.

* * *

EXTERNAL AFFAIRS

SIKH ORGANIZATIONS IN CANADA—MINISTER'S LETTER

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs and concerns his insensitive and irresponsible letter regarding three Sikh organizations in Canada.

I would like to remind the Minister of a statement he made in December, 1985. He stated, "I have no quarrel with those in Canada who hold different views than those of the Government of India".

If that is the case, and if the Minister was sincere when he made that statement two years ago, why has he blackballed three Sikh organizations in Canada? Why has he tarnished every member of those organizations, and why has he tarnished the entire Sikh community in Canada? Will he now take the opportunity and apologize to those people?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, my position is very clear. I stated it again yesterday in the House. I tabled the correspondence. My position is understood and supported by reasonable people, including the Liberal Premier of Ontario.

My remarks were very specific as to three organizations which have aims, with which I think the Hon. Member would not want to be associated, and to the fact that some of the Members of those organizations are involved in or counsel activities of violence, with which the Hon. Member would not want to be associated and to which he would not want to lend the authority that comes to him, not necessarily in his personal capacity, but in his capacity as a Member of Parliament. We have some duties in this House and the Hon. Member should understand that.

• (1140)

ALLEGED INVOLVEMENT OF SIKHS IN CRIMINAL ACTIVITY IN CANADA

Mr. John Nunziata (York South—Weston): Mr. Speaker, the implications of the Minister's comments and the Minister's letter are very serious. He is accusing members of those organizations of involving themselves in violent, criminal activity in Canada.

If he has evidence to that effect, that the people which belong to these organizations are involved in criminal activity in Canada, why does he not do the responsible thing and charge these people, prosecute them, rather than tarnishing the entire Sikh community in Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, an elemental rule of the House is that if Members want to put serious questions they should not misquote the people to whom they are referring. The Hon. Member has just misquoted me. He said that I made some kind of blanket representation regarding all the members of those organizations. I trust that he can read. Let him read the letter.

The letter says that some of the members of those organizations have been involved in or have counselled violence. That is the case.

I think it would be most unfortunate if a Member of Parliament of this House, for momentary celebrity or for partisan reasons, associated himself or herself with activities which encouraged or appeared to condone acts of violence.

Some Hon. Members: Hear, hear!

* * *

TAXATION

TAX REFORM—SIMPLIFICATION OF RETURNS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Minister of Finance. He will know that he and his Government promised the people of Canada that he would simplify the tax system and simplify the tax returns that people are expected to fill out. I am holding a 1962 tax return which is a single sheet of 8-1/2 by 11 paper. This year's tax return which I am holding is pages, pages and pages long.

When does the Minister plan to keep his promise to Canadians to actually simplify the tax return?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member should check the tax rates on that single sheet of paper. He will see that the tax rates will be quite a bit lower this year than they were then as well.

There is no question that the world in which we live has become more complex and that is one of the reasons why previous governments have increased the size of the tax return. We have not increased the size of the tax return.

I would also make the point that a very large percentage of Canadians do not fill out the tax return to which the Hon. Member has just referred. They have a form that is four pages long. Half of the first page is taken up by personal information related to name, address and so on. The third page may not refer to the people using the tax return; so we can be moved to excess in the way we describe the complexity of the tax system. If he checks the short form, I think he will find that it is a simple form of tax return to fill out.

TAX GUIDE—SIMPLIFICATION OF 1988 RETURN

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, this year's total personal tax package contains a 42-page tax guide with schedules, a 22-page information leaflet, 32 pages of additional forms, 10 pages of information circulars, as well as 34 interpretation bulletins. I also have a draft tax return for 1988 which Canadians will presumably fill out a year from now. When one adds the pages, it is actually greater than this year's form.

The Minister made a promise to the people of Canada that he would simplify the tax system and simplify the tax forms that Canadians would fill out. The tax return for next year will be more lengthy than this year's, which is eight pages compared to a single sheet in 1962. When will he keep the promise that he and his Government made to the people of Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think this question might be more appropriately put to my colleague, the Minister of National Revenue, because it is under his good work that the tax guide has been much more understandable. Tax tips and tax suggestions are made so that when people are filling out their tax returns and referring to the tax guide they can have direct guidance as to how they can work their way through the tax system itself.

We have made a number of changes, since we came to office, which have reduced the complexity of the tax system and have helped small businesses. The change related to—I do not think the Hon. Member wants to listen to the answer.

Mr. McCurdy: It is longer than the guide.

Mr. Wilson (Etobicoke Centre): He has asked a question that is of concern to Canadians.

Mr. Riis: We now know who wrote the guide, Michael.

Mr. Wilson (Etobicoke Centre): The Hon. Member does not want to listen to the answer.

* * *

EXTERNAL AFFAIRS

FREEDOM OF MPS TO MEET WITH SIKH CONSTITUENTS

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It also concerns the letter he sent regarding meetings with Canadian Sikhs. Will the Minister confirm that it was never his intention to suggest that MPs restrict their meetings with individual Sikh constituents who wish to express their views to their MP's, even if those constituents are supporters of or members of any of the organizations named in his letter, such as the World Sikh Organization?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I tried to indicate yesterday that I was

not issuing edicts to Members of Parliament. I have neither the authority nor the inclination to do that.

Naturally, Members of Parliament in this country are free to meet any Canadians and have a particular obligation—

An Hon. Member: What about premiers?

Mr. Clark (Yellowhead): —and premiers are free to meet anyone. Obviously, members of provincial or federal legislatures have a particular obligation to meet with their constituents.

I am seeking to avoid situations in which the authority of elected Parties or offices seems to condone acts of violence or seems to contribute to the purposes that I named of the organizations that I named yesterday.

UNFAIR ASSOCIATION OF SIKH GROUPS

Mr. David Kilgour (Edmonton—Strathcona): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs. The Minister will perhaps know that members of the World Sikh Organization and the Sikh Federation of Edmonton are offended that he lumped them with the Babbar Khalsa and Youth Federation. Is the Minister prepared to agree that it was perhaps unfair to lump the World Sikh Organization with the other two groups?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the letter was carefully written and was written after very careful consideration. It was written after the incidents had increased of members of provincial governments, members of the legislature or, indeed, members of municipal governments being drawn inadvertently into associations, into activities which might carry implications that I believe no member of a municipal, provincial or federal body would want to have drawn.

* * *

ENERGY

EXPORT OF ELECTRICITY—POLICY REVIEW

Mr. George Henderson (Egmont): Mr. Speaker, in the absence of the Minister for Energy, Mines and Resources, my question is directed to the Deputy Prime Minister.

Last week, when P.E.I. electrical consumers received their bills in the mail, they also received a notice from Mr. John Reynolds, President and Chief Executive Officer of Maritime Electric, informing them that the federal Government is presently considering changes to the regulatory process under which Canadian utilities export electricity to the United States.

Is it indeed the case that the National Energy Policy is being reviewed to the detriment of some user provinces?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I can certainly give the assurance that the National Energy Policy is not being reviewed to the detriment of any province. I will take up the particulars of the case he raises with the Minister.

PRICE OF EXPORTED ELECTRICAL ENERGY

Mr. George Henderson (Egmont): Mr. Speaker, I am talking about the second price test provision in the National Energy Policy. It does not allow electrical utilities from other provinces to export into the United States at a cost lower than that to some provinces who need the electricity.

Will the Minister give an unequivocal guarantee that as a result of whatever changes are made, Quebec Hydro, for example, will not be able to export electricity to the United States at a cost lower than that charged the Province of P.E.I. for that utility?

• (1150)

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I understand there has been a recent court ruling on that issue and I refer the Member to it.

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UNEMPLOYMENT INSURANCE

MATERNITY BENEFITS—TIME RESTRICTIONS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. A Nova Scotia mother has written to us saying:

> Having a premature baby is an emotional draining experience and now I am told I could lose my maternity leave (because my baby requires a long period of hospitalization).

What will the Minister do to change the unfair time restriction for unemployment insurance maternity benefits which is penalizing such mothers of premature infants from coast to coast?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I think it is a good question but it was already raised. I think the Hon. Member for Vancouver East knows that her colleague, the Hon. Member for Capilano, raised exactly the same question last week about a mother in Vancouver who faces exactly—

Ms. Copps: Then why don't you do something?

Mr. Bouchard: Please, can you listen, the real lady on the other side? I just want to repeat what I said. I said it was raised last week. I answered the question. We are working on that issue at the present time. The Hon. Member will understand that this is a very complex issue, when we review the Unemployment Insurance Act, because there are many different approaches we could take. We have to consider the

Charter of Rights in many areas. However, I can assure the Hon. Member that I am looking at the case very closely; I am not closing the door to a change in terms of the premature babies. But, once again, it is a complex problem and it cannot be solved in one week.

EXTENSION OF MATERNITY BENEFITS—USE OF MINISTERIAL DISCRETION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, there are many women affected in many communities across this country and we are going to continue raising this question. What we want is an answer. As this mother says, maternity leave is a cherished and necessary time and these mothers must have provisions for unemployment insurance into which they have paid. Will the Minister in this case, and cases like it, use his ministerial discretion—

Ms. Copps: No false promises either.

Ms. Mitchell: —to extend the benefit period in such cases? This was recommended by the Special Committee on Child Care, by the Conservative Members. Will he extend this through his ministerial discretion until such time as he can change the Act? Let us not be wishy-washy about this.

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I repeat what I said before.

Ms. Mitchell: I don't want to hear what you said before.

Mr. Bouchard: The Hon. Member's colleague, the Conservative Member for Capilano, asked exactly the same question last week.

Ms. Mitchell: I know. Let's have an answer.

Mr. Bouchard: But the Conservative Party would like to take the time, and we need a little bit more than one week—

Ms. Mitchell: These mothers cannot wait.

Mr. Bouchard: I know that the New Democrats can give the answer five minutes after the question, but we know what kind of answer they give and what kind of results they have, too.

* * *

[*Translation*]

PUBLIC SERVICE

LANGUAGE PROFESSORS—DEMAND FOR IMMEDIATE SETTLEMENT OF DISPUTE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the President of the Treasury Board. We both know that a labour dispute between language teachers in the ED Group and Treasury Board has been going on for several months. The Government wants to increase the teachers' workload, while the teachers maintain that, in addition to the actual time spent in class, they have course preparation to do, and they want the time to do that. There are 762 unionized teachers working for the Government, of whom 63 per cent are women. It is also a fact that the Government is letting people get the impression that this service might be privatized.

Could the Minister inform the House today that he or his Department is prepared to go back to the bargaining table, to hammer out an agreement that would be acceptable to both parties and put an end to a situation that has been going on for three or four years?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, on January 21 the majority conciliation board report was brought down, which the Government accepted and was prepared to sign an agreement on that basis, and we still are. If members of the union want to return to the bargaining table to consider that proposal, of course, we would be prepared to accept that.

Mr. Gauthier: I take it that is an invitation by the President of the Treasury Board to return himself to the table. They cannot go by themselves.

POSSIBLE PRIVATIZATION OF LANGUAGE TEACHING POSITIONS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Has the Government decided to privatize those services? We were given indications in 1985 by the previous Minister, which I will read from the committee transcript:

> MR. DE COTRET: Would it be more effective in certain cases—and I am stating this very clearly—to turn training over to specialized private firms, universities, or groups other than the Public Service?
>
> We are looking at it.

Has the Government finished looking at it and can it give us its undertaking that indeed the privatization of those language teaching positions is not in the intentions of the Government?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I would have to take that question as notice and report back to the Hon. Member. I know this reference was made by my predecessor. I am not sure whether it in fact constitutes any part of the negotiating process, but I will be happy to report back to the Member early next week.

* * *

TRANSPORT

UPGRADING AIRPORT SECURITY

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is directed to the Minister of Transport, and I have given him notice of it. This morning, without making a

deliberate attempt to do so, I was allowed access to the sterile department lounges of two major Canadian airports without receiving proper security clearance. Departing from a Schedule 4 airport, my carry-on baggage was neither X-rayed nor searched, even though Government regulations require this.

Is the Minister of Transport finally prepared to take action to bring the security clearance procedures at Canadian airports up to the standards about which he likes to brag?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, no security system, of course, is perfect, and it may be that those who were on duty this morning thought that the Hon. Member looked particularly innocent.

Some Hon. Members: They were wrong?

Mr. Crosbie: In fact, I do believe that he is harmless.

Some Hon. Members: Oh, oh!

Mr. Crosbie: I noticed in the regulations, a copy of which the hon. gentleman was kind enough to send me, that you have to be identified by the air carrier as being a potential threat to the security of civil aviation; presumably, the Hon. Member was not so identified. But he has sent me a report on what happened this morning and I will have it looked into because any possible breach of the screening regulations is serious. I thank him for bringing this to my attention.

COMMITTEE REPORT CALLING FOR CHANGES TO AIRPORT SECURITY

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, on a number of occasions in this House, and directly to the Minister, I have raised specific matters with regard to airport security. The House of Commons Committee on Transport has tabled an all-Party unanimous report calling for major changes to airport security procedures in this country. When will the Minister be prepared to take action not just on the specifics I have raised but on the general system that is available in Canada to protect air passengers from security breaches?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, we are constantly attempting to improve our security procedures. We have spent many additional millions of dollars in doing this. We brought in a new system with respect to employees who work at airports, which has encountered tremendous opposition, particularly from certain of the Public Service unions. I would hope the hon. gentleman might use his persuasive powers with those unions to get them to co-operate with the screening procedures we are trying to put into effect in connection with sterile areas. In the meantime, we have the report of the standing committee and I am having the whole matter reviewed. We will have to make a response to the recommendations, and we will in due course.

Mr. Speaker: I would ask Hon. Members to co-operate with the Chair. I recognize the Hon. Member for Grand Falls—White Bay—Labrador for a single question.

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RAILWAYS

ALLEGED CLOSURE OF NEWFOUNDLAND RAILWAY—HIGHWAY PACKAGE

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, my question is also directed to the Minister of Transport. Rumours are rife now that the Newfoundland railway will be closed down and a major highway package is being negotiated in the amount of $800 million. Can the Minister confirm that that is the case? And will he give an undertaking that in that package he will include the completion of the trans-Labrador highway from the Prime Minister's riding in Baie Comeau, through Goose Bay and on down to the Straits of Belle Isle? Can he give that undertaking?

• (1200)

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the hon. gentleman and his Party are very familiar with the closing down of railways since in 1968 they closed down railway passenger service in Newfoundland. So I can understand his particular interest in the railway situation.

There is no agreement between the Government of Canada and the Government of Newfoundland with respect to any closing of the Newfoundland railway service. It continues to be operated by Canadian National; it costs Canadian National some $35 million or $40 million per year to do that.

With respect to the trans-Labrador highway, I believe there has been something in the order of $13.7 million spent on the highway by the Government of Canada to date. To finish the highway from Labrador City to Churchill Falls requires $24 million and from Goose to Red Bay, which is 340 kilometres, some $200 million. This money is not easily come by. However, I will continue to do my best to see that moneys are spent to try to move on with that highway.

Mr. Speaker: The Chair recognizes the Hon. Member for Kenora—Rainy River a single question.

* * *

TAXATION

NORTHERN DEDUCTIONS—ELIGIBILITY OF COMMUNITIES

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is to the Minister of Finance who wrote me this morning concerning the northern residents tax deduction, admitting that there are problems with the criteria as some

non-qualifying communities are directly adjacent to communities that do qualify. He stated that his officials have no satisfactory solution to this problem of communities that are adjacent to other communities that qualify. I have suggested that all Tier 3 riding communities should qualify.

My question to the Minister is simply this. If the bureaucrats have failed to come up with a solution, when will the Government live up to its responsibilities by coming up with a political solution to this problem which divides community against community and which essentially gives an enormous premium to people who are willing to move out to a rural area?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let us not forget the bottom line of all this. We have made some significant advances in putting on a more permanent basis a type of tax benefit which helps people who live in northern and isolated communities. That is the fundamental approach that we have been following.

We recognize that there is difficulty once one gets down below a finite barrier, such as the 60th parallel. It becomes more difficult to draw the lines between which communities are in the northern benefits system and which communities are not in it. We have reached a resolution that satisfies most residents who are affected, but there are difficulties in drawing borders. It is for that reason that we have called for the establishment of a commission to review instances that the Hon. Member has raised in the House. That commission will be set up soon to hear those—

Mr. Speaker: The Hon. Member for Saskatoon East will ask the last question in Question Period.

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EXTERNAL AFFAIRS

PROPOSED INTERNATIONAL PEACE INITIATIVE

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is for the Secretary of State for External Affairs. It goes without saying that all three Parties in the House will agree that using violence against violence in the West Bank and Gaza is totally unacceptable.

Given Canada's respect around the world for human rights and as a peace-keeping nation, why could the Government not take the initiative with like-minded nations, particularly those in northern and central Europe, to begin a process of confidence building with Israel and informal Palestinian leaders aimed specifically at alleviating the human suffering?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if I may say so, the Hon. Member was a member of an all-Party committee that has just come back from the Middle East and whose visits there were very helpful to us in the formulation of Canadian policy. I want to express the Government's appreciation for the work that was done in an all-Party fashion by that all-Party committee.

Naturally, we will do whatever we can to contribute to those kinds of developments. The Hon. Member will know that one of the things that we have been doing for some time, and we have doubled the program, is to operate mission-administered funds in the West Bank which allows Canadians to deliver aid directly to Palestinian and other communities in that region.

I answered earlier with regard to the mission being undertaken by Secretary Shultz. We think at least at this stage that the most effective thing we can do is in the context of that mission. I look forward to having the opportunity personally to meet with members of the committee to get the benefit of their advice as to what other things we might do.

Mr. Speaker: The Hon. Member for Hamilton East is rising on a question of privilege.

* * *

PRIVILEGE

ALLEGED LEAK OF CONFIDENTIAL REPORT TO PRESS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question of privilege arises from an article which appeared in this morning's *The Ottawa Citizen* the headline of which reads, "MPs' report clears Masse, raps Gorman".

There is a time-honoured tradition in the House and, indeed, it was reiterated by all members of the Standing Committee on Elections, Privileges and Procedure, that reports that have not been tabled in the House or that have not been published should not be divulged for public information. Quite clearly someone on the committee chose to report selectively on the situation. Frankly, they have not even chosen to report the facts. In fact, they have reported a false statement, a false story and a false conclusion as elucidated in the headline of this particular article.

You realize, Mr. Speaker, that this puts us in a very difficult position. After having read the article in the paper the first thing that I received when I came to the office this morning was a telephone call from the media asking me what was my reaction to the report which had been made public about which we had made an agreement that we were not to speak until the report is actually tabled in the House.

An Hon. Member: Why are you speaking?

Ms. Copps: Someone asks why I am speaking. Mr. Speaker, I have taken the position, as has my Party—

Mr. Speaker: The Hon. Member for Hamilton East (Ms. Copps) is raising a matter which, quite frankly, the Chair thinks is extremely serious. Unfortunately, the principle involved here had to be faced by the Chair many months ago. The Hon. Member involved in that case did not only do the

honourable thing but the appropriate thing and expressed his regret. This is a very serious matter. I would ask Hon. Members to hear the Hon. Member for Hamilton East.

Ms. Copps: Mr. Speaker, you realize that the publication of this report puts all other members of the committee in an untenable position in that on the one hand we are asked to comment on the report which has not been tabled while on the other hand our silence could be interpreted as agreeing with the alleged contents of the report which in fact are false.

I seek some direction from the Chair. In the breach of this particular convention the decision that was made and the commitment that was made by all members to keep their own counsel on the report until it was tabled has in fact now been thrown to the wind as a result of this report. I seek some guidance as to what that does to all of the other members who bound themselves by that same convention.

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, as the Chairman of this committee I too was very surprised and annoyed to see reports in the paper this morning. I wish to indicate to my colleague for Hamilton East (Ms. Copps) that there was an all-Party agreement. I am also very annoyed to see such reports prior to the tabling of the report on Tuesday.

Mr. Albert Cooper (Peace River): Mr. Speaker, being a member of the committee and having participated in it, all of us, at least those to whom I have talked who are members of the committee, were shocked to see the article. It is important to point out a couple of matters.

The first is that the article identifies sources; it does not identify an MP. Nor does it identify that source as being an MP. I suggest that what we might now be facing in this case is a source outside the actual committee membership since the article does have some inaccuracies in it. I think that puts quite a different light on the situation with which we are faced here.

• (1210)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I too have raised this type of issue as a chairman of a committee. All Members of the House should be disturbed when the results of *in camera* meetings are leaked, when there is no prior agreement.

At one point in its proceedings a week and a half ago the committee did have an *in camera* meeting and agreement was reached that we would talk to the press. That was handled very well and satisfactorily by all members of the committee. In this case the understanding was that the meeting was *in camera* and that we would wait until the report was delivered to the House.

In her presentation, the Hon. Member raises the dilemma that we cannot talk about the report at this time. But to label the article as false is in effect to talk about the report from a perspective that the Hon. Member obviously has.

I would caution the House that the Chairman has advised that the report will be delivered on Tuesday. The House's view of the report, its implications, and its contents should await our judgment until we see the report. Certainly, it would be unfortunate to leave that single thought out here without confirmation or denial. It is probably a statement that is broader than, upon reflection, the Hon. Member may wish to have it go.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, without getting into the substantive part of the question, may I comment that there are precedents established by the House in similar circumstances. I do take the remarks of the Hon. Member for Peace River (Mr. Cooper) as a very serious matter. Indeed, we have to find out if there was a leak outside the regular circle of Members of Parliament and the clerks. If there is a leak it must be plugged as soon as possible. It is untenable for Members of Parliament to be asked to comment on something that has not as yet been made public.

If you judge that there is a prima facie case of privilege, Mr. Speaker, I take it that the appropriate motion required would be moved by the Hon. Member for Hamilton East (Ms. Copps).

Mr. Speaker: I thank the Hon. Member for Hamilton East (Ms. Copps) for raising this matter, and I thank other Hon. Members for their interventions. I think it is obvious to all Members in the Chamber, and I hope to members of the public who are watching, that the matter raised by the Member for Hamilton East simply comes down to the following.

The allegation is that, in one way or another what was thought to be by Hon. Members a confidential meeting, what went on in that meeting, and what was thought to be a written report which has not yet been presented to the House but will be in a couple of days, at least some part of that has in some way been given by somebody to the press.

This place ultimately operates on trust. I can say to members of the public who are watching and listening that most of the time there is that type of trust among all Hon. Members here that makes this place function. It is very important to stress that fact.

The Hon. Member has raised what may well be a breach of that trust, or it may be a breach of some other trust. In any event, I am going to adjourn any adjudication on this matter for a day or two until the report is tabled. I will then be able to measure the report in the press against the report as it is in fact brought before the House. I will then come back to the House and address this matter.

As I have stated, and as is clearly expressed here by all Hon. Members, this place must operate on trust. Without it, it cannot function. I say to the public that most of the time, in

fact the vast majority of the time, it does operate on trust. This is indeed a serious matter, and I thank the Hon. Member for Hamilton East for raising it.

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PRIVILEGE

ALLEGED DISCREPANCY IN MINISTER'S ANSWER TO MEMBERS' QUESTIONS

Mr. John Nunziata (York South—Weston): Mr. Speaker, I rise on a point of privilege. During Question Period today I asked the Secretary of State for External Affairs (Mr. Clark) questions regarding a letter he wrote to a number of Premiers in Canada regarding three Sikh organizations. He specified those organizations in the letter he wrote, a copy of which I have dated December 7, 1987 to Premier Peterson of Ontario.

The Leader of the Opposition (Mr. Turner) and the Hon. Member for York West (Mr. Marchi) also asked questions with regard to this particular matter. When the Opposition has asked questions with regard to the letter, the Minister has accused the Opposition of partisanship. Yet when two members of his caucus, one from Edmonton and the other from Toronto, asked questions he did not level the same insensitive accusation at those Members.

In effect, the Secretary of State for External Affairs has black-balled three organizations that operate legitimately—

Mr. Speaker: The Hon. Member has asked serious questions, and questions which all Hon. Members would consider seriously. The Hon. Member now raises a point of privilege on the basis of an allegation that the Right Hon. Secretary of State somehow dealt in a different manner with questions asked, which are also very serious and direct questions, by the government side as opposed to the opposition side.

I have to say to the Hon. Member that he may or may not be completely correct, but it is not a question of privilege. I will of course hear the Hon. Member if he wishes to make another remark.

Mr. Nunziata: Mr. Speaker, the implications of the letter, as I indicated during Question Period, are rather serious. They not only affect the privileges of Members of Parliament, but also the very legitimate organizations in Canada. In effect, the Secretary of State for External Affairs is saying to all Premiers, all members of provincial government, and all Members of Parliament that they are not to associate with organizations that happen to have different views—

Mr. Speaker: I understand, and I think Hon. Members and the Right Hon. Secretary of State understand the point made by the Hon. Member for York South—Weston (Mr. Nunziata). That is a matter of political argument and debate. I have to say to the Hon. Member that it is not appropriate to pursue it by rising on a question of privilege. I also have to indicate to the Hon. Member that it is not a question of privilege. I do not think there is any need to pursue the matter further.

ROUTINE PROCEEDINGS

[*English*]

CANADA DEVELOPMENT INVESTMENT CORPORATION AND TELEGLOBE CANADA

TABLING OF CORPORATE PLAN AND CAPITAL BUDGET

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, pursuant to Section 132(4) of the Financial Administration Act, and pursuant to Standing Order 67(2) of the House, I am pleased hereby to table, on behalf of the Minister of State for Privatization and Regulatory Affairs (Mrs. McDougall), the summaries, in both official languages, of the 1988-92 Corporate Plan and 1988 Capital Budget of the Canada Development Investment Corporation and of the 1988-89 Corporate Plan and 1988 Capital Budget of Teleglobe Canada.

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[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Treasury Board): Mr. Speaker, pursuant to Standing Order 106(8) I have the honour of tabling, in both official languages, the Government's response to 39 petitions bearing the following numbers: 332-3747 to 332-3753 inclusive, 332-3762 to 332-3779 inclusive, 332-3782, 332-3787 to 332-3794 inclusive, 332-3799 and 332-3801 to 332-3804 inclusive.

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[*English*]

PETITIONS

PROPOSED FREE TRADE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my honour to present two petitions pursuant to Standing Order 106. They are on the same topic, so I will not elaborate on both of them other than to say that they are from petitioners in various parts of British Columbia.

• (1220)

They contend that the present Government has no mandate from the people of Canada to conclude a trade deal with the United States. They believe that the trade deal negotiated by the Government threatens the very fabric of Canadian political and economic sovereignty, since it removes the power of the Canadian Government to control foreign ownership in Canada and to develop Canadian energy resources in the best interest

of Canadians. It also makes it difficult to equalize opportunities among the regions of the country.

Therefore they call upon Parliament to dissolve to allow the people of Canada an opportunity either to accept or to reject the trade deal during a national general election.

CALL FOR REVIEW OF ARMS EXPORT POLICY

Mr. Peter Peterson (Hamilton West): Mr. Speaker, I have a petition to present to the House. It has been signed by constituents from my riding of Hamilton West as well as from the neighbouring riding of Hamilton—Wentworth.

The petitioners, who are all members of the congregation of Westdale United Church in the City of Hamilton, humbly pray and call upon Parliament to set up a committee to re-examine our export policy in connection with the weapons industry and to halt further expansion in this area until such a review has taken place.

PROHIBITION REGARDING KNIVES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have quite a number of petitions from various parts of British Columbia—the Lower Mainland, Surrey, New Westminster, Richmond, Vancouver, Burnaby, et cetera. They are very concerned that there is a very high incident of crimes including murder, robbery, and sexual assaults committed with knives. This is on the increase in all major cities across Canada.

They call upon Parliament to amend the federal Criminal Code to prohibit the carrying of knives by citizens in public places, the only exemptions to be knives used for legitimate work or carried for religious reasons.

PROPOSED FREE TRADE

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I also have a petition to present which is on a different subject. It is from a number of people resident in Ontario who oppose the U.S.-Canada trade deal because it denies Canadians secure access to the U.S. market, which was its major objective. It also threatens the loss of hundreds of jobs and affects our future sovereignty.

They call upon Parliament to dissolve to allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

[*Translation*]

REQUEST FOR INSTALLATION OF SUPPLEMENTARY SAFETY FEATURES FOR AUTOMOBILES

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, I have the honour and the privilege of tabling five petitions signed by residents of Presqu'Île, Dorion, Valleyfield, Pierrefonds, Montreal, Saint-Lambert, Saint-Romuald, Alma and Dolbeau.

The 165 signatures are in addition to others I tabled previously, which add up to a total of 32,533.

The undersigned realize that since 1974, the Federal Motor Vehicle Safety Regulations allow self-inflating bags to be installed to protect drivers of private cars, and that this device would reduce the number of fatal and serious injuries.

Therefore your petitioners humbly pray Parliament to make compulsory the installation of self-inflating bags on the front seat and of adjustable shoulder seat-belts for passengers on the back seat.

[*English*]

PROPOSED FREE TRADE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a petition which has been signed by residents of Gull Lake, Saskatchewan and has been certified correct pursuant to Standing Order 106, as attested by the Clerk of Petitions. It deals with the Canada-U.S. trade agreement.

It makes a number of the points made in earlier presentations of petitions. It also stresses that the proposed trade agreement would deny Canada the policy freedom to determine its own economic future and would undermine our ability to build a society distinct from that of the United States.

For that reason they call upon the Parliament of Canada to dissolve and to have this question put to a general election.

Mr. Simon de Jong (Regina East): Mr. Speaker, I also wish to present a petition signed by almost 100 Canadian citizens who are concerned about the free trade agreement which has been negotiated between the present Government and the United States.

The petitioners claim that the Government does not have the mandate to pursue the deal and that the negotiated agreement will hurt our sovereignty. As well, they are concerned about our autonomy in the energy sector. They believe that it would deny Canada the ability to devise our own economic future. They are also concerned that the agreement would have a negative effect on job growth in Canada.

They ask that Parliament be dissolved so that the Government could go to the people on this agreement.

I so move or I so introduce.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I second the motion of my hon. colleague.

Mr. Blackburn (Brant): Slightly out of order.

Mr. Manly: I have a duly certified petition from a number of Canadian citizens regarding the Mulroney-Reagan trade agreement.

They point out that it threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to control foreign ownership, to develop Canadian energy resources in the best interest of Canadians, and to equalize opportunities among the regions.

It points out that the proposed trade agreement would deny Canada the policy freedom to devise its own economic future and would undermine our ability to build a society distinct from that of the United States.

Therefore the petitioners call upon Parliament to dissolve so as to allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I noticed your smile, which I am sure is an expression of unsuppressed pleasure on your part at my presence in the House and at the contents of the petition I am about to table. It comes from a number of Canadian citizens and has been duly certified as fulfilling the requirements.

The petitioners express concern about the future impact on the Canadian destiny of the Mulroney-Reagan deal, particularly as it concerns our ability to control our economic future.

They ask Parliament for an election to be held so that the Government will have a mandate to pursue this agreement and Canadians will have an opportunity to express themselves on it.

The Acting Speaker (Mr. Paproski): I believe those are all the petitions.

Mr. Hawkes: Mr. Speaker, we will see on Monday night whether they vote for the dissolution of Parliament.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I would ask that all remaining questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall all remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—NATO—COMMITMENT TO CANADIAN PARTICIPATION AND SUPPORT

The House resumed consideration of the motion of Mr. Hopkins:

That this House recognizes the pivotal role that NATO continues to play in mutual security and defence and in furthering progress in arms control and disarmament and, therefore, reaffirms its commitment to continue Canadian participation in and active support for the North Atlantic Treaty Organization as a primary instrument of Canadian defence policy.

The Acting Speaker (Mr. Paproski): The Hon. Associate Minister of National Defence has 10 minutes remaining in his speech and 10 minutes for questions and comments.

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, I would like to summarize the comments I was making before we started Question Period. I was somewhat surprised and dismayed at the approach taken by the lead-off speaker of the Liberal Party. He did not speak to the motion at all in his diatribe against what he believed was the record of the Government. He was mistaken in his facts and figures. However, the fact that he did not even speak to the motion, the way he merely used it as a smoke-screen and did not take it seriously, gives me every confidence in voting against it. The Liberals certainly did not put the motion before us with any sincerity.

I also mentioned how NATO was set up under Section 51 of the United Nations Charter. I went into the history of how NATO was established in response to some aggressive moves by the U.S.S.R. back in the forties and how that was continued afterwards.

• (1230)

All Governments in Canada have supported NATO to one degree or another. I want to refer to the two principal functions of the North Atlantic alliance. The first is to maintain an adequate defence and the political solidarity necessary to deter aggression or intimidation and to defend the territories of member countries. The second function is the pursuit of greater stability in East-West relations in order to create a climate in which the underlying political issues might be solved. These are not mutually exclusive functions, they are closely interrelated: the political will to deter, and if deterrence fails to defend, is as important as the capability of the forces to play their part. The White Paper defines Canadian security policy in defence efforts, arms control efforts and efforts to secure the peaceful resolution of disputes. These are, again, complementary elements that are most usefully considered in the context of security policy.

In the White Paper there are four messages of importance and as the main theme. One is that Canadian security policy is founded upon three pillars. First and foremost, of course, is the active pursuit of arms control and arms reduction. This is possible and our participation as Canadians is possible, because we have a seat at the NATO table. It is the leader of the NATO group who squares off with the leader of the Warsaw Pact group. If we did not have that seat at the NATO table, then we would have no more voice than many other countries in this world who do not even participate in discussions about disarmament and arms control.

The second very important factor in our Canadian security policy is that we believe in the peaceful settlement of disputes. Canada is the only country in the world that has participated

in every single peacekeeping organization ever put forward by the United Nations. Our first pillar is the active pursuit of arms control, and that is done through NATO. Our second pillar is the peaceful settlement of disputes and our use of peacekeeping forces, and that is done through the United Nations. If these fail, then we have to depend on ourselves, and we should be prepared and have an adequate defence in case those first two important pillars do not meet their objectives.

The second message in the White Paper was that Canada must continue to seek its security in collective defence arrangements within the framework of the North Atlantic Treaty and the bilateral, continental defence arrangements with the United States. Canada can never be neutral in the struggle between the ideologies and value systems of the East and West. We are not neutral and we are proud to be identified with those free democratic countries of western Europe and North America.

The third message in the White Paper was that while we are committed to the principle of selective security, we will not ask others to carry our defence burden for us. We in Canada, I believe, are committed to carrying our fair share and would not want to shirk that responsibility. We will look at the growing importance of the Pacific and Arctic regions of Canada and make provisions to participate fully in the defence of Canadian interests, territory, air space, seaward approaches and our sovereignty in those areas. We will play a full and significant role in our collective defence arrangements.

The fourth message was that the Government by necessity now has to move so that we will narrow and eventually close the gap between our defence commitments and our ability to discharge them effectively and efficiently.

I do not want to dwell at any great length on some of the problems that we have had in the past and why we have such a great gap in our commitments. I do not intend to dwell on the neglect the Armed Forces suffered under previous Liberal Governments. The facts speak for themselves. You have only to consider that today we have 75 per cent of the airplanes we had in 1971, Mr. Speaker. We have only to consider that today's army is at 60 per cent of the strength it was in 1970. While its workload has increased that workload must be maintained on obsolete equipment. We have only to consider that in 1963 we had 55 naval vessels, while today we have only 26. Our most modern ship was built at the time of the last White Paper 16 years ago. Our oldest ships are more than 30 years old. We do not have a single minesweeper. Recent events in the Persian Gulf have demonstrated how dangerous that can be. It is a fact that our Armed Forces suffered from a total lack of political leadership and direction for more than two decades. The end results were unrealistic goals and commitments, financial starvation and dwindling credibility in the eyes of our allies and fellow citizens. We as a government, and I hope as a people, will never, never again neglect our Armed Forces.

It is important that we address ourselves to the attitude of neutrality. It has been said, and I think it is very important to note, that every country has an armed force, their own or somebody else's. We cannot deny ourselves the right to protect our borders. Let us examine the hypocrisy of a neutral Canada. As neutrals, we would continue to rely for our security on the deterrent and defence forces of our friends and neighbours, our former allies in NATO. I do not think this is tenable.

Canadians believe that we should share the responsibility and pay for our fair share. You have only to look at neutrality in this world and talk to people from Sweden, Switzerland and Finland and find out the costs which they pay for neutrality. It is referred in most historic documents as armed neutrality. They pay significantly higher rates per capita in their tax dollars toward maintaining their armies in their countries. All the neutral countries that I know of have conscription. That is something that we do not have here.

Besides paying more than we have to and having conscription, take a look at the records. The Swedes and the Swiss are some of the biggest arms merchants in the world. They sell to everybody else. We do not have that record or that reputation. Some of the neutral countries have reputations as some of the biggest arms traders in the world. If Canadians want to pay almost twice as much as they are today to maintain their Armed Forces, then perhaps they might consider whether or not we will be a neutral country.

There are two very valuable lessons to be learned from negotiations which have led up to the intermediate nuclear force treaty signed in early December by Mr. Gorbachev and Mr. Reagan. I think we can expect that the prospects of success in other areas of arms control will be enhanced if we apply those two valuable lessons. The first is that we must develop a good strategy and then stick to it. The second is that the best strategy is to deal from strength, to be patient and to stick together. This means that we should continue to modernize our forces while negotiating for fair and verifiable arms control agreements that enhance mutual security. Also we should avoid regional arms control agreements that do not serve that basic purpose. Again, should there be a successful conclusion to the "START" negotiations in the near future, and as Canadians I know we all hope there will be, the proposed reduction of 50 per cent in strategic systems will likely put more emphasis on remaining air and submarine launched nuclear-armed Cruise missiles in maintaining the strategic balance until those themselves are negotiated away.

The White Paper anticipated these arms control developments and its thrust to modernize and improve the conventional capabilities of the Canadian Forces is in no way challenged by the signing of the INF Agreement. The INF Agreement does not eliminate the need for us to be able to defend ourselves, however, nor does it eliminate our responsibility to maintain our sovereignty. Protecting Canada's security and sovereignty is certainly not at odds with superpower arms reduction.

Where does all that leave us, Mr. Speaker? Very comfortably, I think, within our new defence policy. The Government is strongly committed to implementing the White Paper and, as recent budgets have demonstrated, is prepared to give it a high priority among government initiatives. Nevertheless, it would be foolish to suppose that this situation is immutable. We all know that however good a defence policy we have in a democratic country, it is only as strong as the popular support it commands. We in this country will continue to work toward the goal of mutual security among nations and significantly lower levels of armaments. This will create a climate in which international stability and co-operation can flourish, where we can build the sort of Canada, a safe, sovereign, secure and caring society, that we all wish for our children.

• (1240)

The Acting Speaker (Mr. Paproski): Questions or comments.

Mr. Crofton: Mr. Speaker, I listened with great interest to the observations of my colleague, the Minister. Reykjavik taught us, in a phrase now being used, that we can no longer rely on the Soviets to say no when we raise certain issues in certain forums. When the motion was put this morning I thought the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins) would have said something about arms negotiations and reductions, but he did not. The Minister did in his comments, and so my question is on this particular topic.

The Soviets indicated to Canada that they would like to engage us in a conversation about demilitarization of the Arctic. We have this doughty band of rangers with muskets in the Arctic. I had not appreciated that this was a security concern to them. In any event, they raised this issue with us and I would like the Minister to give his view on whether the Soviets have indicated any real willingness to talk about the forces they have in the Bering Sea and the Kola Peninsula? Do we intend to take up this matter with them in a serious way or do we have no evidence that they are serious about their suggestion?

Mr. Dick: Mr. Speaker, I appreciate the comments of the Hon. Member. In the last two years we have had *glasnost* and a seeming willingness by the Soviet Union to change. We welcome it and hope it is sincere, continuing and long-lasting. We all want to work towards achieving peace in the world.

They have also made other comments here and there which look good on the surface. One of them of course concerns the zone of peace in the Arctic. They made much comment about northern Scandinavia, the North Atlantic and other areas, but did not make reference to their own areas. Of course they have a great mass of military might in their Arctic. It seems they wanted to have us lay down our arms but keep their Arctic areas fully armed. They would have perhaps won more credibility and believability if they had discussed, in at least a minor way, how they would demilitarize their Arctic.

Their Kola Peninsula is the most intensively militarized piece of real estate in the entire world. The shipyards where they construct all their nuclear submarines lie along the Arctic coast. Just south of the Bering Sea they have the single largest nuclear fleet in the entire world. If they had been willing to show a willingness to give something up, we would have been able to give it more credibility. This is not to say that we are not willing to sit down and discuss it with them. I think we would be willing to do that. However, we would also want them to show some good faith at a very early stage and a willingness to give up some of their cards.

It is a good point but I do not think we can turn around and say, fine, we will demilitarize the Arctic completely, without trying to see what the Russians intend to do.

Mr. Hopkins: Mr. Speaker, I just want to comment on what the Hon. Member for Esquimalt—Saanich (Mr. Crofton) said. He said I did not talk about disarmament this morning in my remarks. If he reads my speech he will find that I stated clearly that without NATO's firm resolve in the late 1970s and early 1980s to upgrade NATO's aging weaponry in Europe there may not have been a treaty on intermediate nuclear forces signed in Washington last December. I said that if common sense prevails, hopefully this will continue. Those were my words and he will find them on the record.

With regard to the Minister's statement, I am sure everyone who heard it would find it passing strange that he would accuse me of attacking the Government on a motion dealing with NATO. Is it not strange that the Government should be attacked? That is the insinuation. After all, this is the Parliament of Canada where the facts and the truth come out.

At the same time I would say that the Conservative Party has been attacking the record of previous Governments. I put the percentage increases in the defence budget of those past Governments on the record this morning. He knows full well that without that tremendous increase in the budget, the present Government would not be able to do what it is doing today. In fact, the motion talks about active support and commitment to NATO. There can be no active support and no commitment unless you are upgrading your own forces.

The Minister accused me of talking about a continuing program to upgrade the Armed Forces. Surely that is what we are all trying to do. I see nothing wrong with that at all. The Prime Minister, with all the rhetoric he can muster, stands up and attacks the Opposition for things it did when it was in government. I am sure that even he would not agree with the Minister that it is rather nasty of the Opposition to be criticizing the Government of the day. I thought that was the role of the Opposition in Parliament.

He commented on upgrading the Armed Forces and said that I should be talking about disarmament. I just indicated that I did. At the same time, the Minister ended up talking about upgrading the weapons of the Canadian Armed Forces.

That has been going on for many years. You cannot talk out of both sides of your mouth on these issues.

We talk about mutual security and defence in the motion before us, and the necessity of meaning what you say. That is precisely the message I gave today. The Government made many promises to the Canadian Armed Forces in the last election which it has not kept. It did not honour the 3 per cent commitment to NATO, even in its first Budget. There is nothing wrong with keeping a nation's armed forces in a healthy state and at the same time going ahead negotiating for peace and disarmament. That is a proven fact. It took place in the agreement recently signed in Washington on intermediate nuclear weapons. Hopefully there will be more.

Then there is collective security. Canada cannot do all this alone. We are working through the collective security of NATO. Surely we can do that best by continuing to upgrade our forces. I do not think we should get upset because someone is talking about upgrading the Armed Forces and keeping them in a good state.

The Hon. Member stated that my remarks about the motion were somewhat hypocritical. I know where that comes from and I am not going to comment on it further.

The Acting Speaker (Mr. Paproski): I must say to the Hon. Member that if he expects the Minister to answer or rebut a portion of his remarks, he must let him have the floor now. I will allow a minute or so for the Hon. Member to reply.

• (1250)

Mr. Dick: Mr. Speaker, when I saw the motion I really thought that it was not a partisan motion, that we were going to talk on a higher level about NATO. Of course, as I have already mentioned, the Hon. Member's speech was entirely an attack on the Government. I do not mind, but the motion did not mention that they were going to attack the Government. I thought we were going to be above partisanship today.

I do not think we should forget our friends in the Liberal Party. Although today's resolution proposed by the Official Opposition is welcome, Canadians should remember the former Government. Consider the following: Which Government was it which unilaterally withdrew half of our commitment to the alliance? Which Government implemented a three-year budgetary freeze on defence spending at a time when inflation was at 12 per cent, a policy which caused the criminal neglect of our Armed Forces, their manpower levels, their equipment, and their ability to carry out their roles and commitments? Let us not forget that the Right Hon. Leader of the Opposition (Mr. Turner) was the Minister of Finance at the time that the freeze was implemented on the Armed Forces. This freeze got us labelled by our allies in NATO as the country which had to be regarded as unreliable and as a free rider within the alliance.

Of course the answer to all those questions is that it was the Liberal Party. That is the very same Party which today has somehow magically recognized the critical importance of NATO and our alliance—

The Acting Speaker (Mr. Paproski): Order. I regret that the Hon. Minister's time has expired. Questions and comments have now been completed.

Mr. Derek Blackburn (Brant): Mr. Speaker, I am very pleased to have an opportunity today to participate in this very important debate. I agree with the Government that we should not wallow in partisan rhetoric. In dealing with safety, security, and matters of peace and disarmament in the world we should try to rise above partisanship. I did find it rather strange that the mover of this motion devoted virtually his entire speech to condemning the Government for not spending enough on military equipment, platforms, and arms. I would have hoped that the major thrust, considering the mood of the world today, would have been toward disarmament and arms control. That, however, was not forthcoming from my Liberal colleague, certainly not in emphasis at least.

Before I get into the body of my remarks I would like to make a brief comment on the spectacle to which Canadians were subjected on television a night or two ago of our own Prime Minister (Mr. Mulroney) in Europe. I do not know whether he has just been appointed an honorary colonel of some tank regiment or an honorary general for that matter. However, personally speaking, I think it was quite disgusting to see the Prime Minister masquerading in a military battle fatigue uniform. It was not to hype up the military who were present but to get his mug shot taken for the Tory Party TV cameras, which were whirring away in order that he could use those pictures when he decides to assume a hawkish role during the next election campaign.

He will say, "Look at me, I'm in uniform, I'm all for tanks and guns, I'm all for strengthening the military ties that we have with Europe". He wants to give that impression to back up the hawkish tone which runs throughout his Government's White Paper on defence. The conclusion to which I came is that the Prime Minister did not go to Europe to talk arms control and disarmament but to have a few pictures taken to promote himself in battle fatigues as a pal of the ordinary soldiers in Europe's central flank.

It is interesting to note that there is only one political leader in this House who can legitimately wear a uniform, and that is the leader of my Party who was an officer in the Royal Canadian Air Force a number of years ago. However, he does not go around masquerading in his old Air Force-blue uniform to drum up political support.

In the brief time allotted to me today I want to stress the fundamental fact that in our view neither the Liberals nor the Tories have ever really seriously used the North Atlantic Treaty Organization to promote arms control and disarmament. I charge both the Liberals and the Conservatives with lacking moral fortitude and intellectual courage in that respect.

We keep on hearing about how important it is to be at the NATO council and the NATO table. However, we never really know whether or not we are having any impact. In fact, we know that we usually have a rather negative impact. We never really hear what the arguments are. We are not told that Canada pursued a particular line in terms of arms control and disarmament. Rather, and it is rather strange in many respects, we always seem to end up supporting what one of the superpowers has proclaimed to be major NATO policy as though it would be almost sinful to disagree with the United States on any one major, or indeed minor, defence issue.

If there is one thing for which the Canadian people are asking today it is not neutrality or isolationism, and my Party supports neither one of those approaches. The Canadian people are asking today for a more sovereign, a more objective approach to the major arms issues, the major defence issues in the world today. They are saying that neither the Soviet Union nor the United States has an exclusive right to take the world down the tube by ever increasing their weaponry, their arms, and their nuclear capabilities. Yet, as my friend, the Member for Regina West (Mr. Benjamin), would say, here we are acquiescing supinely time after time to American strategic policy.

I have never heard a Liberal or a Tory Prime Minister stand up and say publicly that he and his Government were opposed to any major U.S. strategic policy even though privately they may have disagreements. Canadian voters want this now more than ever before.

I said a few moments ago that we do not support isolationism or neutrality. We are not intellectually or ideologically neutral. We are democrats. We support the main principles of western Liberal democracy and we are prepared to defend them. My Party came forward with a defence posture last summer in response to the Government's White Paper.

That is more than the Liberals did. They can stand here today piously criticizing the Government's White Paper, but I do not see any Liberal policy paper on defence, and it has been almost four years since the last election. We came forward with a response to the Government's White Paper, and in our paper we made it abundantly clear that an NDP government was prepared, not only to increase our defence posture in certain strategic areas, but to spend money, because you cannot have the one without the other.

We brought forward our version of a maritime policy; to pursue the frigate program, to purchase conventionally powered submarines, to increase the number of long-range patrol aircraft, and to put in place a passive peacetime surveillance network in the Canadian Arctic, although not to militarize it as the Conservative Government wants to do.

Not only does the Government want to militarize the Canadian Arctic, it wants to do so with nuclear-propelled submarines, which in itself is self-defeating. If ever we want to try to come to an agreement with the Soviets, the British, or the French with regard to keeping nuclear-powered submarines out of the Canadian Arctic, how will we ever get to first base if we also advocate putting nuclear-powered submarines into the Canadian Arctic? As was suggested in the NDP paper, we should demilitarize the Canadian Arctic.

• (1300)

That does not preclude putting in place the North Warning System. We would like the North Warning System moved farther north so that it could help survey Canadian territory, not just American territory. We believe that we should and must share the intelligence gathered from that system because we would be assuming full and total control of the conventional defence of the northern half of North America which is Canadian territorial land, water and air space.

That is not being isolationist or neutralist. It is very much a part of the western world community in terms of defence. However, we are very disappointed in NATO. Originally, our predecessor, the CCF, and the NDP were strong supporters of the North Atlantic Treaty Organization in the late 1940s and throughout the 1950s. Europe had been ravaged by war and the economies were in terrible shape. They needed assistance and we were prepared at that time to provide the military wherewithal to bolster their independence and the right to develop in freedom and democracy. But that was 30 years ago.

We are saying that the world has changed. The strategic configuration has changed and our token force in central Europe, which the Government is increasing in a token way, is a very costly token presence that militarily makes no sense. I have talked to German counterparts in the German parliament. They too say that it makes no sense to have 6,000 soldiers and some pilots in the central flank. It might make sense, for example, to have a bilateral agreement with Norway. Yet what did the Government and the Prime Minister do but pull the rug out from under Norway by cancelling the CAST commitment.

Our more vociferous opponents opposite say that it is unfair and unwise to withdraw from NATO, yet they can turn around and unilaterally withdraw from the CAST commitment, leaving one of our friends and allies in the lurch. There were very few consultations and, as far as I know, there has been no replacement found for the CAST. Our troops were eminently well trained for Nordic fighting, if it should occur. They were the best, but they were removed, and the Government cancelled the CAST in favour of putting more troops in a part of Europe where they were not even needed. It makes absolutely no sense militarily and is extremely costly.

We are also very concerned that NATO has not been used to bring about an arms reduction and arms control in that part of the world in consultation with Warsaw Pact Treaty organizations as well. Rather, it has been used for aggressive strategies and has pursued aggressive conventional military strategies as well as nuclear military strategies such as the deep strike and FOFA, Follow On Force Attack. It has refused

to give up the right of first use of nuclear weapons. It has supported the U.S. strategy of forward maritime defence, which takes U.S. attack killer submarines into the Bering Sea. Canada is supporting that aggressive and offensive policy.

Therefore, we say that if it is so important to be at the council tables at Brussels year in and year out, where is our influence in trying to deflect the super powers from this nuclear madness? I do not see any results. We have only seen a constant, continuous build-up of both conventional and nuclear weapons in Europe. That has been the total result of NATO and our participation in it. It is sad to think that there are infinitely more arms in Europe today than there were before we joined in the establishment of NATO.

Let me turn to the positive steps that can be taken in place of that kind of arms build-up. We believe we should make every effort in the councils of Europe, East and West, to promote the concept and application of common security. We cannot simply concentrate on our own security if, for example, the Poles, the Soviet Union or Czechoslovakians feel insecure. If our security is at the cost of someone else's security, then the world is not secure. If we continue to build our armaments, if the other side continues to build its armaments, we will not have security and we will continue along the road of madness.

Second, we support the no first use of nuclear weapons. That would send the signal that we too are sincere about not using nuclear weapons as a means of settling a political dispute. Such a policy is total madness and would lead to total destruction and the end of humanity as we know it. Why in God's name are we supporting that kind of policy in a country like Canada?

We would like to see greater emphasis placed on non aggressive defences in Europe, something which NATO has consistently refused to consider. This would include such things as a demilitarized zone, denuclearized regions, with serious talks at Vienna and Geneva in terms of conventional arms build-up.

Last December, I met with French and British politicians in London and Paris, at Quai d'orsay, White Hall and the Institute for Foreign Affairs in Paris. The mood in Europe is not one of disarmament and that the INF is opening the doors to arms reduction and further disarmament, but one that a great vacuum has been created which must be filled. That is not only the mood of politicians, but the public as well. There is not a desire to continue to reduce conventional nuclear weapons but to rush to fill the vacuum with more weapons with greater destructive proportions. The modernization of conventional weapons is a very slick way of saying that there is no intention to disarm. What they are saying in Europe is that their primary purpose is to build up their conventional weapons categories.

The primary concern of the British and French is to modernize and increase their nuclear weapons.

Therefore, through NATO we are not heading toward a world that will have little or no nuclear weapons. Unfortunately, through NATO we are backing a policy, tacitly or otherwise, of actually increasing weapons in Europe. One need only read a grade 10 textbook on the history of Europe to see that conventional weaponry is no guarantee that there will be no wars in Europe. They have never been able to keep the peace with conventional weapons, yet they are continually building up greater arsenals.

Let me conclude by stating that, unfortunately, NATO has failed to date to come to grips with the issue of arms control and disarmament. It has pursued consistently aggressive, deep strike policies. That is not what the world wants. The world does not want the superpowers to be backed up by their two treaty organizations egging them on, pushing them on to greater sophistication in the means of destruction they have at their command.

• (1310)

What we need, and what we can do for ourselves, is to pursue the defence of North America in conventional terms, as I said a moment ago, to demilitarize and denuclearize the Arctic. We could at least enter into negotiations with the Soviets, step by step. We cannot expect one superpower to divest itself entirely of its strategic ballistic missile force when the other one, the United States, geograhically just happens not to have its major deep strike strategic nuclear force in the Arctic. But there are grounds to at least sit down and begin to talk.

Mr. Gorbachev has indicated that he is prepared both in terms of asymmetrical reduction in conventional weapons and deep cuts in strategic arms. There is a point of departure right now where this Government can pick up the ball and go with it. It can show NATO, Western Europe and Eastern Europe that we are serious about demilitarizing the Arctic, but, no, it is sitting back. The Prime Minister is wearing a military jumpsuit and saying: "Are we ever strong. We have to be tough", the old hawkish approach, the old cold war approach.

I wish to conclude on one point. Every Member in this House without exception is trying to find his or her path to peace in this world, peace and security, but we must all feel secure, not just Canada, not just the United States, but all countries. It is not easy. It will take time. Let us try our best whether it is through military alliances, if that is what one supports, or outside of military alliances, whether it is in the political field or military field, let us all continue to work for peace, for security, because if we do not, we have the weapons of mass destruction today that will destroy us all.

Mr. Crofton: Mr. Speaker, I listened with great interest to the speech of my colleague, the Hon. Member for Brant (Mr. Blackburn). That gentleman is on the Standing Committee on National Defence and I value him as a friend. However, I listened to his remarks today with great sadness. It was, indeed, an outright attack on the United States and on NATO itself. I guess we have some consolation in the fact that the New Democratic Party has finally made up its mind on what its military policy really is.

Mr. Friesen: Only for today.

Mr. Crofton: Well, that is for someone else to judge. The Hon. Member made a number of statements in his remarks, any one of which is the subject matter for a lengthy discussion and speech. He made some personal reference to the Prime Minister (Mr. Mulroney) personally wearing a coverall in visiting Canadian Forces. To me, that is common prudence. If he were flying in an airplane, presumably he would wear a flight suit. I fail to see what is so remarkable about that. He made some observations when he was in Europe about Canada continuing to support NATO and that a certain political Party in this country had a different point of view. I think that is a perfectly legitimate comment by the Prime Minister in any forum.

The Hon. Member for Brant (Mr. Blackburn) made some comments about Canada assuming responsibility for conventional defence of the northern half of North American and that the New Democratic Party is opposed to some of the proposed equipment acquisitions. It seems we are to carry out this conventional defence with wooden swords and toy guns.

He also suggested that we should not deal with the nuclear defence of the northern half of North America, that we should consult our allies. The New Democratic Party is on record as being opposed to the Canada-U.S. trade proposals because of the threat to sovereignty, yet it appears that with anything other than a conventional threat to Canada we will just invite the Americans to deal with it. If that is not contracting out our defence, I am not sure what is. And as to a threat to sovereignty, I suggest that that is the fastest way to undermine our sovereignty in this country.

The Hon. Member also made reference to the fact that belonging to NATO has caused unease among some of the Warsaw Pact countries. I really thought for a moment he was going to propose that we leave NATO and join the Warsaw Pact. Happily, he stopped short of that. However, he did say that NATO is an aggressive organization with aggressive strategies. I ask him to reflect on who put up the Berlin wall, who shoots people who try to cross the Berlin wall, who attacked peaceful demonstrations, attempts at self-expression, in Poland, Czechoslovakia and Hungary? It certainly was not NATO. In fact NATO was formed in the first instance to defend democracy against aggression. That remains one of its key roles.

Its other key role is the political attempt of peace-loving countries to deal with serious military problems in the world. We are at Geneva and at Helsinki. The Hon. Member suggested that NATO was making no progress at arms reduction. That is the precise purpose of these conferences, and why Canada is participating in them. The Hon. Member suggested that NATO had no achievements. I suggest it was because of NATO, our resolution to sustain NATO, that the INF agreement was achieved this past year. It was not in spite of NATO, it was because of NATO.

Finally, I would ask the gentleman if he would like to comment on his remark that Canadians are calling for this Government to oppose the United States on major strategic policy. Does he have some particular policy in mind or does he just want us to be opposed to the Americans? Is he suggesting that our disapproval of the Americans proposing to break the ABM Treaty is not a difference of opinion on a serious strategic policy? The fact that we have encouraged the end of nuclear testing, is that not a difference of opinion with the United States on a serious strategic matter? I suggest it is. I would like to hear his answers.

Mr. Blackburn (Brant): Mr. Speaker, I do not know whether the Hon. Member for Esquimalt—Saanich (Mr. Crofton), who is a colleague and friend, was actually in the House when I spoke based on the questions he just asked.

Mr. Crofton: I heard every word.

Mr. Blackburn (Brant): If he heard every word, he has a strange way of listening. In the first place, talking about arms control and bringing about an end to testing, am I wrong, did the Conservative Government put an end to Cruise testing in Canada, or are we still testing the Cruise? Do we still have an agreement? I think we are still testing the Cruise missile even though it has nothing to do with NATO. It was not even a NATO agreement. It was a bilateral agreement between Canada and the United States. Here we are supposedly pushing the United States to make certain that the Cruise missile is on the table at the START talks and at the same time promoting the testing of the Cruise missile here in Canada. Well, if that is not hypocrisy, I do not know what is, and stupidity as well.

Second, the Hon. Member questioned my statement that Canadians wanted us to oppose American strategic policy. It is well known that a very large proportion of the Canadian public are extremely fearful of SDI which this Conservative Government supports. Those who understand what ADI, the Air Defence Initiative, is all about, know that it is a stepping stone, the opening of a door, a going up the back stairs into the Strategic Defence Initiative. There are Canadian experts from one end of this country to the other who are totally opposed to the forward maritime strategy of the United States and are very fearful that the acquisition of nuclear powered submarines by Canada will get us inextricably involved and tied in with that policy. That is extremely dangerous and it is extremely destabilizing.

• (1320)

The Hon. Member for Esquimalt—Saanich said that I attacked the United States. I did not attack the United States. I attacked certain specific policies that have emanated from a very hawkish Pentagon, ratified by a President who I do not think has a total and full grasp on a great many of the policies that are handed to him in the oval office for his signature. I am saying that with respect for that office and respect for the tremendous burdens of that office. Nonetheless, I was referring to specific policies and I was not attacking the United States *per se* as our neighbour and our friend to the south.

The Hon. Member referred to some silly thing about my Party advocating that we defend the North with wooden guns or wooden bullets or something along that line. I do not know how many more times I have to say this to my hon. friend from the West Coast but, in our response to the White Paper, we supported the north warning system. We supported conventional submarines. We supported keeping the sea lanes of communications open in time of emergency or war, heaven forbid. We supported the frigate program. We supported increasing long-range patrol aircraft. We supported sonar and sub-sonar listening devices and sharing that intelligence with our friend and neighbour.

What we did not support was an active militarization of our Canadian Arctic by putting stealth platforms in there capable of very aggressive actions such as nuclear-powered submarines, to say nothing of the horrendous cost. We also advocated in our paper the forward locating of our CF-18s, all our CF-18s since they would not be in Europe under our policy. They would be here in North America, where we think they belong, for interception.

I do not know where the Hon. Member was during my speech. I think that I have addressed all the concerns but one. I do not retract one word I said about that disgraceful show of our Prime Minister wearing a jumpsuit in Europe.

The Acting Speaker (Mr. Paproski): The time allotted for questions and comments has now terminated. The Chair recognizes the Hon. Member for Papineau (Mr. Ouellet).

[*Translation*]

Hon. André Ouellet (Papineau): The way I see it, Mr. Speaker, it would seem the Conservatives and the New Democrats enjoy getting at each other when it comes to this famous issue. It will be fascinating to see how they vote Monday night, whether they will form a common front or whether they will vote according to their conscience and their respective positions.

Today, Mr. Speaker, I want to take part in this debate and of course support the motion moved on behalf of the Liberal Party, reflecting as it does not only past traditions but also contemporary progress and especially hope for peace in the future.

I also want to congratulate the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins) for the way he drafted the motion, because it is clearly focused on the role of NATO in Canada's defence policy. This has been particularly true in recent months, for the entire world enthusiastically praises the efforts of American President Reagan and Soviet Secretary General Gorbachev who have successfully emerged from their negotiations on intermediate nuclear forces. The world can therefore hope that this favourable atmosphere will make it possible to continue negotiations and achieve still more significant progress towards disarmament.

Such is the context for my remarks in the House today. In the few minutes at my disposal I want to stress the importance of NATO, as follows: first, in the context of a Canadian comprehensive defence policy based on certain basic principles; second, in the context of last summer's White Paper tabled in the House by the Conservative Government; third, in the context of a clearer strategy more attuned to the foreign policy which we in the Liberal Party would like the Government to follow.

For openers, I would suggest that we ought to ask ourselves some very relevant questions. On what basic principles should a Canadian defence policy rest? Does Canada's NATO membership still meet the key objectives of our external policy? We in the Liberal Party believe that a defence policy must rest on certain principles.

First, a defence policy must be part of a wider policy which includes not only defence issues but also external and even domestic issues. Given the recent commitments of this Government and the speeches the Prime Minister (Mr. Mulroney) or the Minister of National Defence (Mr. Beatty) have been making lately, it seems to us that this policy, as advocated as well in the Government's White Paper, is no longer compatible with our traditional foreign policy. The Conservatives have made a sharp turn to the right.

Second, a security policy for Canada must be based on the assumption that the pursuit of national security is guaranteed through world security. As I recall, this assumption was unanimously accepted by the Joint Committee on External Relations. Since there cannot be world security without international co-operation, Canadian contributions to world security must be geared to multilateral approaches, not only through such long-established institutions and organizations as NATO but also through initiatives taken outside the institutional context.

Third, right now the major threats against world security include the deterioration of East-West relations, the proliferation of regional conflicts, economic disparities, and very important influences on the world's environment. It follows therefore that all problems require an international and multilateral solution. In our estimation the challenge of arms control and disarmament calls for the same multilateral approach and, in this respect, the Liberal Party considers that NATO is still in a good position to play that role.

[*English*]

Fourth, as part of this wider security policy approach defence should focus on political-military dimensions, specifically East-West and regional conflict issues. As such defence policies should perform three primary functions.

First, there should be a military contribution to the collective defence postures of western alliance. This contribution should only serve the purpose of enhancing stable deterrence at the lowest possible level of military forces. Therefore, it should be buttressed by political efforts in western alliance councils to ensure that the West continues to diligently pursue an overriding policy of stabilizing and reducing tensions between East and West, through arms control, confidence-building measures, and "non-threatening" military deployments.

• (1330)

Two, the physical protection of Canada's sovereignty through effective control of Canadian territory, to the extent where this is consistent with the wider goals of global security. That is, the objective of effective control should be pursued as much through international negotiation designed to eliminate or minimize threats to sovereignty security as through military options more narrowly designed to deter those threats.

Three, a military contribution through peace-keeping to a wider Canadian diplomatic effort to control and resolve regional conflicts. In addition, a made-in-Canada approach should be emphasized at all times involving independent Canadian threat assessments, security needs, and resultant policy operations.

[*Translation*]

The Liberal Party considers of paramount importance collective co-operation alliances within a non- military context. Ever since it was established in 1949, Canada has consistently seen NATO in a non military role. I must remind the House that it was Prime Minister Louis St. Laurent who first thought of the idea of setting up a collective military alliance and that it was Canada which insisted to have Section 2 included in the NATO Charter, the so-called Canadian section, so that the organization might play both a non military and strategic role. A defence policy must be formulated to reflect as closely as possible the foreign policy of Canada and its security objectives.

For instance, a defence policy for the Arctic dealing expressly with the sovereignty and security problem should emphasize the need to improve global security in the Arctic while insisting on the Canadian objective namely a sovereign control on Canadian territories.

In that perspective, it is difficult to understand why logically this Tory Government would want a nuclear submarine program. It seems to me that the presence of nuclear submarines in the Arctic would not improve in any way the over-all security in this area. I feel it would be inconsistent for Canada to get involved in arms proliferation there at a time when people are increasingly talking about the need for a coherent approach to disarmament.

I feel it is of utmost importance to emphasize the goals of this Tory Government within NATO, and if the Government was really serious about disarmament, it would not pursue this militarization policy. The acquisition of nuclear submarines certainly creates a dangerous precedent. After years of seeking NATO's co-operation for disarmament, the Canadian Government seems to contradict itself. While testifying before the Standing Committee on National Defence on June 18, 1987, the Minister of National Defence stated clearly the real reason why the Government wanted to purchase submarines, and I quote:

[*English*]

"The point that should not be missed is that all this machinery, these nuclear submarines, must be bought not simply for their utility in peace but more importantly for their utility in war".

[*Translation*]

These are the comments of the Minister of National Defence.

In contrast, I would like to quote the words of the Leader of the Opposition (Mr. Turner), who clearly outlined the position of the Liberal Party as concerns arms proliferation in the statement he made in Vancouver on February 6:

> While the superpowers are talking about arms reductions, our Government has decided that Canada will build some 10 or 12 offensive nuclear submarines at a possible cost of $16 billion. The building and deployment of offensive submarines constitute a radical departure from the deterrent role traditionally played by our armed forces. I believe that the Government is wrong in wanting to equip Canada with offensive nuclear submarines in the Arctic. The Government states that these submarines will be used partly for surveillance and partly for defence purposes in our northern waters. If such is the case, there are less costly, surer and more effective means to do the job.

It is obvious that the Leader of the Opposition has suggested a much more serious and praiseworthy method himself, namely the development of a new international regime for the Arctic under a treaty which would have the support of all powers in the region. With such a treaty, we could stop the militarization of the Arctic, pave the way for technological, economic and environmental co-operation, and most important, guarantee the future of northern residents.

In my opinion, the difference between the views of the Conservative Government and those of the Liberal Party is very important. We believe that our defence policy must be based on the following principles: first, an external and domestic policy; secondly, a collective approach to defence; thirdly, multilateralism; fourth, a clear notion of our military role, and fifth, a coherent approach to peace and disarmament.

With this understanding of a Canadian defence policy and the principles on which it rests, I should like to deal now with the Tory Government approach.

A cursory look at the Government's defence policy, as described in the White Paper on National Defence, clearly shows that the Tory Government is likely to distinguish between our defence and foreign policies. Considering that peace and security are two basic elements of our foreign policy, our defence policy should support and reflect the objectives instead of rejecting them.

I fully agree with the notion that the Canadian Armed Forces need new resources. Former Liberal Governments have never shirked their responsibilities and always provided quite generously the Canadian Armed Forces with adequate requirements.

But we feel the new Tory policy is somewhat extreme. First of all, NATO, according to the White Paper on National Defence, is not an excuse for Canada to purchase arms. Also, the purchase of these nuclear submarines at an excessive cost puts Canada in a very bad light.

It should therefore be emphasized that two different concepts of NATO are involved here: the militaristic approach of the Tory Government, and the peaceful and responsible approach of the Liberal Party. The Government has insisted on demonstrating the need for a strong Canada that is capable of defending itself. We agree, but the Liberal Party recognizes that in the world today, a defence policy based on defence, not on offence, is a legitimate part of a comprehensive approach.

We feel that as a member of NATO, Canada should continue to do its fair share but also continue to express its views on peace within a multilateral context.

The Liberal Party believes that NATO has a role to play beyond the purely military. We realize that NATO provides the advantages and imposes the responsibilities inherent in an alliance, but it also provides the opportunity for playing a leadership role within the Alliance in addressing matters relating to peace and security.

We believe there is a possibility of reducing conventional armament in Europe, and we hope that a ban on chemical weapons will be agreed on shortly.

The approach taken by the Conservative Government in its White Paper fails to recognize the importance of that aspect of our participation in NATO. This Government is taking Canada blindly down the militaristic road, where we risk losing all credibility as a spokesman and leader in defending the cause of peace and disarmament in this world. Canada has always played this role in the past, and it is a role we must continue to play, not only through our efforts via the Department of External Affairs and agencies like the Canadian International Development Agency, but also through our Canadian Armed Forces, which should not play an aggressive, but a peacekeeping role, and do so wherever they can in the world as an agent for peace and as a member of UN peacekeeping missions, and thus promote peace and greater understanding among nations throughout the world.

• (1340)

[*English*]

Mr. Crofton: Mr. Speaker, I listened with great interest to the remarks of the Hon. Member for Papineau (Mr. Ouellet). There seems to be a difficulty which both the Liberal Party and the New Democratic Party have in examining the White Paper. They seem to expect to find in it a complete statement of Canadian foreign policy and seem to forget that the White Paper is a statement about defence.

The White Paper acknowledges in a very serious and meaningful way Canada's whole-hearted support for arms negotiation, arms control, and arms reduction. Many journals and volumes of paper have been written about what has been taking place in Geneva, Helsinki, and Brussels. However, when it comes to Canadian military forces, its roles, missions, and capacities, very little has been put down on paper. Certainly the Liberal Party did not bother to do so for the last 12 years or 14 years of its term in office. It was such that when we came to office, the only existing document was on Canadian Armed Forces defence in the seventies, and here we were nearly half way through the decade of the eighties.

The White Paper addresses the very serious shortfall that we have with our military force. It in no way denigrates the most important arms negotiation efforts which have been made, continue to be made, and indeed are being made today with Canadian representation at Helsinki, Geneva, Brussels, the United Nations, and all other forums in the world where such matters are discussed. Canada is advancing energetically and forcefully its view, most particularly on the matters of arms control, supervision, and monitoring.

The Hon. Member for Papineau criticized, as I heard him, the Minister of National Defence (Mr. Beatty) for suggesting that we should be acquiring weaponry for its utility in war. Why else would we acquire military hardware? If it has no utility in war, it will certainly not have any utility in peace and will make no contribution to keeping the peace. I have heard some fatuous statements in my time, but that one seems to be the worst.

I have heard in the defence committee members of the opposition Parties talk about defensive submarines. I even heard them talk about a defensive grenade. I suggest the people who think along those lines have a rather strange understanding of what is military hardware. The whole purpose of spending money on it is that when it goes bang it does mischief to the person at whom it is aimed, or at least it creates the impression that it might. This is wherein the deterrence lies, so that the other fellow does not perpetrate an action which is offensive to all.

I am disappointed that the Hon. Member for Papineau suggested that the Canadian Government is taking a great leap to the right. I suggest that this country largely disarmed over the last 20 years but did not have the courage to say so or to admit to it, to the point that we had almost reduced our military to total ineffectiveness. The mere fact that we are trying to spend some money to create some credibility in our Armed Forces is scarcely a great charge off to becoming a militaristic nation; it is merely a matter of trying to keep up with the commitments we have made to our allies.

Mr. Ouellet: Mr. Speaker, I would like to respond briefly to what I consider to be comments, not questions, of the Hon. Member by re-emphasizing what I said earlier. We cannot and should not have a defence policy isolated from other major government policies. Certainly the defence policy should form

part of the wider security policy and compensate a number of related goals in the areas of defence and foreign and domestic affairs. We believe that the Government—and it is very symptomatic of the Government in this area and in many other areas—is taking one step forward and three steps backwards, or one step forward and two steps sideways.

If we look at the White Paper on defence, published on behalf of the Government by the Minister of National Defence (Mr. Beatty), we see that the document is contrary to many things the Secretary of State for External Affairs (Mr. Clark) is saying. Certainly it shows that there is no co-ordination or general thrust in where the Conservative Government wants to take us.

Defence can be looked at in a general approach to world security and cannot be dissociated from efforts made by our Department of External Affairs representatives abroad.

I appreciate that the Conservatives are a little uneasy about our motion. When it was introduced this morning, the Minister went to great length to try to indicate that it was a vote of non-confidence in the Government and that they would not be able to vote in favour of it. The motion is a very simple one. It reads:

> That this House recognizes the pivotal role that NATO continues to play in mutual security and defence and in furthering progress in arms control and disarmament and, therefore, reaffirms its commitment to continued Canadian participation in and active support for the North Atlantic Treaty Organization as a primary instrument of Canadian defence policy.

It is very straightforward. It might create some difficulties for the New Democrats who do not believe in NATO, and I suspect that they will vote against it. However, if the Government believes in NATO, wants to continue to support it, and wants to continue to participate in NATO, there is no reason for it to vote against the motion. It is trying to find all kinds of excuses, even procedural ones, not to accept our legitimate motion.

I am one who participated in the parliamentary reform committee chaired by one of our distinguished colleagues who is now Lieutenant-Governor of Newfoundland. It was quite clear when we dealt with opposition motions introduced on opposition days that unless it was specifically clear in a motion that a vote of non-confidence was implied, motions were then general motions that did not carry penalty of the defeat of the Government. Therefore, the Minister could let his colleagues who want to vote with the Opposition in favour of this motion vote that way. Although some of us might be tempted to ask the Prime Minister (Mr. Mulroney) to go to the Governor General to call an election, if we win the vote on Monday night, the Prime Minister does not have the obligation to do so because according to the new rules, opposition days are for us to deal with legitimate motions, to allow Members on both sides of the House to express their views and to vote on them without necessarily putting the confidence of the Government in jeopardy.

• (1350)

Mr. Hopkins: Mr. Speaker, I want to ask the Hon. Member for Papineau (Mr. Ouellet) a question. The Associate Minister of National Defence (Mr. Dick) when speaking was trying to use my approach to this motion as his justification for not voting for the motion to support Canada's continuing role in NATO.

Does the Hon. Member feel that that is in keeping with the new rules of the House of Commons and at the time when the Minister accused me of attacking the Government, he was indeed attacking the Opposition.

Does the Hon. Member for Papineau recall the Conservative Party during the last election promising a 6 per cent real increase in defence spending, which means after deducting inflation? Does he feel the Conservatives have kept that promise?

The Minister talked a great deal about world security and co-operation within NATO and this motion simply reconfirms that. Does the Hon. Member not feel that the motion is very much in keeping with maintaining our firm stance as a nation and as a member of NATO, to support NATO itself, thereby trying to have an organization such as NATO that is reasonably equal to the Warsaw Pact so that two can discuss things wisely at the bargaining table? Is that not the proper format to have in order to arrive at agreements and at further reductions in armaments on both sides which in turn will add greater peace and stability to the world?

Mr. Ouellet: Mr. Speaker, I want to thank my colleague, the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins) for his comments. He is a much greater authority than I am on defence matters. I share the view he expresses.

In relation to the motion, I want to assure the Hon. Member that this motion, which he drafted very well, having sat on the McGrath Commission, is in keeping with the letter and the spirit of parliamentary reform undertaken by this House during this Parliament. I believe it is also consistent with the traditions and the precedents of this House. It is quite clear that the adoption of this motion will not and does not constitute and ought not to be interpreted as a vote of non-confidence in the Government. Any member of the Government who wants to vote with us should feel free to do so. They are not jeopardizing the existence of their government.

In relation to the latter part of my colleague's question, he was a strong supporter of the commitment which the previous Government made. I remember the Member speaking very forcefully in our caucus to make sure that the Liberal Government was giving the appropriate resources.

Mr. Patrick Crofton (Esquimalt—Saanich): Mr. Speaker, I welcome the opportunity to participate formally in the debate today. As chairman of the House of Commons Standing Committee on Defence, I have lamented over time the lack of

opportunity which the House accords to those of us who have a particular interest in this subject.

I must say in response to the proposal put forward by our colleague, the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins) that I welcome the Liberal Party's newly enunciated support for NATO. In recent weeks and months I was beginning to wonder whether the Liberals supported Canada's continuance in NATO by some of the things they have said. Attention was drawn to the Right Hon. Louis St. Laurent who was the Prime Minister of the country at the time Canada joined NATO. I daresay in the succeeding years had he still been with us, he would have lamented Canada's backing away from whole-hearted support in that organization.

The Member in putting his motion today drew attention to Liberal policy in 1983-84, the reacquired interest in NATO. I suggest, in part, that it was a realization, with an election staring the Government in the face, of what was likely to happen to it that it rediscovered some old values and tried to figure out how to throw some money at it in a hurry. Indeed, the Liberal Party largely drew up a wish list—

Mr. Hopkins: Mr. Speaker, I rise on a point of order. I have known the Hon. Member for Esquimalt—Saanich (Mr. Crofton) for some time and have the greatest respect for him. I know that he would not want to put anything on record that is inaccurate in any way. If he checks my speech he will find that that "new" interest on defence was ongoing. He will also find if he checks the Estimates that renewed interest was very rampant from the late 1970s right through to 1984.

Mr. Turner (Ottawa—Carleton): Order.

Mr. Dick: There are so many inaccuracies, Len, it is impossible to figure out which is fact and which is fiction.

The Acting Speaker (Mr. Paproski): The Hon. Member will have an opportunity to ask questions and make comments later. The Hon. Member for Esquimalt—Saanich has the floor.

Mr. Crofton: I look forward to the Hon. Member's question at the appropriate time, Mr. Speaker. I think Canadians are best able to judge for themselves the true facts of the matter.

If we took a stock taking today or on Monday and added up the value of the bricks, mortar, guns, tanks and the infrastructure we have in the Armed Forces, we would arrive at a total of approximately $90 billion. That is what we have invested at the moment. The life expectancy of the bricks, mortar, tanks and guns is about 25 years. If you divided 25 into $90 billion you get roughly $3.5 billion. Over the years we should have been investing about $3.5 billion a year in capital outlays to sustain the equipment, the personnel, the bricks and mortar that we have. However, the reality is that we have been investing about $2.5 billion a year over the better part of the last 20 years. We have been short-changing the Canadian Armed Forces about $1 billion a year. That is why we have rust-out in the fleet, obsolete tanks in Europe, and helicopters about which there is some question of whether they can fly on a given day. That is why we have ships that can barely make it out of harbour, and why we have to acquire vacuum tubes from Warsaw Pact countries to make our equipment work. That is the legacy of the Liberal Party.

• (1400)

We did not end up in this perilous state overnight. It was a plan, or indeed a lack of planning over many years, that reduced the Canadian Armed Forces to its serious condition today. That is why this Government found it necessary to invest considerable sums of money to try and restore some real level of competence and reliability to the Canadian Armed Forces. This is necessary because of the two important organizations to which we belong, NORAD and NATO, although the subject of today's debate is NATO.

We are the second largest country in the world with far and away the longest coastline and a small population. Consequently, we can scarcely hope to defend ourselves by ourselves against any serious threat. Thus it is only natural that we look to like-minded nations who share our love of freedom, our democratic principles, our belief in individual liberty, and our respect for the rule of law, with whom to unite our efforts in collective defence. It is for that reason we have sought our security since 1949 in the general framework of NATO and the bilateral arrangements we have with the U.S.

The motion before the House today refers to the pivotal role that NATO continues to play in mutual security, in defence, and in furthering progress in arms control and disarmament. They are the basic elements of the Canadian security policy as enunciated by the Prime Minister (Mr. Mulroney). Mr. St. Laurent, at the time NATO was founded, said that this treaty has to be far more than an old-fashioned military alliance. It is based on the common belief of the North Atlantic nations in the values and virtues of our civilization. That is still the view of this Government and I am confident it remains the Canadian view. It has also supposedly been the view of every Canadian Government since 1949.

The voices that cry out for withdrawal from NATO on the grounds that Europe is now rich enough to look after itself, and that membership in alliances inhibits our freedom of action in searching for peace, carry the wrong message about Canada and the alliance. NATO is as much a political as it is a military alliance. It was created under Article 51 of the UN Charter, a fact mentioned earlier today but which bears repeating. The Charter referred to contributing to the maintenance of peace by making clear our determination to exercise the right of individual collective self-defence.

Let us examine for a moment the hypocrisy of a neutral Canada. The NDP attempted to make the argument they are not advocating a neutral Canada but I differ because their words convey a completely different message. As neutrals we would continue to rely for our security on the deterrent and defensive forces of our allies, having opted out of any contribution to or shared responsibility for this collective security.

Neutrality would deny our history. It would deny the efforts of Canada in two world wars and since to establish an international order in which we as a country could grow in peace with our neighbours.

We cannot isolate ourselves from the world. Given that our economic well-being is related to that of our allies and our social and political values are those of our allies, there is no other logical, ethical place for it to be except in NATO. Neutrality would be a denial of our geography, of the fact that we lie between two superpowers, and that whatever policy we might follow, our involvement in any East-West conflict would be inevitable.

It has been suggested that neutrality would enhance our security for not much more than the current cost of collective defence. This is a very naive calculation, as the Swiss and Swedes have long recognized. They pay far more for defence per capita than do we. They devote a greater percentage of their gross domestic product than we do now to meet defence requirements. Even more significantly, they require compulsory military service. Additionally, both those countries are heavily involved in armaments production and sales abroad, which is the only way they can sustain the ability to produce the military hardware they need themselves. The bottom line is that we would have less defence for a much higher cost if we chose to abandon our allies and seek our destiny as a neutral.

I mentioned earlier that we share a set of common values and freedoms with our NATO allies. It is these values that are in conflict with those of the Warsaw Pact. The differences which divide us are deep and cannot be wished away. When these economic, social and spiritual divisions are considered against the background of the massive nuclear, chemical and conventional capacity of the Warsaw Pact, which in most professional judgments exceeds the requirement for defence alone, the requirement to manage East-West relations with great care and ensure that we ourselves are adequately defended is glaringly obvious.

Our value system is under the greatest threat in Europe where the risk to freedom is most obvious and most direct. This is as good a reason as any for our participation in the collective defence of Europe. The preservation of a free and secure western Europe is essential if we are to develop into the sort of country that most Canadians want us to be. Since 1949 successive Governments have recognized this truth, although for some periods of time it has been given little more than lip-service.

As you are aware, it is the policy of the Government to correct the neglect of our Armed Forces so that we once again can take our place in the alliance with pride and in the knowledge we are pulling our weight and paying our way. I referred earlier to the two principal functions of the North Atlantic alliance. The first being to maintain an adequate defence, and the political solidarity necessary to deter aggression or intimidation and defend the territories of member countries. The second function is the pursuit of greater stability in East-West relations in order to create a climate in which the underlying political issues can be solved. These are not mutually exclusive functions. They are very closely interrelated.

The political will to deter is as important as the capability of the forces to play their part. The White Paper defines Canadian security policy in terms of defence efforts, arms control efforts, and efforts to secure the peaceful resolution of disputes. These are again complementary elements which are most usefully considered in the context of security policy.

Earlier this week the Prime Minister, Mr. Reagan and other leaders of the North Atlantic alliance met in Brussels in the wake of the signing of the treaty to eliminate all Soviet and U.S. intermediate range nuclear forces. They also gave consideration to what the next step should be for NATO in light of this agreement. We owe our seat at this table to our membership in NATO, as we owe our seat in other councils in which security issues in Europe, the area of greatest East-West confrontation, are discussed.

The success of the INF treaty is a NATO success. It was a NATO proposal. NATO adopted a dual-track strategy to deploy INF while negotiating for its elimination. The NATO nations, despite considerable political pressure on some of the European members, maintained the political solidarity necessary in such a negotiation.

This is not to say that the new spirit of openness, *glasnost*, ushered in by Mr. Gorbachev, did not play a significant role in creating the climate in which an agreement was possible. However, it was essentially a NATO victory. The lessons that we can take from it are that we should deal from a position of strength, select a political strategy and, above all, be patient.

• (1410)

On the horizon are prospects for further arms control negotiations which might lead to a 50 per cent reduction in strategic missiles, the elimination of chemical weapons, and significant reductions in the levels of conventional forces facing each other in Europe. We welcome these initiatives. We endorse these goals.

If we were not members of NATO we would have limited influence in some of these issues and none in others. As it is, we can contribute our ideas, our diplomatic and technical skills, and our political support. This is no time, however, to let our guard down. We must remember the lessons of the INF Treaty and ensure that we enter the negotiations with an adequate, effective, and modern set of defence capabilities.

As you know, Mr. Speaker, the Government is proceeding, with the implementation of the White Paper, to repair the neglect of many years of our Armed Forces. There is no inconsistency between the pursuit of verifiable and equitable arms control measures and the maintenance of an effective defence. They complement each other. Canada has long sought security at the lowest possible level of arms and will continue

to do so, but unilateral arms control is destabilizing and dangerous to our security and the security of others. We must be patient and we must be strong.

I mentioned earlier that we owed our seat in the councils of the western world to our membership in NATO. It is because we share the burden of collective defence in NATO that we have been able to participate with the European nations in the Helsinki process of building security and co-operation in Europe. We have also enjoyed a place in the Stockholm Conference on Security and Confidence-building Measures in Europe.

Our contributions to NATO's integrated military command in Europe will ensure our participation in the conference on Security and Co-operation and in the talks that will be aimed at encouraging stability in Europe at lower levels of forces. Finally, it is our membership in the alliance that enables us to participate as a partner in the consultations on nuclear arms control between the United States and the Soviet Union, even though we as a nation do not have nuclear arms.

I began by describing NATO as more than a purely military alliance. I do not know how many of our friends across the floor have read the treaty. It is very simple and very short. I think the language of the preamble describes its purpose far more eloquently than can I. It reads:

> The parties to this treaty reaffirm their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all governments.
>
> They are determined to safeguard the freedom, common heritage and civilization of their peoples founded on the principles of democracy, individual liberty and the rule of law.
>
> They seek to promote stability and well-being in the North Atlantic Area.
>
> They are resolved to unite their efforts for collective defence and for the preservation of peace and security.

Is it any wonder, Mr. Speaker, when we read such language and reflect on its meaning that the North Atlantic Treaty Organization and Canadian membership in it has been a cornerstone of Canadian foreign and defence policy since the treaty was drawn up in 1949? It has served Canada and all its members well. It has been an instrument for peace and has enabled Europeans to enjoy the longest period in modern history in which there has been no war in Europe.

The majority of Canadians support our continued membership in NATO and, as the White Paper asserts, it is essential to the defence of Canada and Canadians for the foreseeable future. As the preamble suggests, it is more than a treaty for defence. It is a treaty for the preservation of our values and freedoms. It is the very basis of Canadian security.

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, the Hon. Member who has just spoken has delineated a course of action for Canada which seems to me and to all of us in this Party to be one which rests almost entirely upon the strategic doctrines and values of the present United States administration.

When one criticizes, as we do from time to time, those strategic doctrines and values, whether star wars, the forward maritime strategy, or the air defence initiative which we also see as an aggressive strategy being developed in the United States, we are told we are being anti-American. We are told that we are somehow or other a neutralist Party simply because we engage in what we hope is constructive criticism with a view to securing international peace and security for all.

When the Hon. Member talks about neutrality and suggests that we are pursuing a policy of neutrality, he is raising a straw man. He knows perfectly well that this Party has always shared and continues to share the democratic values of the West and is critical when we believe that other societies in the West are not pursuing those democratic values. In no way do we dissociate ourselves from those values.

Our goal is global security. Our goal is the security of all which, since 1982 as a result of the Palme Commission report, is often referred to as the common security because it is no longer possible for one nation alone to be secure. It is only when all nations feel a sense of security, and I include Third World nations as much as those in the so-called advanced world, that we have genuine, real, meaningful security.

Therefore, security is not something to be defined as the Conservatives and apparently, judging by this motion, the Liberals define it, in purely military terms. There is probably no such thing, and certainly not in the nuclear age, as military security, as nations being able, through military means, to provide for their security and well-being.

I fail to understand why the Government, in its White Paper on defence, continues to define Canadian security, and indeed that of every nation, in purely military means. That thinking has been obsolete from the dawn of the nuclear age.

I was, therefore, disappointed to read the motion put forward today by the Liberal Party which resides so much in the past. It embraces none of the contemporary thinking which has been developing particularly strongly in the last five years, dating back to the Palme Commission and other reports from UN disarmament gatherings and elsewhere which have been forging, for all of us, a way of looking at the world in world terms rather than in narrow nationally militaristic terms.

• (1420)

The Liberal motion states:

> That this House recognizes the pivotal role that NATO continues to play in mutual security and defence and in furthering progress in arms control and disarmament and, therefore, reaffirms its commitment to continued Canadian participation in and active support for the North Atlantic Treaty Organization as a primary instrument of Canadian defence policy.

Let us analyse this motion to see how buried in the past it is and why the New Democratic Party and, I understand, even the Conservative Party, is not prepared to support it. The motion asks that this House recognize the pivotal role that NATO continues to play in mutual security and defence and in furthering progress in arms control and disarmament.

The essence of what is generally believed to be mutual security is the building of bridges rather than barricades. It is getting rid of the East-West conflict orientation of the past and developing confidence building measures on both sides to bring them together. History has shown that it has not been NATO that has developed this mutual security, unless the Liberal Party has a definition of mutual security other than the one I have given.

In recent years there have been very important developments in mutual security, also known as common security or security of all, particularly in the Conference on Security and Confidence-building Measures in Europe and the talks that have been taking place under the CSCE in Stockholm.

Enormous strides have taken place in the last two or three years by the United States and the Soviet Union, quite independent of NATO and the Warsaw Pact. It quite stretches the imagination to suggest that these steps have been a product of NATO. I wish that were true, but it is not.

NATO did nothing to promote mutual security, arms control and disarmament throughout President Reagan's first term because President Reagan did nothing. Indeed, it was during this time that former Prime Minister Trudeau complained about the uselessness of NATO in developing policies and strategies for arms control and disarmament.

During President Reagan's first term, and into his second term, the United States was not disposed toward a unilateral moratorium on nuclear testing, as was the Soviet Union, for example. The United States was not disposed toward fully supporting the implementation of the ABM Treaty because the United States was disposed toward stretching the arms race into space with its star wars program.

Since the United States has not supported a comprehensive test ban throughout this time, no action on these matters came from NATO. I do not believe that Canada played a significant role in promoting some of these steps.

NATO has continued to have a central doctrine of flexible response, namely the first use of nuclear weapons. In December, 1984, NATO approved of what is called deep strike strategy, quite legitimately raising fears of aggressive intentions.

In Brussels the other day, NATO, with the distinguished exception of Chancellor Kohl of the Federal Republic of Germany, considered enhancing or modernizing tactical nuclear weapons in Europe at a time when the Soviet Union and the United States agreed not only to the diminution but elimination of a class of nuclear weapons. This gave hope to everyone that further strides would be made. Yet at the same time NATO determined at its meeting in Brussels that there should be more sophisticated nuclear weaponry to replace that which will be eliminated. One can only hope that the very important exception of Chancellor Kohl to this decision will convince other parties within NATO to see reason.

We hope that there will be drastic reductions in strategic nuclear weaponry. One wonders whether the Liberal Party, any more than the Government, has given thought to what Canada's position should be and what suggestions we should present to the superpowers about what particularly important areas of weaponry should be reduced or eliminated in strategic arsenals.

The Associate Minister of National Defence (Mr. Dick) said today that he did not believe that the reductions would include air and sea launched cruise missiles, probably including submarine launched ballistic missiles and therefore, presumably, we could go on testing the cruise missile until the two superpowers included it in their negotiations.

Since this motion contains nothing about the Liberal Party's stand on this matter, one presumes they would agree with that position. But, Mr. Speaker, if Canada really cares about promoting those measures in arms control and disarmament that will enhance the security of all, and if Canada is really interested in the area of strategic weaponry, above all the air launch cruise missile, why do we not have proposals now in writing? Rather than wearing a uniform and talking about building up our military and so on, why are we not before the television cameras saying: "Yes, there must be some limits within the strategic reductions relating to the air launch cruise missile", and have a specific proposal to present directly to the superpowers? NATO will not be doing that either. It is through our efforts, if we would only make those efforts, that we will see a strong Canadian contribution to arms control and disarmament.

• (1430)

We could be pressing strongly once again, as we did briefly under the previous Government, for a comprehensive test ban, including, of course, cruise missile testing. We could be pressing very strongly for the adherence by Canada, and all nations, to the nuclear non-proliferation treaty, both in the letter and the spirit. Rather than doing that, totally contrary, certainly to the spirit of the non-proliferation treaty, we are apparently blindly going ahead with the acquisition of nuclear-powered attack submarines whose fuel is weapon's grade uranium.

I see nothing in the motion we are discussing today that suggests that Canada should be taking a strong position on matters that would enhance the security of all. It says only that we should reaffirm Canadian participation in NATO as a primary instrument of Canadian defence policy. It says nothing at all, and therefore I can only assume does not care, about the frontier of the nuclear battlefield in the 1990s, the Arctic.

The motion does not even mention the steps that Canada can and should take in conjunction with the six other Arctic and Nordic nations to secure the denuclearization and ultimately the demilitarization of the Arctic. I can only take it as I read this motion that NATO and Western Europe are still

the primary instrument of our defence policy. I find that is simply and totally living in the past. It is as if we had not yet become aware of our three oceans, and above all our Arctic.

We in this Party could not support such a reactionary, outmoded, unthinking proposal. We would be happy to support a proposal which puts Canada in the forefront internationally of the movement toward arms control, toward disarmament, toward peace and toward security for all. Again, I mean security in the very broadest terms. We would want to support that kind of motion.

Mr. Kilgour: Through you, Mr. Speaker, to the Hon. Member, I have not had a chance to wish her well since she announced she would not be standing for Parliament again. I do that now most sincerely. She always speaks with sincerity in this House and even though we very often disagree, I know she believes fully in what she is saying about every issue.

May I ask the Hon. Member why it is her Party wishes to withdraw from NATO and NORAD? Has its position changed? Is it changing? Will it change, does she think, in the future without her influence in the Party?

Ms. Jewett: I thank the Hon. Member for his compliment, Mr. Speaker. Flattery, as he knows, gets one nowhere. As the Hon. Member well knows, we have a policy established for many years now and reaffirmed only in 1985 at convention. We do not have a convention again until 1989. As the Hon. Member knows, it is at convention that there will be any changes.

I may say that if the Hon. Member were listening, and I am sure he was, to what I was attempting to say, he will know that the New Democrats may be, just as they often are, if I may say so, ahead of their time. The likelihood of the dissolution of both the superpower blocks within the next 10 or 15 years, provided the Soviets get out of Afghanistan, is really quite strong. I feel that quite strongly. I feel that is the direction in which we as Canadians should move in supporting that development.

Mr. Crofton: Mr. Speaker, I have a brief observation and, hopefully, an equally brief question. The observation is that those who forget history are doomed to relive it. During the 1930s, after the war to end all wars, we turned swords into ploughshares and let down our defences, and the bullies came back on the scene with another terrible price to pay. I suggest that history has this bad habit of repeating itself, so we have to sustain some sort of strength

The second brief observation I would like to make is that NATO is firmly committed never to be the first to use force. We may indeed be driven to using nuclear force in a very adverse set of circumstances but we are committed never to be the first to use force. Mr. Trudeau flitted about the world, he had a nice trip, but achieved nothing in his last gasp peace mission. Does the New Democratic Party generally believe that by withdrawing from NATO we would have any credibility or any influence whatsoever in the discussions in Europe between the super powers to demilitarize Europe?

Ms. Jewett: With respect to the first comment about history repeating itself, if I may say so again in a friendly fashion to my hon. friend, that is the kind of dreadful mistake so many people make. They do not seem to realize that the advent of the nuclear age has rendered obsolete all references to military history prior to that time. We must get through our heads that there is no such thing as a winnable nuclear war. We must realize that one does not "send one's boy to a nuclear war". Therefore, unless the Hon. Member is a star wars advocate, and I did not think he was, and unless he thinks that there is some great shield up in the sky that can defend against nuclear war, there is no defence in the conventional sense. Just building up more and more nuclear weapons, which is what he is advocating—

• (1440)

Some Hon. Members: Oh, oh!

Ms. Jewett: He obviously is. He is saying that the reason everything went wrong in Europe prior to World War II was because people were not prepared and that they did not have enough military clout and strength. If he is saying, "Okay, build up all the nuclear weapons in the world", I think that that thinking is pre-World War II and is totally obsolete.

He is drawing a very thin line when he differentiates between the first use of force and the first use of nuclear weapons. The fact is that the NATO doctrine of flexible response does involve the first use of nuclear weapons. If one does not think that that is force, then they are defining it as something outside force. Whether or not it is called force, that is the doctrine. That is still the fundamental doctrine even though people have told us, military people included, that there would be a period of from six minutes to six days at the most in a conventional war before nuclear weapons were resorted to. It would be a very rapid escalation into nuclear war. I am sorry, I should not even use the word "war" because I just argued that it is not war. There would be a very rapid escalation into a nuclear exchange, very rapid indeed. That is why we have felt very strongly that NATO should have long since renounced the first use of nuclear weapons.

Mr. Henderson: Mr. Speaker, I have a comment to make. I listened with great interest to the debate on this motion that was put forward today by my hon. colleague, the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins), who is a very distinguished colleague. I would have liked to have had some time to speak on the motion today. I know that as well my colleague, the Hon. Member for Saint-Denis (Mr. Prud'homme), who served as Chairman of the National Defence Committee as well as the External Affairs Committee for some nine years would also have liked to have had some input into the debate here today, but time does not permit.

We clearly know and understand the New Democratic Party's stand as it relates to NATO. I was a little disappointed to hear some Members stating that Government Members would not be supporting this motion when it comes to a vote.

Mr. Prud'homme: It is unusual.

Mr. Henderson: It is very unusual, as my distinguished colleague from Saint-Denis has just said. We in the Liberal Party are very strong supporters of NATO. We thought that government Members were also strong supporters of NATO. Since there is but a very short time we might be able to make it a little easier if I were to introduce an amendment. I wish to introduce an amendment to the motion at this time.

The Acting Speaker (Mr. Paproski): Order, please. I am afraid that on a question or comment the Hon. Member does not have that privilege.

It being 2.45 p.m., it is my duty to interrupt the proceedings and put every question necessary to dispose of the business of supply proceedings in accordance with Standing Order 82(9).

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 13(5), the recorded division stands deferred until 6 p.m., Monday, March 7, 1988.

[*Translation*]

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

The House adjourned at 2.46 p.m.

HOUSE OF COMMONS

Monday, March 7, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

STATUS OF WOMEN

PRESENTATION OF SECOND REPORT OF CANADA—DISCRIMINATION AGAINST WOMEN

Hon. Barbara McDougall (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, on behalf of the Secretary of State (Mr. Crombie), and pursuant to Standing Order 67(2), I wish to table, in both official languages, the second report of Canada concerning the convention on the elimination of all forms of discrimination against women.

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to petitions Nos. 332-3701, 332-3780, and 332-3957 to 332-3965 inclusive.

* * *

INTERNATIONAL WOMEN'S DAY

CONTRIBUTION OF WOMEN

Hon. Barbara McDougall (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, tomorrow is International Women's Day, an occasion which is set aside to honour women everywhere. For Canadians International Women's Day is an affirmation of the vital role which women play in all areas of our society.

We possess in our country a proud tradition of women's activism. At the turn of the century Canada's suffragists overcame seemingly insurmountable odds to obtain the most basic democratic right, something we now take for granted, the right to vote. They drew collective strength from their organizations, many of which continue to this day. Women's groups were also concerned about special issues, taking on child labour, intemperance, and unsafe labour practices as issues of their own. The healthier and better social environment which we all enjoy today has been largely the result of women's efforts to translate their own vital social concerns into effective reforms.

[*Translation*]

By seeking remedies to a number of social ills, Canadian women came to the realization that they had to play a more significant role and exert a greater influence in the decision making process and the development of policies.

Some 18 years ago, the famous Royal Commission of Inquiry on the Status of Women made Governments aware of women's determination to play an active and significant role in our society. Today, Mr. Speaker, women in greater number take their rightful place in every scope of activities, because they have proven themselves in the areas of responsibilities they have assumed so far.

[*English*]

I grew up, as did some others in this Chamber today, in what sociologists disparagingly refer to as the flat fifties. But they were already significant signs of change. It was the age of John Diefenbaker—

Some Hon. Members: Hear, hear!

Mrs. McDougall: —who, among other things, appointed Canada's first woman cabinet Minister, the Hon. Ellen Fairclough—

Some Hon. Members: Hear, hear!

Mrs. McDougall: —who, as you can see, Mr. Speaker, still has a considerable number of fans on this side of the House.

It was also the time of another female politician, a very lively lady named Charlotte Whitton who was the Mayor of Ottawa. She was fascinating but, as I recall, she wore tweeds a lot and she wore shoes with laces. For those of us teenagers who were devout believers in *Seventeen* magazine, she was not exactly what I wanted to be when I grew up. However, I was absolutely fascinated with her. She was unpredictable, she was uncompromising, she was intimidated, she was unbeatable, and she was never, ever uninteresting, not ever.

As I was growing up these women were on their own to a large extent. However, today women are not alone in pursuing their economic objectives or their social and legal equality. Women now have many allies in that quest for equality. The Government is a staunch ally of Canadian women. We have proven that and will continue to prove it.

• (1110)

As our Prime Minister (Mr. Mulroney) said last year at the Canadian Advisory Council symposium on the family:

> If old prejudices and attitudes die hard, it must be said that Canada is a changing society largely because women are changing it. I look forward to the day when affirmative action programs will no longer be necessary, when equality is taken for granted . . . That is why our Government continues, in its commitment to women, to address the need for full equality. The goal of women, the role of Government is to hasten that day.

[*Translation*]

We have already taken several major steps to make it possible for women to participate fully in the economy. Honourable Members are aware of course of the employment equity programs as well as the federal contract programs; of our efforts to ensure that women can participate equitably in the job training and development programs through the Employment Planning Strategy; of our reform of the pension legislation; of our concrete efforts to enforce the principle of equal pay for equal work; and of our legislation aimed at the enforcement of alimony ordinances.

[*English*]

That is only a partial list of our initiatives on behalf of women. But none of this would have been possible had our Government not taken swift action to renew the economy. There is a very fundamental truth about equality, that is, that genuine equality does not thrive without a sound economic base.

Perhaps nowhere is this seen more clearly than in the Third World where women's daily struggle to feed themselves and feed their families overshadows and overwhelms any concerns with rights and with equality.

In Canada we are fortunate. We know that to make significant progress on the social issues and on issues having to do with women, those that are so important to the achievement of true equality for all Canadians, we must have sound economic policies. A growing and buoyant economy enables every Canadian to contribute her or his full potential to our society. That is what equality is all about.

Sound economic policies permit our Government to address a number of barriers that still limit the choices available to women in pursuing opportunities. One barrier clearly is the lack of affordable quality child care. Women's equality is a paper promise unless women are offered opportunities to actively participate in all of society's endeavours, confident that their children are well cared for.

Our national child care strategy commits our Government to spend $5.4 billion over the next seven years and another $1 billion annually after that to enhance and expand child care services in this country.

[*Translation*]

The national child care strategy is made up of three major components. A new child care legislation will finance, together with the provinces, the creation of 200,000 new quality day care units in Canada. Two tax measures will offer increased assistance to families with young children. And an assistance fund for special projects in the area of day care will give priority to proposals aimed at improving services and to innovations in this area.

In short, our national day care strategy offers Canadian parents real alternatives to choose what is best for their children.

[*English*]

At the other end of the spectrum we are addressing the situation of elderly women. I was pleased to announce last month with my colleagues, the Minister of National Health and Welfare (Mr. Epp) and the Minister of State for Seniors (Mr. Hees), our new seniors initiative. With its commitment of an additional $30 million in funding annually, this initiative will encourage innovative approaches to meet the wide range of needs felt by Canada's seniors, both women and men.

Since this is International Women's Week, I cannot ignore Canada's continued interest in the status of women worldwide. Last August, in Zimbabwe, I represented Canada at a meeting of commonwealth ministers for women's affairs. That was the second such meeting, the first was an adjunct to the Nairobi conference.

Largely through the efforts of Canadian representatives, ministers at that conference adopted a plan of action that directs commonwealth countries to integrate women in all aspects of their work, including training, development and education. At their meeting in Vancouver in October, commonwealth heads of government endorsed the plan of action, setting the stage for co-operative action to enhance the status of women throughout the commonwealth.

Our activities within this particular forum will continue. I am pleased to announce today that Canada will host the third meeting of commonwealth ministers responsible for women's affairs in 1990. This is a significant honour which reflects the reputation we enjoy for our efforts to integrate women's concerns in our national policies and programs.

[*Translation*]

A major part of our Government's economic and social strategy is to encourage women to deliver their full potential. We feel that women's equality is good for the economy. Our Government wants women to get their fair share. It strives to offer women the possibility of contributing to the economy. For the economy, that means more resources and improved productivity. For society, it is a simple question of social justice. Tomorrow being International Women's Day, we want to recognize the skills and abilities of half of our population.

[*English*]

These are not just slogans reserved for occasions like International Women's Day. They are statements of principle that have guided the efforts of our Government since the start of our mandate.

It goes without saying that women have the intelligence, are now getting the education, and certainly have the talent to participate fully in all aspects of our society. Women know the contributions they have made to our country. Our Government also recognizes women's contribution and their potential for more. We will continue to be full partners with women as we move toward our goal of real equality for all our citizens.

Some Hon. Members: Hear, hear!

Mrs. Lucie Pépin (Outremont): Madam Speaker, it gives me great pleasure to rise and address the House on behalf of Canadian women on International Women's Day. This is a day for all women from all over the world to celebrate the gains we have made and to help plan our goals for the future.

We come together today to celebrate our achievements, to share our knowledge and experience, and to rally our forces so that we can continue to press ahead toward even greater challenges.

When I look back over the last 20 years I am amazed and overjoyed at the leaps and bounds by which we have made progress. Things are dramatically different for women now than they were then.

Women have an endless amount of choice today. We can go into areas we never would have dreamed possible before. Attitudes and options have changed, and I am deeply grateful to every Canadian who has helped bring us to where we stand today.

This is a day when Canadian women should take stock of what has been accomplished and where they want to go. It is a day to let our Government know what we want and expect from it. Things have changed for the better but we still have a long way to go before we are completely equal competitors in the workforce. We need help from the Government to achieve this.

• (1120)

The Government has made many promises to women and has claimed to be on the side of women in Canada. I would like to take this opportunity to remind the Government of the commitment it made to 52 per cent of the country's population. However, first I would like to look at what women are doing today and how they are living.

The notion of the Canadian family has completely changed. Sixty per cent of all mothers with young children work full-time. In 60 per cent of all families, both parents must work to afford an adequate life-style for their children. The majority of women today find themselves balancing heavy domestic responsibility and work. The cost of raising children is becoming increasingly onerous. The cost of education alone for a child from zero to 18 years is $106,000 today. A couple with children must earn $6,000 more each year to have the same saving ability as couples without children. The cost of full-time receipted child care is a minimum $5,000 a year per child.

[*Translation*]

And what about single parent families? How can they afford these services? We must remember that 72 per cent of single parent families are headed by women, and that half of these women earn less than $10,000 a year.

It is not surprising they have such low incomes, when we consider that the majority, that is, 72 per cent of part-time workers are women, and we see that part-time workers receive no pension benefits or annual leave or sick leave. When we see that the majority of the unemployed are women and that women still tend to be in job ghettos, in other words, earn 63 per cent of what men are earning, I think it is high time an employment equity policy was introduced to do something about this very basic problem.

What do these statistics tell us, Madam Speaker? They tell us that the role of women and the role of the family has changed, and that although women have more choices then they had before, there is still a lot to be done. Many women are still relegated to occupational ghettos, are poorly paid and receive no social benefits. Many women have to support a family on an income that is below the poverty line. Is it so surprising we have a birth rate of only 1.7 per cent? Is it so surprising that parents decide to have fewer children because they cannot afford more and because our society does not provide them with the support services they need to raise happy, healthy children?

As a society in this country, we claim to believe in equality. We support the principle that women must have the same opportunities as men. How can we expect to achieve equality if we do not help women who carry the heavy domestic burden that is traditionally theirs? What will happen to Canadian families if we continue to expect every woman who works both in the home and outside the home to be a superwoman, able to carry on her career and raise her children without any trouble? Pious promises are not enough, Madam Speaker. We must act now.

[*English*]

Prime Minister Mulroney once said that for many women child care is the key to future equality. I agree with him. Women will never be able to participate fully in the job market if they cannot find high quality affordable child care for their children. The Conservative Government came out with its national strategy on child care in December 1987. Unfortunately, it seems to have overlooked two key issues in child care, the need for immediate spaces and the need for quality.

The Government allocated $3 billion to federal-provincial cost sharing programs with the aim of creating 200,000 new child care spaces. Right now only 10 per cent of eligible

children under 13 years of age can find places in child care. There is an immediate need for over one million places. The Government is not meeting one quarter of this demand.

These 200,000 spaces will only be created once the federal and provincial Governments have completed negotiations. When will this be, next year? In two years? Canadian women cannot wait that long. Canadian children cannot wait any longer, either. There is no guarantee of quality in child care because the Government set no national standards. There are no standards set for training child care workers or licensing proper facilities. The Government is going to give away money to the provinces without any system of monitoring how that money is spent.

Instead of creating affordable child care spaces, the Government has put $2.3 billion into new tax deductions. That means that if one can afford to pay $5,000 a year for child care, one can now get $4,000 back in deductions. If one cannot afford to pay $5,000, one cannot get anything back for child care. How is a single mother going to get off welfare if she cannot afford child care and, therefore, cannot go out and work?

Canadian women need immediate funds from the Government to create new child care spaces now. Every province should be complying with nationally set standards of quality and affordability. We need money put into programs for latchkey children, for longer parental leave at birth, for day care at night, for quality day care training and not for regressive tax deductions. This is an issue of extreme importance for Canadian women and the present Government has bypassed it.

[*Translation*]

The Government has also promised to promote employment equity and make it easier for women to enter non-traditional job sectors. We all know that women are often segregated in occupational ghettos and are thus unable to move up through the ranks. Measures must be taken to broaden their horizons, increase their skills and change attitudes in the work place.

The Conservative Government has just announced it will spend $8.8 million to achieve this objective. Fine, but $8.8 million to help 51 per cent of our population is peanuts! Does the Government really believe it will make any kind of progress this way?

Federally regulated employers and those who do business with the federal Government must now implement employment equity programs. This means they must try to remove unfair employment barriers and make a special effort to give target group members, including women, access to employment.

Madam Speaker, it is not enough to urge employers to make "a special effort". We need compulsory programs with standards and set quotas for hiring women. Equal pay for equal work should apply to all employees under federal jurisdiction. The Government must agree to grant major incentives to businesses for setting up programs that will help women move up to senior levels.

[*English*]

However, simply setting up these programs will not meet women's needs. We need adequate training programs for women so they can move out of job ghettos. The Conservative Government has cut spending on job training by 23 per cent since 1985. Under the Canadian Jobs Strategy funds were shifted from the public to the private sector for on the job training. It has been found that employers have favoured men over women as trainees. There are no controls in place to monitor employers or to evaluate the work skills acquired by trainees.

• (1130)

There is almost no funding in language training to help female immigrants. The Government seems to assume that female immigrants will be provided for by their spouses or will take jobs that do not require language skills. As a result many find themselves doing menial labour with no benefits and no way out.

Some programs under the Canadian Jobs Strategy are targeted at women. To be eligible for most of these programs women must be unemployed anywhere from eight months to three years. Any woman who cannot afford to stay out of work that long cannot profit from these training programs.

Training allowances are still less than minimum wage. How can a woman who supports a family afford to get job training if the Government gives her no financial aid? Unless the training programs change and unless the Government allocates more funds soon many women will have little hope of bettering their economic prospects.

It has been documented that under a free trade agreement many women will lose jobs in the manufacturing and service sectors. Even faced with this threat the Government is still cutting spending on job training.

[*Translation*]

There is another problem I would like to discuss and which I would like to bring to the attention of the Government, namely new reproductive techniques. We have all heard about surrogate motherhood, sex selection and cloning.

[*English*]

We need to set up a Royal Commission to study the many legal, social and moral questions involved. This is a very serious issue that affects many people in Canada. I hope that the Government will start acting on these issues very soon.

Ms. Marion Dewar (Hamilton Mountain): Madam Speaker, it is a great honour to rise to speak to the issues of Canadian women. I must also say that it is a very humbling experience.

[*Translation*]

Madam Speaker, first I should like to congratulate my colleague the Minister responsible for the status of women for her initiative in the House today. Too seldom are women given priority in traditional political institutions and we have very few opportunities to speak directly to Canadian women. Today is the appropriate occasion to do just that, for International Women's Day highlights their achievements and their contributions to our society.

For centuries now Canadian women have been struggling to deliver their full potential as human beings. Our country's heroines can be found in the history of the Amerindian and Inuit people, among the first European women who came to live in North America, and among all immigrant women who had the courage to settle in a new country and who are still doing so. We must also commend others who fought so that all women would enjoy basic rights: suffragettes, pioneers in various professions, first women elected to Parliament. One of these, of course, was Agnes MacPhail.

[*English*]

New Democrats share Agnes MacPhail's vision of full equality for women, along with her other goals of justice and peace. This is why our approach to the objective of equal participation of women in society is very different from that of the present Government.

The Minister responsible for the status of women has stressed the need for economic equality if women are to have equal opportunities in our society. She stressed the events of the flat 1950s when the Right Hon. John Diefenbaker was the Prime Minister of Canada.

It is also interesting to recognize, as we look at what the accomplishments have been, that our first cabinet Minister, the Hon. Ellen Fairclough, was excluded from discussions of the Cabinet concerning the Steven Truscott case because the Cabinet of the day and the Prime Minister thought that it was not proper for her to be present when such discussions as rape and assault against women were being discussed. I think we can reminisce a bit and celebrate the fact that the Prime Minister (Mr. Mulroney) of today would not exclude his female cabinet Ministers from any discussions of Cabinet. At least I hope that that will not be part of the history of the Government.

As we talk about the accomplishments of women in the House of Commons and in the country it is important that we do not exclude the Hon. Judy LaMarsh who made great strides in decision making and taking responsibilities in major departments, in particular with respect to health care development.

I do not think that women will become equal until they reach economic equality. Yet the Government is attempting to implement a trade policy that will endanger the jobs of so many Canadian people and, in particular, women. Many of these women who are the most vulnerable are immigrant women and those who are employed in industries that will suffer from the trade deal. These are industries that we have already heard will need major adjustment programs. Yet we have not seen any potential recommendations for such adjustment programs.

Immigrant women are attempting to become full and equal partners in our community. The history of women in the country has been that immigrant women have certainly made a major contribution. Today they are handicapped by federal government policies in employment and language training which ignore their needs.

It has been recognized that women face barriers in employment that impede their abilities to secure well-paying jobs and achieve deserved advancement. This is why several provincial Governments, such as the Province of Manitoba, have introduced pay equity legislation and have not been afraid to identify a budget allocation to implement that legislation. The federal response to these employment inequities has been weak and ineffective. We have yet to see a strong commitment to affirmative action and pay equity by the present Conservative Government.

The Canadian Jobs Strategy mentioned by the Minister has proven to fall short of women's needs. It has excluded many women by requiring them to have been out of work for an extended period of time, by failing to provide adequate child care and, finally, by ghettoizing women in low-skilled occupations. This is certainly not a cause for celebration.

[*Translation*]

The Minister also praised the national day care strategy, but Canadian women know that it does not give them much choice. Affordable and quality day care services will still be limited and fall somewhat short of the needs of Canadian families. In addition, the Government has done nothing to make it possible for income-earning parents to remain at home for a reasonable period of time after the birth of a child.

[*English*]

Canadian families have asked for a child care policy that will offer them quality, affordable and accessible child care. Instead, the federal Government has opted for tax measures that help the rich and do very little for middle and low-income Canadians. New Democrats know that this strategy does not benefit average Canadians. We will continue to advocate adequate services for our children.

If we do not have standards in a national child care policy then what we are really advocating is low paid jobs for people who look after caring, instead of helping to develop our greatest national resource, that is, our children. In this country we have still not established standards for people who are delivering care to our children, and certainly they are among the poorest paid of any jobs in Canada today.

• (1140)

We all know that women and children constitute the majority of the poor in our country. Older women are expected to survive on meagre incomes, and they are without adequate pensions. All the programs in the world can be announced, but until pensions for women are above the poverty level, those people who have worked hard in our community and in our country to develop it and to look after the children, to build the families and the homes, are being relegated to a life of poverty in their later years. That is not adequate for Canadian women. Instead of announcing new programs, I would hope that the Government would ensure that pensions for older women are certainly above the poverty line.

As one looks at the employment program of the Government, it can be seen that it has identified targets. Yet those targets are only numbers. In reality, the targets are met by allocating women low-paid jobs; traditionally, women are asked to take retraining in secretarial work, hairdressing, and they are not encouraged to go into non-traditional jobs. There is not the child care available to allow those women to take on adequate retraining.

When we talk about economic equality, we must look at every single policy that is brought forward by the Government and make sure that those policies do address the inequities that are happening to women in our society. Women are still earning only 66 cents for every dollar that a man is earning. That is not a case for celebration. Therefore, we must work harder to ensure that those inequities are addressed.

What we do recognize today that is a source of celebration is that the Minister responsible for the status of women is a female cabinet Minister. The Opposition and New Democratic Party do have women who are Members in the House. However, we would be remiss if we did not recognize the fact that women are still very poorly represented in the House of Commons percentagewise compared to the population of women in Canada. I hope that we will continue to work together and cross Party lines to ensure that women do have broader representation.

I hope that the Minister takes into account some of the comments that have been made today. I believe that we are addressing inequities for women that have not been addressed by the present Government. If we are going to have equality for women in Canada we must have economic equality, access to the job market, pensions above the poverty level, and we must ensure that our children are nurtured and cared for in a way that allows women to feel that the great responsibility they have taken over the years is also a responsibility of the Government. As partners we will build strong Canadian families, and the future of Canada will be protected if the Government could put into effect an adequate national child care policy. The one the Government presently has is a sham. Canadian women and children deserve better.

Today we have much to celebrate, but there is much work to do. I would hope that together, as Members in this House of Commons, we will celebrate what women have accomplished and recognize that there is still a long way to go; that as partners, and public legislators, we will focus on that and not try to be defensive of inadequate policies.

* * *

ANIMAL PEDIGREE ACT

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mr. Gordon Taylor (Bow River): Madam Speaker, as Chairman of the Legislative Committee on Bill C-67, an Act respecting animal pedigree associations, I have the honour to present the Bill to the House, with amendments, in both official languages.

* * *

PETITIONS

PROPOSED FREE TRADE

Mr. Nelson A. Riis (Kamloops—Shuswap): Madam Speaker, pursuant to Standing Order 106, it is my honour to present a petition from a number of constituents who feel that the present Government has no mandate from the Canadian people to conclude a free trade deal with the United States. The petitioners feel that the trade deal negotiated threatens the fabric of Canadian political and economic sovereignty since it removes the power of the Canadian Government to effectively control foreign ownership, and it effectively removes the ability of the Government to direct Canadian energy resources in the best interests of Canadian citizens. The petitioners believe that it will work against the ability of the Government to reduce regional disparities.

Therefore, the petitioners are asking Parliament to dissolve to allow the people of Canada the opportunity to accept or reject the trade deal during a national general election.

NATIVE LAND CLAIMS—FISHING BY-LAWS

Mr. Ted Schellenberg (Nanaimo—Alberni): Madam Speaker, it is my duty and honour to present petitions from 611 British Columbians who are protesting the present process of native land claim negotiations in our province.

In particular, the petitioners request that the Government of Canada pass an Order in Council pursuant to Section 73 of the Indian Act placing all Indian Band fishing by-laws under the authority of the Fisheries Act of Canada, and instruct the federal Nishga claim negotiator, and all other Indian claims negotiators, that Indian land claims are not to be settled by granting fish from the public Fisheries of Canada to the exclusive use of the claimants.

[*Translation*]

THE PROBLEM OF THE HOMELESS AND SOCIAL HOUSING—REQUEST FOR GOVERNMENT ACTION

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Madam Speaker, the four petitions I present today bear the signatures of Ontarians in Moose Creek, Maxville, St. Paschal Baylon and Winchester, and Quebecers in Deux-Montagnes and Pointe-Claire. Your petitioners deplore the fact that over 100,000 people were homeless in Canada last year, that an ever growing number of young people, women and entire families do not have a roof over their heads, that the number of affordable housing units is constantly dwindling, and that the Government has yet to do something to solve this problem.

Wherefore the petitioners humbly pray and call upon Parliament to take immediate action to ensure that all Canadians live in adequate and healthy accommodation and that a re-integration program be established to make it easier for these destitute Canadians to regain their place in society.

[*English*]

PROPOSED FREE TRADE

Mr. Simon de Jong (Regina East): Madam Speaker, I too wish to present a petition. The petitioners are urging the Government not to proceed with the free trade agreement negotiated, and they urge the Government to call an election on this issue before proceeding.

The petitioners point out what they feel are shortcomings of the trade agreement. They urge that an election be held on this topic.

Mr. Mike Cassidy (Ottawa Centre): Madam Speaker, I have a petition signed by a large number of constituents who are concerned about the trade agreement. They are concerned that it undermines the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership, to develop Canadian energy resources in the best interests of Canadians, or to equalize opportunities between regions. The petitioners believe that the trade agreement would deny Canada the policy or freedom to determine its own economic future.

They call upon the Government of Canada to dissolve Parliament and allow the people of Canada the opportunity to accept or reject the proposed trade agreement during a national general election.

• (1150)

Mr. Vic Althouse (Humboldt—Lake Centre): Madam Speaker, I have a petition presented by citizens of Canada who point out that the proposed agreement between Canada and the United States removes the power of the Canadian Government to effectively control foreign ownership, removes our power to develop Canadian energy resources in the best interests of Canadians and removes the power to equalize opportunities between regions.

The petition also points out that the agreement failed to secure access to the Canadian market for Canadians which was supposed to be the key objective in the negotiations and it threatens the loss of hundreds of thousands of Canadian jobs.

Therefore, the petitioners call upon the Parliament of Canada to dissolve and permit the people of Canada to speak on this issue.

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I have the duty and privilege to present a certified correct petition pursuant to Standing Order 106 from citizens of the Province of Ontario who believe that the trade agreement between Canada and the United States will have a fundamental impact on Canada's economic, cultural and political independence and that the agreement implies a loss of jobs in many sectors and regions.

The undersigned request that the Parliament of Canada obtain a clear mandate from the Canadian people through a national debate on the alternatives available to Canada and that this debate result in a national election.

Ms. Marion Dewar (Hamilton Mountain): Madam Speaker, I have the responsibility and honour under Standing Order 106 to register this petition that has been duly certified from citizens of Ontario.

These citizens say that the trade agreement would deny Canada the policy freedom to determine its own economic future and it would undermine our abilities to build a society distinct from that of the United States. The proposed trade agreement not only denies Canadians secure access to the U.S. market, which was the key objective in these negotiations, but threatens the loss of hundreds of thousands of Canadian jobs.

Therefore, these citizens ask that Parliament be dissolved to allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Madam Speaker, it is my privilege and responsibility to present a duly certified petition from a number of Canadians.

Considering that the Mulroney-Reagan trade agreement will have a fundamental impact on Canada's economic, cultural and political independence and that it implies the loss of jobs, the undersigned request that the Parliament of Canada obtain a clear mandate from the Canadian people through a national debate on the alternatives available to Canada and that this debate result in a national election prior to the signing of any such agreement.

Mr. Ernie Epp (Thunder Bay—Nipigon): Madam Speaker, it is my duty to present a petition duly certified on behalf of residents of the Province of Ontario who note that the Conservative Government has no mandate from the Canadian

people to conclude a free trade agreement with the United States. The Prime Minister (Mr. Mulroney) promised in the course of the bilateral trade negotiations that Canadian sovereignty would not be compromised whereas, in fact, the resulting agreement will constrain the Government of Canada to act. Secure access has not been obtained and hundreds of thousands of Canadian jobs are threatened by the agreement.

For those reasons, the residents of the Province of Ontario call upon this Parliament to dissolve and to give them an opportunity to reject the trade agreement in a national general election.

The Acting Speaker (Mrs. Champagne): The Chair inadvertently omitted to call two of the subject matters that are part of our daily routine of business. With the permission of the House, I would like to revert to those subject matters at this time. Is there unanimous consent?

Some Hon. Members: Agreed.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, I ask that all questions stand.

The Acting Speaker (Mrs. Champagne): Is it agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

OFFICIAL LANGUAGES ACT

MEASURE TO ENACT

The House resumed from Tuesday, February 9, consideration of the motion of Mr. Hnatyshyn that Bill C-72, an Act respecting the status and use of the official languages of Canada, be read the second time and referred to a legislative committee.

Mr. Lewis: Madam Speaker, I rise on a point of order. I wish to advise the House that the Government has no further schedule of speakers. This is a matter which has had exposure to the public and the House since June of last year. There has been a healthy debate in public and in the House and all three Parties have indicated their support for this important Bill. We feel the matter can now proceed to the second reading conclusion so that the Bill can go into committee and be fully examined by Members.

I urge my colleagues to allow the House to put the question as soon as possible.

Mr. Gauthier: Madam Speaker, I hear a Member laughing over there. It is no laughing matter. As a matter of fact, it is the usual practice in this House to share information and to tell us what business will be called today. If the House had been told that the back-up Bill today to Bill C-72 was something else, which we were not, then maybe the Member would have a point.

The question before us right now is a very important one. Seven government Members have spoken in this debate, four Liberal Party Members and three New Democrats. That is hardly a very extensive debate. We have had six hours and some minutes of debate and that is all. The principle of a Bill of such importance to this country, which was tabled last June 25, 1987 and called for debate on February 8, a month ago, then shelved by the Government for a month while some people objected to it publicly, I think requires at this time some clarification from the Government, an indication of what it intends to do.

We have heard all kinds of propositions from the Tory backbench. We have heard about all kinds of amendments that will be proposed from the Tory back-benchers. We are looking forward to hearing them in committee but the basic principle of the Bill is what second reading is all about.

[*Translation*]

Madam Speaker, today we maintain that the Prime Minister of the country must say where he stands on this issue. The Leader of the Opposition (Mr. Turner) did so last February 9, and we expect the Party leaders to state their position on this important matter, today if need be.

[*English*]

Mr. Riis: Madam Speaker, obviously the discussion that we have heard to date on Bill C-72 has been very important. The New Democrats have had three speakers and we would like to have two more presentations today. I do want to indicate very clearly that we are prepared by the end of the day to wrap up this stage, namely, the debate on principle stage. When you look back over the debate that has occurred, the principles of this Bill have been clearly articulated and now we can move to some of the specifics, which is the next stage.

I simply want to say that we are quite prepared to see a vote on this before the day is out.

Mr. Lewis: Madam Speaker, I appreciate the remarks of my colleague from the New Democratic Party.

I want to point out to the House that the Bill was called for debate. We are in no way trying to preclude speakers from the other Parties. As well, I would like to say that there is no question about the Prime Minister's (Mr. Mulroney) commitment to this subject because the Bill stands in his name. We are ready to vote on the principle of the Bill and put it into committee for second reading.

The Acting Speaker (Madam Champagne): I wish to inform the House that because of the ministerial statement, Government Orders will be extended by 39 minutes beginning at one o'clock p.m.

[*Translation*]

Mr. Gauthier: Madam Speaker, the Hon. Member for Charlevoix (Mr. Hamelin) had the floor. He had used up four of the usual 20 minutes allowed in this debate. I take it for granted that he has chosen not to resume his remarks, that the Opposition should now have the floor, and that alternance between government and opposition Members will continue today.

[*English*]

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Madam Speaker, the last time I had the occasion in the Chamber to speak on the issue of language was in 1984. At that time, I presented on behalf of the then Government a resolution dealing with a solution to the very serious and painful experience of Manitoba as it was trying to realize its own language issues. By way of comment, I should say that my introduction was immediately followed by the words of the newly-minted Leader of the Opposition of the time who gave what I consider to be one of the finest addresses he has made in this House. I am only sorry that he is not making himself available today to give similar testimony on behalf of such an important issue.

• (1200)

At that time, it was very crucial for the House to assert the national interest, the public interest, in my province, one of the western provinces. There were at the time a number of voices being heard from western Canada, voices of hatred, voices of extremism, voices of terrible and awful prejudice. These voices tended to cloud the issue. I believe that it was a fine moment when members of all Parties clearly expressed their support for the Manitoba Government's efforts to find an acceptable way of implementing its responsibility to ensure the protection of minority language rights in that province.

In some ways, we have a reflection of that same kind of debate today. Once again, we have been presented with a fundamental responsibility on behalf of all Canadians to assert one of the fundamental elements of Canadian society. Once again, we are hearing an echo of those voices that are attempting to fan hatred, distrust and intolerance.

Historically, this Parliament has over many generations had to address itself to three very important axioms of Canadian unity. One is our relationship with the United States. We share a continent with one of the most powerful countries in the world. It has always been one of the most sacred trusts of this Parliament to ensure that that relationship was designed in a way that would ensure the integrity and independence of a Canadian society against the incredibly powerful pull of the other country.

A second axiom has been to deal with the centrifugal pull of the regions, the way in which there has always been a move toward fragmentation, a pulling away from the centre. Again, it has been this Chamber which has had to express itself on behalf of a notion of one Canada. We have tried to build institutions, practices and programs that would hold Canada together.

On those two counts, the present Government has not played fairly with Canada. I have been most critical of it, particularly on the first question. The Government has forgotten the need to ensure integrity and independence and the need to ensure that there is a strong, effective national Government able to represent all Canadians.

The third axiom has been the delicate and sensitive relationship between French and English, the need to maintain a balance of languages. On that count, I believe that the Prime Minister (Mr. Mulroney) and those in his Government have served and expressed the interests of Canada. They have not forgotten the historical lessons, nor have they attempted in any way to alter what has been a very important responsibility and obligation of this Chamber which represents the entire country. However, there are those within those ranks who disagree. That is one of the reasons why we must maintain this debate.

We must ensure that that minority within the government ranks is not given the credence and credibility it sometimes seeks to attain. That is why it is important for me as a western Member of Parliament who comes from a western province to clearly assert my support for this legislation and to say very clearly that those from my province who have spoken against this issue as Members of Parliament or as others do not speak for the majority of the people of the Province of Manitoba. It is important to understand that, so that those in the rest of Canada—

[*Translation*]

—particularly in regions of Canada where French is spoken, like New Brunswick, Quebec and other areas of the country, to understand that some people in western Canada strongly support this initiative and the Bill we are considering today. Most western Canadians endorse this measure. There is no minority voice, the voice of prejudice which represents the attitudes and views of western Canadians.

[*English*]

That is why it is essential that we examine clearly what is being said and what successes we have had. It is so unfortunate that there are those among us who try to dredge up the old skeletons of history, who reach back into the chamber of horrors of the past and try to pull out old political shibboleths that no longer make sense.

The successes and achievements of this country have been unique. Think how many other countries in the world are torn apart in the most divisive, fratricidal conflicts. Places like Sri Lanka, Ireland and Lebanon have been sheared, dividing families, communities and neighbourhoods over matters of language and culture. Yet we in Canada have found answers,

sometimes in an awkward way, sometimes in a divisive way, but we have found answers that have allowed us to maintain a sense of community and to overcome those kinds of divisions. That is a unique achievement.

That achievement has been particularly important in western Canada because the experience and presence of the French language is not strong. Statistically, the languages of origin of many of the people of the West are perhaps German, Ukrainian or Italian. Yet in the last 20 years or so, western Canadians have clearly come to see that this is not a regional issue or a parochial issue, it is a Canadian issue. Therefore, they have been prepared to support and work at the implementation and the advancement of language rights, French and English, right across the country.

The Government to which I belonged enacted the Official Languages Act of 1969. At that time, there was a clear distinction made that the protection and enhancement of the official languages was in no way a qualification of the multicultural fact of Canada. The two could live side by side because in fact, when talking about language rights, we were talking about individual rights, not group rights. Individual rights are the rights of Canadians. Of course, the entrenchment of those rights in the Charter of Rights of 1982 made them a part of the fundamental law of the land.

Mistakes are made at times. I refer with some trepidation to the Meech Lake Accord which advances the concept that we are now establishing group rights in Canada, that rights are established according to one's collectivity, according to the group to which one belongs, not according to the fact that one is an individual who happens to speak French or English. That in itself must be looked at as a trend to be treated with some wariness. As long as we were able to assert the principle of language rights as individual rights it did not damage or begin to infringe upon the concept of cultural rights as we have come to understand them and use them in this country. I believe that that has been one of the successful formulas which has resulted in the majority of western Canadians supporting and promoting the enhancement and protection of language rights across Canada as a Canadian issue. If we find ourselves straying from that very successful formula of ensuring individual rights we could be opening up an avenue of further dispute and conflict.

• (1210)

However, this Bill does not do that. This Bill is very much within the tradition of asserting, before the courts, in the provision of services, and in the use of language within the federal apparatus, that French and English have equal status and are to be used equally by all Canadians regardless of what their mother tongue might be. This Bill is very much in keeping with the precedent, the body of law, and the judgment of past Parliaments.

The view which I am trying to express was well put in part in an editorial in the *Winnipeg Free Press*. That is not usually my favourite source of quotation, for a variety of reasons, but I think that on this issue they got it right. It reads:

> The anti-bilingual group could have proposed changes that would arouse interest outside their own ranks and would stand some chance of being adopted. They chose not to. They chose to propose a policy so blatantly anti-French, so remote from policy that all federal Parliaments have endorsed . . . that they knew it had no chance of arousing interest among other MPs. That is not policy-making. That is posturing to arouse and delight ethnic prejudice.
>
> Playing to communal hatreds is an easy, sleazy game played usually by politicians and demagogues of the lowest type.

The editorial goes on to talk about the fact that it is so easy to arouse fear among people, as I am sure all of us in this Chamber have seen. Parents in my riding ask whether this means that their children will be denied promotion and advancement in the Public Service of Canada. That, of course, is not the case, but that is the fear which is aroused by the initiatives being taken by my colleague who represents the constituency next to mine. That kind of distortion, when not clearly counted, can lead to the misunderstandings and fears which are expressed. Civil servants in a Crown corporation in Winnipeg have asked me whether further advancement will be based upon one's capacity in French and English. Of course, there is nothing in Bill C-72 which would provide any bias one way or the other. However, the fears which have been expressed give credence and impetus to those fears and concerns.

I would hope that Members of this House would use this time in this Chamber to counter that kind of demagoguery and appeal to hatred because, as the *Winnipeg Free Press* says, that is the easy, sleazy game played by politicians of the lowest type. I think that is the proper definition of it.

Our position on this Bill has been very clear. The Leader of the Opposition (Mr. Turner) stated it effectively and my colleague, the Member for Ottawa—Vanier (Mr. Gauthier), has been perhaps the most outstanding defender and advocate of it in this House over the last several years. It is incumbent upon the rest of us not only to adopt the official position but to try to speak, as I am trying to do today, from our own regions and our own communities. We must plead with those who have aroused so much antagonism, resentment, and reaction to this Bill to cease and desist. They are not helping the country. They are not advancing the public interest in any demonstrable way. They are simply retreating into the past and relying upon an appeal which goes to the roots of our being, but which civilized society has built up institutions, laws, and practices to suppress and restrain.

Our country is facing so many other pressures. There is that pull from the south, that incredible magnetic power which seems to be so attractive to so many Canadians, particularly Members opposite. There is the centrifugal tendency to pull the county apart over various issues, one being the increasing power of provinces and regions to assert their own positions, sometimes in total disregard of national interest. If there is one place in the country where that must be fought against, it is here. That is the mandate we accepted as federal Members of

Parliament. We must think beyond parochial or provincial boundaries and try to establish laws which will represent all Canadians and will provide guideposts for future Canadians.

One of the finer hours of this House was in February of 1984 when the then Leader of the Opposition, the present Prime Minister, in his first address to this House spoke eloquently and with some understanding of the concerns and fears of western Canadians about language legislation. He clearly spoke for all Canadians when he said that one must not succumb but must in fact educate, enhance, and broaden those concepts. That is the same kind of responsibility which we face today with this legislation. It is the same call for a unified and non-partisan approach. Those of us who represent western constituencies can only suggest as strongly as possible that the minority view which has been expressed from some parts of our region does not reflect that which most people think, believe, or would like to see happen.

I ask my colleagues from western Canada to understand the responsibilities which they bear as Members of this House, to speak for a wider and broader concept and belief which their own Prime Minister, the Leader of the Opposition, the Leader of the NDP, and all three caucuses have adopted. They must ensure that this Bill does not become the source of further controversy, apprehension, or fear among Canadians but, in fact, becomes an accomplishment, a further step toward the unification of this country. If we can approach it in that spirit we will have again done our work well on the fundamental issue of how we keep Canada together.

Mr. Orlikow: Madam Speaker, I would like to direct a question to the Hon. member. He was here, as was I, in 1969 when Parliament passed the Official Languages Act. It was passed with a very large majority and a majority of the Members of every political Party represented here. It was brought forward because it was considered by the Government of the day and by the vast majority of the Members of Parliament, to be one method, one means, of helping to keep this country together.

• (1220)

I will support the Bill we are discussing for the same reason. I am certain that a majority of Members of Parliament from all Parties will support the Bill.

As the Hon. Member has said, there are some people in Parliament and outside Parliament who oppose the Bill and who never accepted the idea that this country should recognize the two languages, as declared by Parliament. We are hearing criticism that is very often based on misrepresentation. For instance, the magazine *Western Report* stated that it will not be long before every public servant in this country will have to know both languages, and that every judge appointed by the federal Government will have to be fluent in both languages in the event that someone in the West or Atlantic Canada insists on having a trial conducted in French.

I do not believe that any of these statements are factually correct. I am sure the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) and the Member for Winnipeg—Assiniboine (Mr. McKenzie) have received letters and phone calls protesting the Bill, as have I. I called the Public Service Commission office in Winnipeg and was told that there are some 6,900 federal public servants, of which 3.6 per cent are Francophone. After almost 19 years of the Official Languages Act, there is still a very small percentage of Francophones.

The Hon. Member was a cabinet Minister and Minister of Transport for a number of years. Does he have any information like that which was given by the Public Service in Winnipeg about the situation in Winnipeg and western Canada concerning Crown corporations such as the CNR, VIA Rail and Air Canada which employ a large number of people in western Canada?

Mr. Axworthy: Madam Speaker, first, let me say that the amendments proposed by the Member who shares representation of part of the City of Winnipeg would set back substantially whatever progress has been made. It would lead to the absurd result in St. Boniface, which is a French speaking area of Manitoba, where civil servants working in that language in that part of Manitoba would not only be unable to use the language of their mother tongue but to speak the language of those whom they are serving. Of course, that concept is perverse in the extreme and turns the whole concept of official languages on its head.

There are certain designated services to the public, such as in the airline industry, where that service at the Winnipeg airport must be available in both French and English at all times so that travellers from across Canada can be understood and served. There has been no particular designation other than in those areas where such services are required.

The phobia that the *Western Report* and others are trying to instill is not based on fact. Indeed, I suggest that progress has not been made in many of our Crown corporations to properly ensure adequate representation in both French and English. As the Commissioner of Official Languages pointed out, there are still some areas where much work needs to be done. I hope that this legislation will do that and clearly signify that the steps taken by the Charter in 1982 are now the policy and program of the Government of Canada. That would require the managers of our Crown corporations and Public Service departments to be more solicitous and responsible in bringing about further changes.

The requirements under the present Official Languages Act are not to displace English but to ensure the protection of language rights in both languages. That is a principle that we often forget. I hope that answers my colleague.

I believe this is cornerstone legislation that can provide the basis on which to build in the future. That is why it is important it receive the unanimous support of the House.

Mr. Taylor: Mr. Speaker, I want to make a short comment and then ask the Hon. Member a question. I will have been in legislatures and the House of Commons for 48 years next May. I have seen many kinds of Bills come and go. I seldom hear people question the procedures of democracy. We do not know what is in a Bill when it is introduced. Once it has been printed we are given a reasonable time, sometimes a long time, to study the Bill. We then have the right to vote on the principle of the Bill, after which it goes to a committee where changes may be made.

The purpose of sending a Bill to committee is to make changes if they are necessary, to clarify the wording or the intent so that the principle can be followed. It then comes back for report stage where there is another opportunity to determine whether the Bill is in its desired form.

Finally, there is third reading stage where the Bill can be either supported or thrown out.

We must remember that we are in a democracy. As the Hon Member said, the principle of this Bill is bilingualism. That principle was adopted many years ago.

Mr. Cassidy: Are you for it now?

Mr. Taylor: Bilingualism has been accepted. My people support it and I support it—

Mr. Cassidy: You support it?

Mr. Taylor: Yes.

Mr. Cassidy: Well!

Mr. Taylor: What made you think that I did not?

Mr. Cassidy: You voted against it in 1973.

Mr. Taylor: That is the trouble, Madam Speaker. Some people try to stir things up to hurt what they are supposed to be supporting. Of course I support bilingualism. Anyone in this country who wants to be fair will want all of our people, unilingual and bilingual, to be treated fairly.

Mr. Cassidy: Do you support this Bill?

Mr. Taylor: Madam Speaker, if the Hon. Member leaves all his courtesy and common sense at home he should stay home with them. He will have a chance to make a speech. I do not know why he is questioning the things I am saying, which are straight democratic principles.

• (1230)

Mr. Cassidy: Yes or no? One word, yes or no?

Miss MacDonald: You are out of order.

The Acting Speaker (Mrs. Champagne): We all know that every time a conversation starts up from across the floor, it becomes very difficult to listen to the person who has the floor and who should be allowed to express his or her opinion.

Mr. Cassidy: But it is much more revealing, Madam Speaker.

The Acting Speaker (Mrs. Champagne): Order. The time for questions and comments has actually expired. However, if the House agrees, we will allow the Hon. Member to conclude and give a short time for reply to the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy).

Some Hon. Members: Agreed.

Mr. Taylor: I will do so rapidly, Madam Speaker. The point I am trying to make is that we go to committee to make changes, if changes are necessary. For instance, in this Bill, the English Part I says "all" judges, any judge. The French part says "a" judge. Consequently, I think some thought that every judge would have to be bilingual. It will be many, many years before everyone in Canada is bilingual. So things like that should be changed.

Surely the Hon. Member would agree that that is why we are going to committee. I am sure that with his experience, he is not going to say we should not make any changes which are sensible and reasonable and are in accord with the thinking of people in western and eastern Canada, of Canada as a whole. The kind of country we want is one in which we can work out our differences, a united country. Some groups in western Canada, and perhaps some groups in eastern Canada, want to separate this country and sever us so we cannot operate as one Canadian country.

Mr. Axworthy: I thank you, Madam Speaker, for the courtesy of extending a few minutes. I was afraid for a moment that the Hon. Member for Ottawa Centre (Mr. Cassidy) was going to provide the response, which I would not share.

I certainly have no quarrel with the description by the Hon. Member for Bow River (Mr. Taylor) as to how the House works. In my remarks I was not referring to the kind of technical amendments which would improve the Bill about which he is speaking. I was specifically speaking to the proposals put forward by the Hon. Member for Winnipeg—Assiniboine (Mr. McKenzie) on behalf of a group of members of his Party, I think there are some 15 or so signatures. It states, for example, that the new language Bill should reaffirm the right of Canadians to remain unilingual without prejudice. Simply put, the advancement of the official languages should never be the responsibility of Government. In other words, the amendments being put forward on behalf of those Members are of such Draconian extent, they would totally and completely not only gut the Bill but cause a major crisis and confrontation among Canadians.

It was to those amendments specifically that I was referring and which I found unacceptable. I would hope the Hon. Member for Bow River, in rising to speak, would not associate himself with this particular set of amendments.

The Acting Speaker (Mrs. Champagne): Resuming debate.

[*Translation*]

Mr. Mike Cassidy (Ottawa Centre): Madam Speaker, it is an honour and a privilege to take part in this debate. I was born in British Columbia and grew up in Toronto, but I also had a very interesting experience, an important one for Canadians. I not only worked in Montreal but also spent a year at school at the seminary in Quebec City. That is where I learnt French, and it was a rare opportunity for an English-speaking Canadian to become thoroughly familiar with the French milieu in Quebec.

Madam Speaker, I am relieved that finally, the Prime Minister (Mr. Mulroney), managed to impose a measure of silence on some of the Members in his caucus who want to undermine Bill C-72, and that the Government's commitment to this Bill remains intact. Nevertheless, I am afraid the Conservatives have sent two messages to Canadians, one that they will support bilingualism and the other that they also want to be of some help or give some assurances to those who are opposed to bilingualism, that it is okay, that they have friends in the Conservative Party.

I support Bill C-72, and that is also the position of my Party. Although I know some of my English-speaking constituents, for instance, will be affected by certain problems, since there are bound to be problems when changing a *modus operandi* that has been in effect since Confederation, we are certainly not going to emphasize those problems. I think these issues are important to all Canadians, and we must not forget that the rights Bill C-72 gives to Francophones are also given to Anglophones.

Madam Speaker, Bill C-72 brings us a step closer towards the full equality of English and French as official languages in Canada. In essence, the legislation contains the basic elements of the 1969 Official Languages Act, while clauses have been added that arise from guarantees contained in the Canadian Charter of Rights and Freedoms and the Canadian Constitution. The Bill also includes practices that came into effect after the 1969 Act was implemented.

A discussion of the principles of Bill C-72 means going straight to the heart of bilingualism and how it has been embodied historically.

Madam Speaker, I am not going to enumerate all the principles of this Bill. I am sure you know them. I support those principles, and I believe they should be implemented, although certain technical amendments are in order. But what worries me—

[*English*]

What I am afraid of is the degree to which certain back-bench Conservatives seem to want to basically gut this Bill. I note that in 1973 there were 16 members of the Conservative Party who were opposed to the resolution which at that point related the application of the principle of bilingualism to the Public Service of Canada. A number of those 16 Members are as strong today in quiet, I suppose suppressed, opposition to this Bill as they were at that time.

It is fortunate that the Conservative Party, by putting forward this Bill, is now lending its official support to the concept of bilingualism, something we have always supported and something which was initiated by a Liberal Government. Nonetheless, I have had the opportunity to look at the proposal for supposed re-evaluation presented by the back-bench committee of the Progressive Conservative Government. As my colleague, the Hon. Member for Ottawa—Vanier (Mr. Gauthier) suggested, this is something that should be taken slowly because it could be indigestible if read inattentively and quickly.

The proposal, to begin with, according to this back-bench committee, which I believe includes the Hon. Member for Bow River (Mr. Taylor), states that all references in the preamble, the purpose statement, and other clauses of the Bill, should be—

Mr. Taylor: Madam Speaker, I rise on a point of order. The Hon. Member is insinuating that I am a part of some back-bench committee. That is a lie. Let us straighten that out. Why does he not make his own speech instead of making speeches for Members on this side of House?

Mr. Cassidy: I stand corrected and I certainly withdraw that reference.

Miss MacDonald: It is not the first time you have had to withdraw something.

Mr. Manly: We are pleased he is not a member.

The Acting Speaker (Mrs. Champagne): I am sure the Hon. Member for Ottawa Centre (Mr. Cassidy) will want to stand corrected and the Hon. Member for Bow River (Mr. Taylor) has, I think, made his point very strongly and in language that is perhaps not very useful in this House.

Mr. Cassidy: I would hope the Hon. Member would withdraw the word he used, which I believe is unparliamentary. But I have already stated that I apologize to him and I withdraw the reference and I stand corrected on that particular point.

Mr. Taylor: I so withdraw.

Mr. Gauthier: That was not recorded.

Mr. Cassidy: Perhaps that could be recorded.

The Acting Speaker (Mrs. Champagne): We sometimes have a problem when Hon. Members make statements and the microphones in front of them are not open because they have not been given the floor by the Chair. Sometimes they are recorded by the *Hansard* reporters, but it is difficult for the Chair to know what has been officially withdrawn or accepted if Hon. Members do speak without the microphones being open.

I do take for granted that the Hon. Member does agree that some language was perhaps too strong for this House. The Hon. Member for Ottawa Centre has withdrawn. The Hon. Member for Bow River has accepted the apology. I think we can get on with debate.

• (1240)

Mr. Cassidy: Madam Speaker, I would ask simply that you check the "blues".

May I point out that this back-bench committee stated that all references in the preamble, the purpose statement and other clauses of the Bill to establishing bilingualism as a goal of the Government and in federal institutions and to extending bilingualism to the private sector and to Canadian society generally should be withdrawn. Instead of that Members of this committee proposed that alternative words be placed in the preamble.

They want it to read that, whereas the Government of Canada is committed to preserving the rights and freedoms of the unilingual public whether they speak French or English and without discouraging the efforts of individual Canadians to speak the other official language for the betterment of themselves as individuals and as citizens of Canada.

That proposal, wherever it comes from within the Conservative back-benches, and I do not know who the members of this back-bench committee are, goes directly contrary, not just to Bill C-72 but to the Constitution of Canada which provides that English and French are the official languages of Canada and have equality of status and equal rights and privileges. It goes directly contrary to the Official Languages Act of 1969 which was adopted by all Parties in the House and which states:

> The English and French languages are the official languages of Canada for all purposes of the Parliament and Government of Canada, and possess and enjoy equality of status and equal rights—

It goes contrary to the changes to Article 16 of the Constitution Act, 1982, which states:

> English and French are the official languages of Canada and have equality of status and equal rights and privileges as to their use in all institutions of the Parliament and government of Canada.

It goes directly contrary to the 1973 statement on the Public Service which was adopted by all Parties.

We are talking about measures which have been supported by all Parties. If there is an element within the Conservative Party that thinks otherwise, then those in it should come forward and let their names be made public. I think that what they are doing is profoundly dangerous to the country and to the historic agreement under which we created a society which is bilingual and multicultural, a society in which all Canadians have the right to recognition of the language in which they want to work.

There were about 15 other proposals. The back-bench committee wanted to gut, to eliminate the power of the Commissioner of Official Languages. It wanted to eliminate the right of the Federal Court of Canada to enforce Bill C-72. It wanted effectively to gut the whole set of provisions with respect to the languages of work. It suggested that any person working in the Government of Canada should have the right to work in their designated language only without prejudice to their job status in accordance with this part.

As far as I understand it, that means that the back-bench committee is trying to rewrite 20 years of efforts to create a bilingual Public Service by saying that anybody who is bilingual will not be able to communicate with someone who is a superior because that superior will have no obligation under any circumstances to work in other than their official language. In other words, there could be English-speaking Deputy Ministers or French-speaking ADMs and branch directors who would have no obligation at all to communicate with people who respond to them in the language in which they have the right to work.

The committee also proposed that the language of work for the national capital region should be English unless a position, section or department should be designated bilingual or French essential. Imagine how most Canadians would feel if it were stated that the language of work in the national capital should be French unless it had been designated to be English or bilingual by the Governor in Council. We would have had outrage from across the country. Yet back-benchers of the Conservative Party see nothing wrong in having that principle go in the other direction.

[*Translation*]

Madam Speaker, it is also suggested that English should be the language of work for components of the Canadian Armed Forces that are directly or indirectly involved in combat. Are we really going to tell members of the Vandoos and other regiments that they will have to learn English if they want to be able to work in the Canadian Armed Forces? I find that intolerable, Madam Speaker. It is like telling someone from British Columbia who wants to become a member of the Canadian Armed Forces that he will first have to learn French.

Finally, Madam Speaker, these back-benchers are suggesting that the primacy of Bill C-72, proposed in this legislation and, although it did not exist before, nevertheless necessary to ensure the principle of bilingualism is truly applied, be struck from the Bill.

Madam Speaker, I would like to mention a specific problem, but before I do, since we have several language teachers with us here in the House, I would like to try and put the situation into perspective by quoting certain figures that reveal to what extent Canadians are involved in this question.

[*English*]

At the present time in the Public Service of Canada 60 per cent of the jobs are designated English essential and 28 per cent are designated bilingual. Seven per cent are designated

French essential while 5 per cent are designated either French or English. Therefore English-speaking Canadians without learning a word of French now have access to 65 per cent of the total number of Public Service jobs as opposed to 12 per cent of unilingual French-speaking Canadians who have access to those jobs that are either French essential or designated either French or English. With the increasing percentage of English-speaking Canadians learning the second official language through immersion, for example, Anglophones who have become bilingual, if the current designation remains the same, will have access to 93 per cent of all federal government jobs.

It is therefore difficult to contend that the official language policy is an instrument which prevents English-speaking Canadians from having access to the Public Service. Indeed, it may very well become a tool which will facilitate access to the federal Public Service by Canadians whose first official language is English provided they make the commitment to bilingualism by learning the second official language, French.

I want to point out in particular that the suggestion that somehow French is being pushed down the throats of people in Alberta, western Canada or in other parts of the country is ridiculous. For example, in Manitoba, only 5.5 per cent of the federal government jobs in that province have been designated bilingual while the remaining 94 per cent are English-only positions.

It is interesting that of those 547 bilingual positions in Manitoba 228, or 42 per cent, are occupied by individuals whose first language is English but who have since become bilingual. This illustrates how the challenge of bilingualism is being met very successfully by English-speaking Canadians across the country and in this particular instance in Manitoba.

The two major bilingual districts in the country are the national capital region and Montreal. If one travels outside this area and looks at the situation they will see that in western Canada as a whole out of 50,000 federal government employees only 1,300 positions are bilingual and 63 per cent of those positions are occupied by Anglophones. In Ontario, outside the national capital region, there were 2,613 bilingual positions out of 35,000 public employees. Some 60 per cent of those positions in Ontario outside the national capital region were occupied by Anglophones who have become bilingual. In Ontario, outside the national capital region, there were 1,700 federal government positions occupied by Francophones which represented 4.8 per cent of the total. It is not that great. It is interesting that in western Canada there are three positions designated French essential. Of those three jobs two are currently held by Anglophones. The 18 French essential positions in Ontario are currently held by Francophones.

In Atlantic Canada there were approximately 20,990 federal government positions in Newfoundland, Nova Scotia and Prince Edward Island. Of those positions 1,086 were bilingual and two-thirds were held by Anglophones. In New Brunswick, which is officially bilingual, there were about 7,500 federal government positions. About 2,400 were designated bilingual. It is interesting to note that more than one-third of those bilingual positions were held by Anglophones. In other words, the suggestion that Anglophones are being excluded from bilingual positions does not square with the facts at all.

[*Translation*]

Madam Speaker, I would now like to deal with the implementation aspect of the Official Languages Bill. Perhaps you could let me know how much time I have left after the remarks of the Hon. Member for Bow River (Mr. Taylor).

Last week, I had a chance to meet a number of language teachers, some of whom are in the House today. They are involved in a labour dispute with the Government or, more specifically, with Treasury Board. Now why is this significant? It is because in Bill C-72 Treasury Board is designated as the agent responsible for the administration and implementation of bilingualism in the federal Government. Among other things, Treasury Board is to submit an annual report to Parliament on the implementation of bilingualism in the Public Service.

Madam Speaker, today, we have a big problem. The big problem is that our language teachers, whose work is essential in order to provide for bilingualism in the Public Service of the Government of Canada, are now in a situation where Treasury Board adamantly refuses to listen and is trying to impose very unfair changes in their working conditions.

• (1250)

[*English*]

The situation is that up until September of last year, it was normal that the professors of the official languages, or people teaching official languages in the Government of Canada, taught for approximately 20 hours a week and had a substantial amount of time for preparation. Is that necessary? Yes, it is. Why is it necessary? It is necessary because a great deal of the instruction that they are carrying in the other official language is with officials who have to work with complicated technical subjects. To use their time effectively and teach them effectively then preparation is necessary; for example, in order to be able to deal with a Department of Justice official who needs to know how to work in the other official language for legal drafting, or someone who is a scientist who needs to know technical terms for dealing with environmental issues in the other official language because it happens to be a part of their responsibility. I could extend that to include an economist who needs to know how to communicate with officials of the Government of Quebec or New Brunswick *en français* over very complex or difficult economic issues.

Someone cannot do that and teach 30 or 35 hours a week. Yet that is precisely what the Treasury Board is asking of the language professors. What the Treasury Board is saying is that those language professors will have to teach as much as 37 hours a week with no time for preparation or marking.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The Parliamentary Secretary, on a point of order.

Mr. Grisé: Madam Speaker, I think we are discussing a very important Bill, Bill C-72 on official languages, and I think the Hon. Member for Ottawa Centre (Mr. Cassidy) is discussing another measure that concerns language teachers, a measure that comes from Treasury Board. I think it would be more appropriate for the Hon. Member for Ottawa Centre to discuss the contents of the Official Languages Bill.

Mr. Cassidy: Madam Speaker, my hon. friend is saying we should talk about official languages and bilingualism in the abstract, without getting specific. I am all for discussing principles, and we support the principle, but we also want to look at how this Government is practising its principles. In this instance, I am talking about language teachers who give courses for Francophones who want to learn English and who have to learn English to remain in a bilingual position, and for Anglophones who need French to be able to function. The Government has now changed their working conditions in such a way that they cannot do a professional job, and as a result, this will deprive public servants of their right and of an opportunity to work in the other official language. How can the Government honour its commitment to bilingualism if there are no teachers to teach the other language? They have been without a contract for eight months. The right of teachers to be guaranteed a certain number of hours to prepare their classes is being ignored, a right that the Government or, more specifically, Treasury Board has refused to recognize in the bargaining process so far.

[*English*]

I wish to conclude by saying in a very strong manner how much I deplore an advertisement that appeared in *The Ottawa Citizen* and other newspapers recently by the Alliance for the Preservation of English in Canada. The ad states, "Wake up Canada racism runs rampant on Parliament Hill. Proposed Official Languages Act a racist document". I wish that there was some way by which that particular group could be brought before the courts, or in some other way forced to apologize to the people of Canada and to this Parliament for that type of slur on Parliament in trying to bring official bilingualism up to date 20 years after the Act of 1969.

The misinformation, the lies, and the misrepresentations in this particular advertisement are contemptible and should not exist in a free society. I urge all Canadians who look at this to say yes, there may be some contention about how we apply bilingualism, but let us not dispute the principle. Let us work constructively in order to ensure that this society is genuinely committed in act as well as in theory to the principles of bilingualism, and ensure that that is a reality for every Canadian, so that every Canadian of whatever official language group can be served in the language of their choice by the Government that we have in this great country.

Mr. Orlikow: The Hon. Member states that he deplores the misstatements of fact which were made in the ad he referred to, and in some of the material that we in western Canada see, for example, in the *Western Report*.

Does the Hon. Member agree with me that the real feelings of people in western Canada, in cities like Ottawa, and other cities is seen in the thousands of Anglophone parents who arrange for their children to be educated in the French language? Those parents recognize the value of having a knowledge of more than one language, rather than the nonsense espoused by the view contained in that particular advertisement.

Mr. Cassidy: It is quite extraordinary if one goes to Whitehorse, Edmonton, Calgary, or Winnipeg, to see the degree to which parents have opted to have their children go into immersion programs and learn French, and the degree to which parents have been pressing the school boards, not only in the major cities of western Canada, but also in smaller communities, to offer education in both official languages.

I represent an area where the question of bilingualism has been a difficult one at times. On the one hand, people have chosen in a very strong way to have their children educated in the other official language. In particular, the Catholic school boards in Ottawa do an excellent job. But it is true that for unilingual civil servants who are 40 or 50 that it has been tough. Changing things is not easy. But at the same time we have to understand that the principle of bilingualism is important. We all want to maintain a country. A country cannot be maintained if we hark back to the 1960s when CN did not make its cheques or its menus available in both official languages, but only in English, depending on where one was.

I mentioned the misrepresentations of the Alliance for the Preservation of English. This advertisement states that the Bill would have the Government "authorized to infiltrate provinces, municipalities, business, labour, and volunteer organizations with its insidious bilingual policy". That is totally untrue. It states that, "All federal judges will have to be fluently bilingual, translations and interpreters are to be eliminated". That is patently and completely untrue. It states that, the Official Languages Commissioner would become "investigator, policeman, prosecutor, witness and judge as and when he chooses". That is completely untrue. Those types of misrepresentation are what I believe can poison relationships between the two official language groups in this country when we should be looking for statesmanship.

Mr. Epp (Thunder Bay—Nipigon): Madam Speaker, I appreciated the comments of the Hon. Member for Ottawa Centre (Mr. Cassidy) as he spoke in support of Bill C-72, the re-enactment and revision of the Official Languages Act of 1969. The Hon. Member was commenting in response to a question from the Hon. Member for Winnipeg North (Mr. Orlikow) about the way in which English-speaking Canadians across the country have recognized the way in which the

country has changed. They are sending their children to French immersion classes to equip them for the new Canada.

• (1300)

Has the Hon. Member seen something of the survey done by the Canadian Facts people a couple of years ago? Could he say something more about the way in which legislation when it responds to a national necessity, which the Official Languages Bill did in 1969, can play its part in changing a country, developing new attitudes and giving us a Canada which is much more sensitive to the realities of French and English in this country than was the case back in the days when even federal Crown corporations could be found quite blind to the reality that there were many Canadians who preferred to speak in French or who were even French unilingual but were neglected?

Mr. Cassidy: Madam Speaker, I grew up in the 1950s. I was fortunate to become bilingual as a child. It is a real privilege and it is something now which has become much more open to Canadians than it was. I was the only Anglophone in a French speaking collége classique in Quebec, totally immersed, and being the only Anglophone indicated how few Anglophones had that particular experience.

I am very much familiar with the degree to which we had two solitudes in Canada up until the end of the 1960s. Yes, I believe we have changed and changed substantially since then. Change is not without difficulty. We see that even today as Quebec struggles with such issues as the question of Bill 101.

I think that after 20 years of worrying about Quebec's future status and whether Quebec would be part of Canada, we now have a constitutional accord in which Quebec agrees that it wants to be a part of Canada. That in itself is a tribute to the foresight of all three Parties in adopting the Official Languages Act in 1969 as one of a number of significant steps to ensuring greater equality for the two language groups and for ensuring that French speaking Canadians were not locked into a linguistic ghetto which excluded them from the rest of Canada.

It is also fair to point out that in 1969 there were problems for French Canadians while in that period of time English Canadians in Quebec, then as now, had a wide range of services in the Province of Quebec, yet French Canadians outside of Quebec did not. To this day there are still problems. Nonetheless, for French Canadians in the other provinces outside of Quebec the situation has improved dramatically over the course of the last 20 years. Education is now available for their children in the language of their choice, a choice which hardly existed back 20 years ago. A number of provinces, including Ontario, albeit with difficulty, and certainly New Brunswick which has become officially bilingual, have recognized the existence of the linguistic minority. These have also been essential building blocks toward the creation of a country which can live with itself and where linguistic groups can live with each other much more happily and constructively and, I hope, permanently than perhaps was the case 20 years ago.

Hon. Bob Kaplan (York Centre): Madam Speaker, this is a Bill that we celebrate in the Official Opposition. We are pleased to see it brought forward. We were anxious during a period of delay and during a controversial period when media reported hesitations and uncertainties. I was hoping that today at the beginning the Prime Minister (Mr. Mulroney) would be on his feet.

[*Translation*]

I am told he was in the House today, to emphasize his commitment to this Bill and to give us the assurance that it will be passed with its main principles intact and perhaps even strengthened in committee, and that we will soon embark on this second, very important stage in providing for an official languages policy that is fair to all Canadians.

[*English*]

I have thousands and thousands of bilingual Canadians living in my riding of York Centre. But the second language which they speak is not French. The first language is English. The second language could be Italian, it could be Hindi, it could be Urdu, it could be eastern European and it could be Spanish, to a growing degree. The bilingual Canadians of York Centre are, by and large, not English-French speakers but English and something else.

As many of them are new to our country, a question they undoubtedly ask is why is Canada committed to official languages French and English and why not to Ukrainian as a second language or to one of the many, second languages that are spoken in my riding. There is a very good answer to that question, a very important one. It is an answer more and more with which newcomers to our country come into contact and which I believe once understood gives a very wide acceptance and understanding about why French and English are the official languages of Canada. The answer lies in our history. The answer lies in our constitutional arrangements. The answer, I would assert, lies in the soul of our country. More and more I hope Canadians will come not only to accept and understand but to recognize the source of strength that we derive from having two such important historic and widely understood languages as the official languages of our country.

So far as the numbers are concerned, there is no other language group that can claim the numbers that there are of French speaking people in our country. The Ukrainian community which might be third or the German community which might be third is very far behind the Italian community which has, I think, 400,000 Italian Canadians of Italian origin, born in Italy, living in the Metropolitan Toronto region. Even they, with their very large numbers, are far behind the French fact in Canada, the millions and millions of Canadians for whom French is their first language and is still the main language they speak.

On the numbers question, although you may lift up your head in York Centre and look hard to find a French speaking person, looking across the national scene there is no doubt that French is the predominant, second most frequently used language in Canada. That though is not the whole of the story. The important fact is our constitutional arrangements. We would not have a Canada, a country stretching from sea to sea if a fundamental understanding had not been reached that the official language minority, the English in Quebec, the French living in the rest of the country would have their linguistic rights protected.

That understanding and engagement which was reached back in the 1860s in its original version provided the cement in sufficient quantity to tie together a huge continent north of the United States as one country.

To show how important that cement is, we do not have to look very far back in our history. We have simply to look back to the late 1960s and 1970s when a fear of survival on the part of Francophones mainly living in Quebec was behind a great shaking of the foundations of Canada, the possible risk of us losing our nation, a debate, a campaign, a period of soul searching by the people of Quebec and the rest of us and a commitment to a renewed and strengthened federalism in Canada. It is that renewed and strengthened federalism which provides the latest historic reinforcement of our two official languages of French and English.

• (1310)

Those who have arrived in Canada lately, of whom so many are my constituents, appreciate this country tremendously. It is for them a land of opportunity, and it is an opportunity for us to have them here with their energy, education, resources, muscles and talents, all the things they offer to build our country. It is important for them to recognize, as I think they do, that a life in Canada would not be possible if this were not a bilingual country where French and English were equally respected.

I would like to turn to the Bill, but first I would like to say one more thing about French and English. We are lucky, and we do not appreciate our good fortune, to have these two particular languages as our official languages. It is worth reminding Canadians who are mainly unilingual about the richness and power of the other of our great languages. We do not have the problem a country like Belgium has with part of the population speaking French and the other part speaking Flemish, a language with its own richness but a language with a very small international community behind it.

We do not have the problem of an African country where one of the official languages is Swahili, a language which may well be a rich and interesting one but is one with no written dimension and no literature, spoken by 150,000 or 160,000 people. Yet the exigencies of that country make Swahili an official language and ask others to learn that language. We could handle a challenge like that in Canada, I think, but we do not have to. We have two rich, full, historic languages which have so much merit that more and more Canadians are learning to speak and use two languages.

Some Canadians who attack the official policy of bilingualism indeed think that we are talking about requiring people to learn to speak both official languages. One can understand why they might think so. They see thousands and thousands of people, particularly young Canadians, making themselves bilingual. They are doing this in parts of Canada where it is hard to find native speakers of the second official language they wish to learn. I am thinking of our western cities and of my own City of Toronto where, until very recently, it was hard to practise French on anyone. High school teachers were themselves teaching a language in which they were not very comfortable, a language they had studied academically but could not really converse or live in. Recently, however, Toronto has become more cosmopolitan and more Canadian in the sense that there are rich resources of the second official language available to those who want to learn it and share it with people who have been speaking it from birth or are very fluent in it.

We have to remind those who oppose this flourishing of bilingual Canadians and who feel threatened by it that that is not fundamental to the official languages policy of Canada. Bilingual people have a lot to celebrate. There are a lot of reasons for wanting to become bilingual, but the official languages policy is, as it happens, precisely the opposite.

The official languages policy ensures that French or English-speaking people ought to be able to live their lives as much as possible only in that one language. It is designed to ensure that those who want to live their lives in French or in English, as much as is reasonably possible depending on the region in which one lives, the profession one has chosen, one's community, and one's relationship with anything that Parliament can control including federal government agencies, should not have to use the other language. Service should be available in the language of one's choice. This is an important point for critics of this Bill to recognize.

We are seeking, if I can put it this way, to protect the unilingualism of the group which does not want to have the federal Government deal with it in the other language. When that is understood, it will become much easier and more realistic for Canadians to accept the advances that are represented in this Bill.

I would like to make another point that I consider to be pretty fundamental. The fact that a Government of Canada, Liberal or Conservative, could bring forward a Bill like this at this time tells us a great deal about the evolution of our country since the first official languages Bill. There are features of this Bill that would not have been realistic as part of the original Bill because we would not have been able to put them into effect. It would not have been realistic, for example, to find in every province at least one judge for every Section 96

court who could speak the official minority language of that province.

[*Translation*]

French-speaking Canadians in our western provinces will be able to be heard before the courts in the language of their choice. That is something new for Canada, the fact that we have that possibility.

[*English*]

I do not think it is off topic to mention that I have complained to the Government about the evolution of the criminal justice system as it pertains to bilingualism. When the Liberals were in power, we made provision for language minority speakers in any province of the country to have the legal right to a trial in their own languages, not just to have interpreters present. We provided that one should be able to be tried in his own language, and that meant that we would need prosecutors, judges and jurors who spoke the second official language. That provision was contained in the criminal law reform brought forward by the former Liberal Government.

In that Bill, we provided for late proclamation of that provision. Some people would ask why we did not proclaim it right away if we were so committed to it. We were committed to it, but if we had proclaimed it right away we would not have been able to try people in every province of Canada. There were not jurors, prosecutors or judges all over the place who could deliver on that provision. It would have been against the interests of justice to have proclaimed it in every province.

We provided for proclamation by the Governor General when the system in each province had reached the point where that type of service could be provided. I think it is disgraceful that with the new Government in office for three years there are still provinces which have not proclaimed that law. In Newfoundland and Alberta where it has not been proclaimed, it is possible to have a complete criminal trial in French, and it has already been done in both provinces. That proves that it can be done, yet those provisions have not been proclaimed. Cases are now being taken to court by French speakers who want to have their right to be tried in French in those provinces. Since the Governments of the provinces have not forthrightly declared the provisions to be in force they are having to argue under the Charter that they are entitled to have their trials completely in the language of their choice.

• (1320)

I am not going to attack the good faith of the Government. As I said, I would like to have heard some members of the government Party reaffirm their commitment today and say that the Bill is moving forward to be sustained in principle and to be implemented. I am assuming that that will happen. I am looking forward to seeing the Bill go to committee. My Party has some points it will want to make. However, I would very much like to have seen a proclamation of the right to trial in the official minority language after all these years that it has been in effect in every province.

As a result of this Bill there will be better access to justice in the two languages. There will be ready availability and visibility of bilingual federal services in communications. We can look forward to a recognition of the right of Canadians to work in their own official language in federal institutions in accordance with the linguistic responsibilities of those institutions. There will be a confirmation of the principle of full participation of English-speaking and French-speaking Canadians in federal institutions. I hope there will be substance to the commitment to enhance the vitality of official language minority communities and to promote the official languages in Canadian society.

I was critical that the Meech Lake Accord did not contain a more forthright commitment to protect and promote the official language minority in every province. There is now a great opening for the federal Government to act in connection with the recent Supreme Court of Canada decision in Saskatchewan about the status of French in that province. I hope, expect, and demand that the federal Government act to promote the recognition and enhancement of the French language in that province. That would be one way of showing that within the prerogative of power of the federal Government, and within its responsibilities, there is an openness toward the francophone community and the French language in that province. The federal Government ought to take on the responsibility of standing up for official language minority groups wherever they are in the country.

The Bill also provides for federal co-operation with the provinces and the private and voluntary sectors to provide and extend bilingual services. The suggestion which I just made with regard to Saskatchewan would be well within the spirit of that aspect of the Bill.

I welcome the legislative framework contained within the Bill setting out the powers and co-ordinating roles of the Secretary of State in promoting official languages and providing support to official language minority communities. There is a confirmation of the policy role of the Treasury Board and recognition of its mandate to monitor the implementation of the legislation by federal institutions. There is an enhancement of the role of the Commissioner of Official Languages and as important and perhaps more important than that, the Bill provides judicial recourse so that Canadians of other language expression who feel dissatisfied with the way in which the law is being applied and believe they have a legal grievance can go not only to the Official Languages Commissioner, who will undoubtedly act in his best discretion as he sees it, but also before the courts to make their point. That is a breakthrough which I welcome.

Finally, there is provision for the primacy of the rights and obligations under the official languages Bill over any federal legislation which may appear to conflict.

Mr. Taylor: Madam Speaker, I enjoyed the speech of the Hon. Member very much. He emphasized the fact, with which I agree, that the country will always, or at least for a long

time, be partly unilingual. The time to learn a language is when you are very young. For many years in Alberta we made the mistake of starting to teach a language in grade nine or ten. That did not work. Today 23,000 boys and girls are learning the second official language in the Province of Alberta. This is encouraged by the Government of Alberta which has put in charge of this program a man who is completely bilingual.

Since there will always be, or at least for many years, people who are not bilingual, would the Hon. Member agree that applications for jobs, appointments to boards, and promotions in the Public Service, including the RCMP and the military, should be primarily based on merit so that there will be no special favours given to either those who are bilingual or those who are unilingual? If such things are based on merit we will get the very best treatment possible in each category. Would the Hon. Member comment on that?

Mr. Kaplan: Madam Speaker, of course I agree with that. This gives me an opportunity to talk about some details of the Bill. Clause 38(3), which is the relevant section, preserves the merit principle. It provides that:

> Nothing in this section shall be construed as abrogating or derogating from the principle of selection of personnel according to merit.

Merit has a very well understood meaning and has a lot of experience and decision-making behind it. I am confident about the Public Service Commission's general appreciation of the principle. However, it must also be recognized that if the official languages law is the law of the land, one of the requirements is the ability to provide service to the public in French and English, not everywhere, but in areas where numbers warrant. Also, officials who want to work in the language of their choice must be able to do so and fit within a federal public service environment which can accommodate their wish to work in the official language of their choice.

Therefore, merit is relevant; merit and relevant merit in some cases—certainly not in all, and not even in the majority—will require the person involved to be able to speak both of the official languages. That is understood. It is a set-back for some individuals and that ought to be frankly recognized because it limits the scope within which otherwise meritorious persons would be able to perform their duties. However, it does not eliminate their place in the federal Public Service.

The Member's preliminary point was that there are a number of Canadians who can speak only one official language and probably, he said with some regret, that will always be the case or will be the case for a very long time. I go further than that. I would say that it would be a sign of health in our country, a sign of the freedom of choice that there ought to be, if there are always people in Canada who decide that they want to speak only English or are in a situation in which they only speak English, and others in another part of our country who limit themselves to wanting to speak only the other official language. We do not have in this country the goal of making everyone bilingual. We can certainly celebrate the fact that there is a choice now and that even the province of the Hon. Member, which has no recent bilingual tradition, although it has an historic bilingual tradition, is making its own bilingual tradition. They are making it in our time through these 28,000 young people and others who will be able to speak French in that part of Canada.

• (1330)

I should have stated earlier that it is worth noting that one of the greatest sources of strength for those who have wanted to learn the other official language has been Radio Canada which has produced and provided French language radio and television throughout the country since the mid 1970s. In my case, I owe a great deal of my bilingualism to Radio Canada. I did not learn to speak French when I was growing up as a student, but learned it as an adult and mature student. Radio Canada and the French language CBC network were very important tools for me to acquire the idiom, the way the language is spoken.

For those who want to live their lives in English and those who want to live their lives in French, let us hope that nothing in the Official Languages Act will ever make it Canadian policy to try to reduce their rights.

Mr. Epp (Thunder Bay—Nipigon): Madam Speaker, I have a couple of comments and will then ask the Hon. Member for York Centre (Mr. Kaplan) to expand on one particular section of the Bill. He has studied the Bill carefully and has had some involvement with the spread of judicial services across Canada for persons in the official language minority. He just observed that he would not mind if there were always Canadians who were unilingual. It may be worth noting that the Canadian facts public opinion survey in 1985 authorized by the Commissioner of Official Languages found that 99 per cent of those surveyed in Quebec thought it desirable that a person should know both English and French. I believe the proportion for British Columbia, where one might find the other extreme in opinion, was about 76 per cent who shared the opinion in Quebec.

Therefore, there are many Canadians who believe that certainly young people should be educated in both languages and should be capable of working in the federal Public Service in particular with both language abilities.

One aspect of fear mongering, like that to which my friend, the Member for Ottawa Centre (Mr. Cassidy) alluded, is the attempt to turn the Commissioner of Official Languages himself into a dreadful power. Anyone who believes that would do well to compare Bill C-72 with the Official Languages Act of 1969. The powers of the Commissioner of Official Languages have not been enlarged in this Bill.

Of course, the opportunities for individuals to pursue matters before the Federal Court of Canada and obtain some leverage on the federal Government has certainly taken place. That is worth noting.

I see that the time for questions and comments has expired. I will not have the opportunity to ask about another provision.

The Acting Speaker (Mrs. Champagne): Resuming debate.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Madam Speaker, I appreciate this opportunity to make a few comments about Bill C-72. As we have seen in the House, this is a very emotional issue for a number of Members. It is also an emotional issue for people throughout the country.

I attended accountability meetings in my riding two weeks ago. At two of those meetings I met people who had read the recent issue of *Western Report*. They stood up to ask what is this dreadful new Bill being imposed upon western Canada. I want to reassure them that they will be able to carry on and live good lives.

I do not think the emotions surrounding this issue should surprise us. Bill C-72 deals with the language of work and the language of justice. It deals with the language in which people can obtain Government service. In my riding there are people who felt that they personally have been hurt by the program of bilingualism as it was instituted. They felt that their careers had been red circled by bilingualism. Rightly or wrongly, they have a certain sense of grievance about the whole question of bilingualism. Bill C-72 and bilingualism deal with the fundamental relationship between English speaking and French speaking Canadians. It also deals with the relationship of those who come from another language tradition.

The importance of this issue is evidenced by the fact that we refer to the language we learn as children as our mother tongue. Our thought patterns are conditioned in our mother tongue and it is around those patterns and that first language that we have some very deep seated emotions. This is evident when we consider our attitudes toward people who speak with a different accent or a different dialect of the same language.

We sometimes take a very humorous approach to people who speak with an accent that we regard as strange and are sometimes shocked that other people may believe our accent is strange or somewhat funny. These differences are sometimes the source of humour and sometimes the source of snobbery. Sometimes people are educated out of their original accent, so that some people who go to Oxford ultimately have an accent that is stronger than people who have grown up in that area.

Often there is a deep seated prejudice toward another language. This is usually based on fear that is masked by an attitude of contempt. We as Members of Parliament, who pretend to be leaders in this country, must try to address the fear of people, rather than manipulate it, and deal with it in an intelligent and straightforward manner.

First, I believe it would be helpful if both French and English speaking people recognized that both our language traditions have traditions of linguistic imperialism. Perhaps one of the worst examples for Anglophones is the residential schools where Indian young people would have their mouths washed out with soap for speaking in their native language. They were told to speak English.

I hope to resume my comments after Question Period, Madam Speaker.

The Acting Speaker (Mrs. Champagne): I am sure the Hon. Member will want to continue after Question Period.

It being 1.40 o'clock I do now leave the chair until two o'clock.

At 1.40 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

INDIAN AFFAIRS

REINSTATEMENT OF WOMEN ON RESERVES—LACK OF HOUSING

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, the federal Government is preventing women who recently regained Indian status from getting decent housing on reserves. The ambiguous position of the Conservative Government is forcing native women into unwholesome competition with their own people for one of the basic necessities of life, housing.

About 95,000 people have applied to Ottawa for reinstatement to the reserves across the country and most of them are women. They have applied for housing on reserves because the 1985 legislation, Bill C-31, now allows women and their children to return to the reserves if they so wish.

You will recall, Mr. Speaker, that these women lost their Indian status because they married white men or someone other than a status Indian. However, the problem is that although the Government provided special funding for reserve housing for reinstated women, it did not give band councils clear criteria about how it was to be spent. The result is that money is being spent for general housing needs.

Some Hon. Members: Time!

Mrs. Killens: There is already not enough money for Indian housing on reserves—

Some Hon. Members: Time!

Mrs. Killens: —so once again the women are paying the price.

S. O. 21

MUNICIPAL AFFAIRS

CITY OF PORT COQUITLAM—DIAMOND JUBILEE CELEBRATION

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, I rise in the House today on behalf of all residents—

Some Hon. Members: Time!

Mr. Speaker: There have been some interventions on the part of Members with respect to the general question of time for Members' Statements. As Members know, it is 60 seconds. Those Members who cut it below 60 seconds are doing a favour for their colleagues, and those who go over are doing a disfavour, and if there is too much agitation, of course the Chair has to step in. However, I would ask Hon. Members to leave it to the Chair.

Mr. St. Germain: Mr. Speaker, I rise in the House today on behalf of all residents of the City of Port Coquitlam in British Columbia, both past and present. It was 75 years ago that Port Coquitlam was officially incorporated as a City.

In honour of this occasion, I would like to read into the record books an excerpt from the Mayor's Proclamation:

> And whereas on March 7th, 1913 the said Letters Patent under the Great Seal were so issued thereby creating the "Corporation of the City of Port Coquitlam".
>
> And whereas exactly seventy-five years have elapsed between the date of the Letters Patent and March 7th, 1988;
>
> Now therefore be it resolved that by virtue of the powers vested in me as Mayor of the Corporation of the City of Port Coquitlam, I Leonard M. Traboulay, do now declare March 7th, 1988 to be "Diamond Anniversary Day" in the City of Port Coquitlam and do urge all our citizens to take part in the many festivities planned for the balance of our Diamond Jubilee Year;

I am honoured, as the city's Member of Parliament, to invite everyone from Port Coquitlam and the surrounding communities, and people from all over Canada to join in the festivities and celebrate the Diamond Anniversary of the City of Port Coquitlam.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—GOVERNMENT'S AGRICULTURAL ASSESSMENT

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, the Government has published a very sleek publication entitled: *The Canada—U.S. Free Trade Agreement and Agriculture—An Assessment* which was distributed to Members' offices on Friday. Can the Government explain why this so-called assessment fails to show the value of U.S. agricultural trade to Canada? Why the blank spot on page 11 where it should have appeared? Was the Government afraid the fact that the U.S. has always had the trade advantage in agricultural trade would change the reader's view of the agreement?

Can the Government explain why it chose to leave the impression that poultry imports are to be computed only on the basis of a moving average when the agreement specifically states that there shall first of all be not less than 7.5 per cent of Canadian requirements filled from the U.S.? Why did it neglect that fact? It is not in here.

More than a third of Ontario grape growers and virtually all British Columbia grape growers will be forced out of business according to the data contained in this assessment. Yet we are told that they "face adjustments" but this will "enhance competitiveness". How does being put out of business make one competitive?

* * *

IMMIGRATION

PRESENCE IN CANADA OF FORMER KHYMER ROUGE MEMBERS

Mr. John Oostrom (Willowdale): Mr. Speaker, recently in a major article, the *Toronto Star* reported that individuals who belonged to the Khymer Rouge and participated in genocidal acts in Cambodia are residing in Canada as landed immigrants. This is a very serious allegation since the Khymer Rouge were responsible for two million innocent deaths, often using methods which rivalled the Nazis.

Such individuals have no right whatsoever to be allowed to live among civilized people. The Immigration Department and CSIS should immediately commence a full investigation to ascertain if the allegations are true. If it is found that indeed there are Khymer Rouge mass murderers in Canada, they should be charged with crimes against humanity. We must send out a strong message that there is no sanctuary in Canada, nor is there any clemency for this type of action against humanity.

* * *

DISASTERS

FIRE FATALITIES IN FORT ALBANY, ONT.—LACK OF ADEQUATE FIRE PREVENTION FOR SCHOOLCHILDREN

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, on Friday, March 4, four citizens of Fort Albany, Ontario, a small isolated native community near James Bay, perished in a tragic fire. Delna Edwards, age 21, and her three sons, Kenny, Peter and Jeremy, all died, burned beyond recognition, because the community had no way to fight the fire other than with five-gallon pails. Our heartfelt sympathy goes out to the entire Fort Albany community.

This type of incident should not be occurring in native communities. Ste. Anne's School in the same community provides yet another example of a tragedy waiting to occur. It

took repeated warnings by fire inspectors before the Government took action to close the school. The children have now been without educational facilities for a month.

When will the Government realize that it has an obligation to take prompt action to guarantee that all Indian communities across the country are provided with the means to ensure that the safety of their people is not in constant jeopardy? The Government must re-examine its priorities and give Canadian native communities the attention and support they rightly deserve.

* * *

[*Translation*]

FISHERIES

SITUATION IN GASPÉ—REQUEST THAT QUOTA BE SECURED WITHIN 200-MILE ZONE

Mr. Charles-Eugène Marin (Gaspé): Mr. Speaker, the Gaspé peninsula once more is faced with a plant shutdown. The Purdel Inc. group decided not to reopen its ground fish line in Rivière-au-Renard, putting some 300 seasonal employees out of work. One of the reasons given by the company is the impossibility to obtain raw materials. It feels a fishing quota within the 200-mile zone would have been a solution to the problem.

You will remember, Mr. Speaker, that in December 1987 fishing industry groups in Quebec were denied access to the 200-mile zone by the Minister of Fisheries and Ocean (Mr. Siddon).

In view of the increasingly sad situation of the fishing industry in Quebec, it was agreed on my request that a meeting would take place in Gaspé within two weeks, in order to regroup the Quebec fishing industry and to resume discussions on the possible access of Quebec to the 200-mile zone. Until a longer-term solution is found I am certain, Mr. Speaker, that this Government will help the people in Rivière-au-Renard overcome that unhappy experience.

* * *

[*English*]

ABORTION

CANADA HEALTH ACT—CRITICISM OF SYSTEM IN BRITISH COLUMBIA

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, following the Morgentaler decision, predominately male politicians feel burdened by a heavy responsibility to reach a decision which they think is morally right and politically acceptable. Any decision should respect different personal and religious views that are deeply held in a pluristic society but should not impose those views on others.

S. O. 21

The Canada Health Act states:

> The primary objective of Canadian health care policy is to protect, promote, and to restore the physical and mental well-being of residents of Canada and to facilitate reasonable access to health services without financial or other barriers.

The policy of British Columbia of paying only for abortions when a woman's life is threatened is in direct contravention of the Canada Health Act and only serves to penalize women of low income. It establishes a two-tier health care system, one for the rich and one for the poor. It is also in contradiction with the views of two-thirds of British Columbians, as can be seen in a poll released today in British Columbia. When can we expect the Minister of National Health and Welfare (Mr. Epp) to restore equity to the health care system?

* * *

VOLUNTARY ORGANIZATIONS

TRIBUTE TO WORK OF HOPE VOLUNTEER SEARCH AND RESCUE GROUP

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, 1988 marks the twenty-fifth year of service of the Hope Volunteer Search and Rescue Group. The 23 members log 4,000 hours of volunteer work a year to train and to search for and rescue victims of mountain, water, and vehicle accidents. This is no small feat when one considers the rugged terrain surrounding the Town of Hope, British Columbia. Of the approximately 40 calls received a year, 38 victims are saved by the efforts of these people.

On February 27 I was pleased to attend the anniversary dinner and dance and to join with the others in honouring Clarence Kolcun for his 25 years of service. He is now the Honorary Director for Life of the Hope Search and Rescue Group. I would like to take this time to thank Barry Gannon, president of the group, his executive and hard-working members, for their dedication and service to the community of Hope. We are very proud of their achievements.

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SOCIAL AFFAIRS

VANCOUVER SCHOOL BOARD—PROVISION OF MEALS FOR HUNGRY STUDENTS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, hungry school children in Vancouver are caught between the bureaucratic regulations of the Canada Assistance Plan and the ideological blindness of the Vander Zalm Government. The Vancouver School Board is currently using reserve funds for an emergency program, feeding about 600 children in 23 schools, but a school board application for help from the Canada Assistance Plan has been denied because the

plan can only make money available to the city or province if they participate financially, and not to a school board.

The Social Credit Government refuses to participate because it fears the program will create dependency. Instead, Claude Richmond, the Minister of Social Services, wants teachers to let his Department know the names of hungry children so that their parents can be taught nutrition. We repudiate this hypocrisy which claims that the fundamental problem is not with poverty but with the family.

• (1410)

Next week Vancouver officials will appeal directly to the Minister of National Health and Welfare (Mr. Epp). I urge him to work out a creative solution which will cut through the red tape and ensure that school children in Canada do not go hungry.

* * *

[*Translation*]

CONSTITUENCY OF LÉVIS

SEARCH FOR LIBERAL CANDIDATE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, today the Leader of the Liberal Party himself is going from door to door in the city halls in the constituency of Lévis in order to convince one mayor to run against me.

Those mayors should ask why his caucus is still opposing Quebec's entry into Confederation. Why do the Liberals still oppose in effect the Meech Lake Agreement? Why did the Liberals vote against the Bill concerning Quebec's pharmaceutical industry, against 1 300 jobs being created in Montreal? Why will the Liberal Leader gut the free trade agreement, something that will allow Quebecers to sell $20 billion worth of goods to the United States? A serious candidate should put those questions to the Liberal Leader who is going from door to door.

* * *

[*English*]

EXTERNAL AFFAIRS

NICARAGUA—ATTACK BY CONTRA FORCES ON CANADIAN AID PROJECT

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, we learned over the weekend that, once again, the Contras attacked a project in Nicaragua in which Canadians were involved. I refer to the Farmers for Peace from Alberta.

There were numerous Nicaraguans captured by the Contras, as well as an American. Fortunately, no Canadians were captured, but great damage was done to the project, to the equipment, and to the buildings.

It is time once again to call on the Secretary of State for External Affairs (Mr. Clark) to condemn American funding to the Contras and to send a strong message to Washington that the Canadian Government does not take lightly this destruction being visited upon Canadian sponsored projects by a group that is funded from Washington.

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MUSEUMS AND ART GALLERIES

CANADIAN WAR MUSEUM—EXPANSION OF FACILITIES ADVOCATED

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, a resolution from the Defence Association of Canada focuses attention on what many people are already aware of, that is, that the Canadian War Museum has been grossly neglected as an historical, memorial, military, and research institution because of gross neglect by successive former Governments.

The museum cannot perform its role effectively because it is underfunded, underequipped, and housed in inadequate and insufficient space to fulfil its role as a memorial to those who made the supreme sacrifice in the service of Canada in war and in peace-keeping operations. It is also the focal national institution to record, preserve, and present the military heritage of Canada in peace and war.

I therefore ask the Minister of National Defence (Mr. Beatty) and the Cabinet to initiate action for a major expansion of its facilities, and institute other support programs to ensure that Canadians from every walk of life are made aware of our proud military heritage.

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FISHERIES

CHINOOK SALMON—CONSERVATION PROGRAM ANNOUNCEMENT

Mr. Ted Schellenberg (Nanaimo—Alberni): Mr. Speaker, today in Vancouver the Minister of Fisheries and Oceans (Mr. Siddon) is announcing an important conservation program that will affect all groups of fishermen—sports, native, and commercial.

It is well known in my Province of British Columbia that over the last 10 years the catch and escapement of Chinook, our king salmon, declined by some 75 per cent in the lower Strait of Georgia. The stocks are being overfished. Thus new enhancement and conservation measures must be introduced.

Beginning on April 10 all fishermen will be required to affix conservation tags to Chinook caught in B.C. waters. The

harvest rate will be reduced by some 20 per cent. However, at the same time, increased enhancement measures will be undertaken on the Nanaimo, Cowichan, and Squamish Rivers.

The battle to rebuild the Strait of Georgia Chinook stocks has begun. Our Government and our fishermen believe it is a battle that we can win.

ORAL QUESTION PERIOD

[*English*]

WESTERN DIVERSIFICATION FUND

MONEY ALLOTTED FOR DEVELOPMENT OF WESTERN CANADA

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, in the absence of the Minister of Regional Industrial Expansion I direct my question to either the Prime Minister or the Deputy Prime Minister.

There was a report this morning from the special assistant to the Minister of Regional Industrial Expansion which points out that in the coming years under the Western Diversification Program western Canada will receive less money than it did last year under the normal Estimates of the Department of Regional Industrial Expansion.

I want to ask the Prime Minister what kind of con job is going on. How can we promise westerners further expansion and diversification when in fact the federal Government is spending less money to develop the west than it did last year and the year before that? Is this not a clear contradiction of the aims and objectives set forward in the Western Diversification Program? The rhetoric is okay but the cash is not there to back it up.

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, the statement to which the Hon. Member refers is a statement which says that spending in the west will increase by 15.4 per cent this year because of the announcement of the Western Diversification Fund. The new Department that is being created will not be abandoning western Canada. The Department that is being created will have a national mandate, and it will recognize that national mandate.

The additional funding of $1.2 billion in western Canada and the additional funding of over $1 billion in Atlantic Canada are funding that will be on top of existing funding. Therefore the report identifies an increase of 15.4 per cent in spending in western Canada.

TOTAL FUNDING FOR WESTERN DEVELOPMENT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the Minister is fudging the figures again.

Some Hon. Members: Oh, oh!

Mr. Axworthy: I wish to point out to the Minister the statement made by the official in the office of the Minister of Regional Industrial Expansion who said that the total funding of the federal Government for regional development will be less this year in western Canada than it was the year before, and substantially less in Atlantic Canada. In both cases the federal Government is pulling back its commitment to the two regions of the country which need that type of funding most.

To quote the president elect of the Chamber of Commerce of Edmonton: "Western Canada is once again getting the short end of the stick". What will the Government do to restore proper funding to achieve proper regional development?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Hon. Member talks about proper funding. A phantom $4 billion was identified by the previous administration for economic development in western Canada. Some $4 billion was identified in the 1980 Budget. The next Budget saw the figure reduced to $2 billion, and it was just earmarked.

The Hon. Member mentioned the other day $3.5 billion identified for western rail infrastructure. If the Government attempted to use that type of shellgame we would identify $1 billion in the first Special Grains Program, $1 billion in the second Special Grains Program, $800 million in PGRT, and $350 million to $400 million in special oil programming. All those programs that are over and above existing funding to western Canada have been recognized by the Government, and there is $1.2 billion for western diversification.

Some Hon. Members: Hear, hear!

Mr. Axworthy: Mr. Speaker, all I can say is that once again we are being treated to the funny world of Tory economics and mathematics which does not know how to add or subtract. As a result the regions get the short end of the stick, as the Chamber of Commerce has properly said.

CANADA-UNITED STATES FREE TRADE AGREEMENT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I address my supplementary question to the Prime Minister. It is another question related to regional development.

On Friday, Canada's Ambassador to the United States, Mr. Gotlieb, wrote a letter to the U.S. Congress stating clearly that Canada wants a full exemption in the Omnibus Trade Bill from the language of the Congress which will define substantially the nature of subsidy which will involve regional development programs.

Concerning the important contradiction that has to regional development programs in Canada will the Prime Minister commit here and now that, unless the Congress of the United States totally eliminates all language and reference to subsidies and gives Canada an exemption, the Government will

not go ahead and sign the trade deal that it negotiated with the United States?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, after the way the Hon. Member was dealt with by my colleague, the Minister of Indian Affairs and Northern Development, I understand why he changed the subject.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): We expect the United States to honour the undertakings it made in the free trade agreement.

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CHILD CARE

PROVISION OF NATIONAL SYSTEM—GOVERNMENT POLICY

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is addressed to the Minister responsible for the status of women. Given that the Government has set up no national standard of quality or affordability in its child care program, and given that American firms must be accorded national treatment under free trade, we are now threatened by the invasion of low quality expensive child care services in Canada.

• (1420)

The Government is not talking about its day care plan any more. Why has the Government lost all its drive with regard to providing a first-class national day care system? Is it because it has now become obvious that the Canada-U.S. trade deal will make it impossible for the Government to keep its promises to the women of Canada?

Hon. Barbara McDougall (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, if there is any Government that has kept its promises to the women of Canada, it is this Government.

Some Hon. Members: Hear, hear!

Mrs. McDougall: I cannot imagine a member of a Party that for 17 years did nothing on child care after a Royal Commission attacking us for the program of $5.4 billion that we have put into child care. As we know, this is a program in which we work with the provinces.

The same standards cannot be established in small communities in Newfoundland as could be established in downtown Toronto or in Montreal. The reason that this program is important is because it provides the flexibility for communities and parents to meet the needs that they think are important. They are the ones who have to determine what is the best type of care for their children.

[*Translation*]

GUARANTEE OF SOCIAL PROGRAMS—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I should like to point out to the Minister that she has failed to reply to my question.

My supplementary question is this: How can the Tory Government be so sure that the Free Trade Agreement is good for women when we know that in the services industry, American companies with which Canadian companies will have to compete have no minimum wages to pay, no social benefits to provide and no employment equity program to live with? So I should like the Minister to tell us how the Government can assure women that they will keep all the social programs they had to fight for and that their jobs will be protected instead of melting like butter in a pan!

[*English*]

Hon. Barbara McDougall (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, as the Hon. Member well knows, our social programs have nothing to do with the free trade agreement. Women have always done well in a prosperous economy. If one looks at the world today, where are women doing well? They are doing well in prosperous countries. Free trade will be the best thing that has happened to the women in this country for a long time in terms of job opportunities in the service sector, future training, apprenticeship, and entrepreneurship. There was a report last week on the number of women who are now entrepreneurs and how well they are doing, and how well they will do under free trade.

I think for the next century that free trade will see women's economic equality proceed even further than it has done.

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INDUSTRY

CLOSURE OF MASSEY COMBINES PLANT IN BRANTFORD—RETENTION OF TECHNOLOGY

Mr. Derek Blackburn (Brant): Mr. Speaker, in the absence of the Minister responsible for DRIE, I will put my question directly to the Prime Minister. I am rising on a very serious matter, the loss of 2,500 jobs in my home town of Brantford.

More than 2,500 people who are either working or are on lay-off are looking to the Government to ensure that their jobs are not lost forever. Canadian men and women want assurances that we will not lose the rotary combine technology that was developed with taxpayers' money, leaving this country without a major producer in this vital area.

Will the Prime Minister assure those workers that the Government will seek out a Canadian buyer that will use that technology to build combines and provide jobs in Brantford?

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, on behalf of the Minister for Regional Industrial Expansion I would like to inform the Hon. Member that discussions are presently under way to discover whatever redeeming features there are in the circumstances. It is quite true that receivers have been called in.

Of course the interests of the workers, those who are disabled, those who are on early retirement, and those who had expected to be hired back, are paramount to us. We are concerned about the retention of the technology. We are concerned about the public interest generally. Discussions are under way, and we should have something more to report quite soon.

PROTECTION OF WORKERS' PENSION FUND

Mr. Derek Blackburn (Brant): I appreciate the concerns of the Government. We are now looking for action. While the Minister is concerning himself, I would like to know if he would assure those workers that any money coming from Varity Corporation will be used to keep the pension fund viable, assist any disabled workers, and help any workers whose pensions and benefits might not be covered in the 1986 bail-out, amounting to some $30 million to $33 million?

Hon. Frank Oberle (Minister of State (Science and Technology)): The question of the pension obligation is one that is very serious. There is a provincial role in the event that there should be any unfulfilled obligations. Discussions are going on with the province. There is the additional problem of continuation of parts supply to farmers who have become dependent on this particular combine machine.

All those things are being seriously discussed between officials, our provincial counterparts, and company principals.

REQUEST FOR ASSISTANCE UNDER INDUSTRIAL REGIONAL DEVELOPMENT PROGRAM

Mr. Derek Blackburn (Brant): Mr. Speaker, I would like to direct my supplementary question to the Minister responsible for CDIC, who was proclaiming the great benefits of free trade. Massey is a victim of free trade.

Some Hon. Members: Oh, oh!

Mr. Blackburn (Brant): Will the Minister provide assistance under the Industrial Regional Development Program to help a Canadian buyer keep the people working with this Canadian technology, in view of the fact that there is more than 12 per cent unemployment in Brantford now and we qualify under Tier 2 of the IRDA program?

Hon. Barbara McDougall (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I think that all of us on this side of the House are concerned about some of the issues raised by the Hon. Member. We have talked about the need for parts, and so on.

The problems at Massey Ferguson have nothing to do with free trade. I have had an association with this company all of my life, and I knew something about it long before I was in government. I can tell Hon. Members right now that there has been free trade in farm machinery ever since I can remember. There are U.S. producers of farm machinery.

The problem in the farm machinery industry has to do with the protectionism that has been rising in the United States that has led to difficult times for farmers.

Mr. Blackburn (Brant): That's nonsense.

Mrs. McDougall: That is as much a part of it as anything else. It has nothing to do with free trade.

REPLACEMENT PARTS FOR EXISTING COMBINES

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Acting Minister of Industry, and it concerns the shutdown of the Massey plant in Brantford.

Since there was a specific agreement in 1985 that the federal Government would keep the specialized technology in Canada for this combine, could the Minister be more specific that that technology will stay in Canada? Could the Minister also be more specific that replacement parts will be available to the thousands of farmers who have Massey combines across the country, and that there will be a dealer network to service the combines that are presently in use across the country? This is an important decision that harms thousands of Canadian farmers.

Hon. Frank Oberle (Minister of State (Science and Technology)): The Hon. Member is quite correct, but I answered his question at least in part. It is anticipated that Varity will assume some of the responsibility to have a continued parts flow. Certainly, in terms of the technology there were undertakings that this technology would stay in Canada. It is entirely possible that a buyer will come along and purchase that technology, or assume it.

As I stated, all of those serious problems are being discussed with our provincial counterparts who also have an interest in terms of the equity that the federal Government has in the plant. On three occasions we have been involved in extending the life of this particular company. The interests of the farmers and the interests of the workers are uppermost in our minds. We will come to as good a solution as can be worked out under the circumstances.

• (1430)

STATUS OF U.S. BANKS' INVESTMENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the same Minister. He will know that 3,300 workers at Massey are part of the pension plan and there is, in fact, a $54 million shortfall in that pension plan. I would like to ask the Minister a very specific question.

His Government claims that free trade has nothing to do with this deal. Can he explain why the U.S. banks are preferred creditors and they will get their investment of approximately $75 million back before the workers at Massey-Ferguson can touch a penny of severance pay? Why the U.S. banks first by this Government?

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, I don't for a moment accept the Hon. Member's premise that that is actually what is happening. It is true the receiver is on site and that obviously disbursements are being discussed.

Let me tell the Hon. Member, as I said in my earlier answers, that that part of the problem which may result in unfulfilled obligations to workers who have taken early retirement is uppermost in our minds. There is a provincial responsibility, but safeguards are in both provincial and federal legislation to make sure that workers will not be deprived of what they have earned in pension benefits.

BENEFITS FOR OLDER WORKERS—GOVERNMENT POLICY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is a supplementary one for the Minister of Labour.

Given that this Government is the Government that removed labour adjustment benefits for older workers from this sector in Brantford in 1986, will the Government itself now restore these benefits for older workers to provide some kind of hope for the future for men and women in the city of Brantford?

Hon. Pierre H. Cadieux (Minister of Labour): First, Mr. Speaker, I would like to indicate to my hon. colleague that this Government did not remove the program that was in existence. It was scheduled to terminate under the previous Government in 1985. We continued it into 1986 in order to develop with the provinces and the private sector a better program that would govern all older workers—

Mr. Blackburn (Brant): Where is it?

Mr. Cadieux: —not just some older workers. May I remind my hon. colleague that under the old program the workers to which he is referring would not be covered.

Hopefully, this POWA agreement on which we have been working for the past two years will be finalized in the coming weeks. As a matter of fact, I have already communicated with my colleague in Ontario today, and we are scheduled to meet on Friday.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF ONTARIO PUBLIC ACCOUNTS COMMITTEE

Mr. Speaker: I wish to bring to the attention of Members the presence in the gallery of the members of the Public Accounts Committee of Ontario.

Some Hon. Members: Hear, hear!

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CANADIAN ARMED FORCES

STRENGTHENING OF RESERVES

Mr. Jim Jepson (London East): Mr. Speaker, my question is for the Minister of National Defence. All Canadians are very proud of our Armed Forces reserves and were very much encouraged by the White Paper on defence and that the Government will be increasing the reserves.

Will the Minister tell this House when he plans to implement the program?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, our intention over the course of the next 15 years is to treble the size of the primary reserves. We will start by adding some 2,000 members to the reserves this year. We are also procuring new equipment for them.

As my colleague, the Associate Minister for National Defence, indicated last week, we will be starting with the naval reserves to purchase vessels which can be used by them for minesweeping, in the very near future.

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INCOME TAX

NORTHERN ALLOWANCES—EXCLUSION OF NEW BRUNSWICK COMMUNITIES

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, my question is for the Prime Minister and it relates to the northern allowance. The Prime Minister is aware that more than 600 communities in Atlantic Canada qualify for this isolation allowance. Of those 600 communities, not one, not a single one, is in New Brunswick.

Why is there not a single community in New Brunswick included in that list? Can the Prime Minister explain why there is such discrimination with regard to New Brunswick?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the program of northern allowances is, as the Hon. Member knows, one that was put together based on Treasury Board documents on a program it had for the public servants. We have, as a Government, made a commitment that we will

have a commission of inquiry to study the appropriateness of the criteria in place for determining the isolated areas. The Hon. Member can make his points there as well as in the House.

[*Translation*]

REQUEST FOR INCLUSION OF ÎLE MISCOU ON LIST

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I have a supplementary question to direct to the same Minister.

I call the attention of the Minister to the fact that, in New Brunswick, the Miscou Island community, with a population of fewer than 1 000 inhabitants, was isolated for over two and a half months last Winter without ferry or air service. Surely this island meets the criteria of the National Revenue Department!

Will the Minister make sure that this community is included on the list beginning this year, so that it may avail itself this year of these benefits in respect of tax year 1987?

Why must New Brunswick people wait and why will they be the last to get these benefits? Why this unfair treatment?

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the program was put together on a basis that was arrived at for public servants a number of years ago. That is the basis. That is why we are having a commission of inquiry to see if it should be extended further and be added to. We will be glad to listen to the representations of the Hon. Member.

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CANADIAN JOBS STRATEGY

JOB RE-ENTRY PROGRAM—ACCESS BY WOMEN

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, my question is addressed to the Prime Minister in the absence of the Minister of Employment and Immigration. To be eligible for the Job Re-entry Program of the Canadian Jobs Strategy a woman must be out of the labour force for three years and engaged primarily in homemaking activities, yet the reality is that many women must, out of economic necessity, take menial low paying jobs or part-time work and are, therefore, denied access to the program.

Can the Minister assure this House that these eligibility requirements will be abandoned in order to provide women with greater access to the Canadian Jobs Strategy Program?

Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I think the Minister responsible for the Status of Women has already adequately answered this question. As soon as any country experiences prosperity, women will improve their lot. There has been more entrepreneurship in the last few years and, therefore, that is the greatest opportunity for women.

[*Translation*]

EMPLOYMENT PLANNING—REQUEST FOR AMENDMENTS

Mrs. Marion Dewar (Hamilton Mountain): Mr. Speaker, the Hon. Member has failed to reply to my question.

I want to tell him that the women who are eligible for the Canadian Jobs Strategy are found in the poorly paid jobs which traditionally have been women's ghettos.

Will the Minister agree to amend the Canadian Jobs Strategy to ensure that the training programs will prepare Canadian women for non-traditional and well paid jobs?

[*English*]

Hon. Barbara McDougall (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I think it is important to note that the Canadian Jobs Strategy is working extraordinarily well for women because it is the most flexible job program that we have ever seen in the history of Canada. There is a particular component in it for women. It is to deal with problems of the women who are the worst off, and they are the women who have been out of the labour force for quite a long time.

There is a non-traditional component in it. Let me say that when I was in British Columbia last year I was talking to a woman entrepreneur who, under the Canadian Jobs Strategy, was teaching other women in her community about working on logging rigs and in the woods. If that is not non-traditional for women, I do not know what is.

Let me say as well that we have, in conjunction with the provinces, a new training agreement which the Prime Minister brought forward at the First Ministers' Conference. My colleague, the Minister of Employment and Immigration, has been working very hard with the provinces on apprenticeship programs for women. We have been moving forward very strongly on this issue and we will continue to do so.

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INCOME TAX

NORTHERN ALLOWANCES—EXCLUSION OF SOME COMMUNITIES

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is for the Minister of State for Finance. The Department of Finance's rules on deductions for residents of northern and isolated communities are the most arbitrary and fundamentally discriminatory piece of tax law ever put in place by any Government in the history of Canada.

Mr. Clark (Yellowhead): You have forgotten Allan MacEachen.

Mr. Tobin: How is it that communities that have substantial services available to them in rural Canada qualify for the special tax treatment and yet communities like Trout River on the great northern peninsula, an isolated community, or communities on the Port-au-Port peninsula, isolated communities, that have no services and 75 per cent unemployment, do not qualify for this program? How does the Minister explain that inequity in this program? Will he do something more than appoint another expensive commission to bring justice and fairness to the tax system?

• (1440)

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the House should know that there are dozens, at least 100 communities, in Gander—Twillingate, for example, that are included under the program. There are dozens of communities in Humber—Port au Port—St. Barbe that are included. The Hon. Member knows that. Cochrane—Superior and all northern ridings in the House are well represented by the program. We are trying to improve the program. That is why we have the commission of inquiry.

Mr. Tobin: Mr. Speaker, there is nothing worse than an ivory-towered, well-heeled, smug Minister of Finance other than one who does not know he is smug.

Some Hon. Members: Order.

Mr. Speaker: Perhaps the Hon. Member could put his question.

REQUEST FOR NEW RULES

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I ask the Minister of State for Finance if he realizes that, even in those communities where this tax deduction is available, there is a feeling of outrage in this land because a neighbour one or two kilometres away does not qualify. Even those who have the benefit of this package want fairness, justice and equity in the tax system. They do not want another expensive and long drawn out commission.

Will the Minister tell taxpayers in rural and isolated communities to apply for that deduction, that it will be paid, and that when the Government cleans up its act it will publish a new set of rules some years down the road and that the people will not be made to suffer for the Government's incompetence now?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the Hon. Member is essentially asking for no discrimination whatsoever. This program has helped thousands of Canadian families and will continue to do so. We will improve it in certain details as best we can through the commission of inquiry. The Hon. Member is arguing for no program at all.

REGIONAL DEVELOPMENT

ALLOCATION OF FUNDS TO WESTERN CANADA

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is for the Deputy Prime Minister who will know that the special assistant to the Minister of Regional Industrial Expansion indicated earlier in the weekend that the percentage of funds in the regional development programs allocated to both western Canada and Atlantic Canada was substantially reduced this year from last year. Would the Deputy Prime Minister be nice enough to explain to the House what he plans to do, in light of this revelation, to ensure that western Canadians get their fair share of economic development funds?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I did answer that question in reply to the Hon. Member for Winnipeg—Fort Garry. I can only add for the Hon. Member that considering the drought relief, the $658 million contributed annually for the transportation of grain, the over $3 million put into the Canadian Wheat Board pool and the Prime Minister's announcement of ACOA and western diversification, along with a statement that these agencies will provide additional funding, all I can say is that whatever official the Hon. Member is quoting is inaccurate.

AMOUNT OF GOVERNMENT FUNDING

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, we are concerned here with funds that will result in the diversification of the western economy and the economy of Atlantic Canada, not with the variety of programs that are statutory or that the regions can expect as a natural course.

Mr. Epp (Provencher): What do you mean by a natural course?

Some Hon. Members: Oh, oh!

Mr. Riis: Some people might think that this is very, very funny. Since western Canadians now represent about 30 per cent of the population of Canada, why is it that the amount of funds set aside for economic development for western Canada accounts for about 15 per cent? Western Canadians are not asking for anything special, just to receive their fair share.

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, first the statement in the news report the Hon. Member is quoting is a 15.2 per cent increase because of western diversification. Why did the NDP vote against the $127 million for the Atlantic program? Why did the NDP vote against $101 million for western diversification? Why did it vote against $456 million for regional industrial expansion? Why did it vote against $38 million for agriculture—

Some Hon. Members: More, more!

FINANCE

GOODYEAR TIRE COMPANY—TAX REMISSION ORDER

Mr. Patrick Boyer (Etobicoke—Lakeshore): Mr. Speaker, my question is for the Minister of State for Finance. I have here the remission order granted by the Government for Goodyear Tire Company worth about $50 million, a remission order granted on December 22 of last year, the same year that Goodyear closed its plant in Etobicoke—Lakeshore and over 1,500 workers there lost their jobs. Mr. Peter Rose of Goodyear has subsequently stated publicly that the expansions carried out by Goodyear would have been done without the $50 million benefit of the tax remissions. My question, therefore, is in two parts.

First, in light of that, would the Minister consider rescinding the remission order? Second, if he is not prepared to do that, could he at least inform the House what mechanism is in place to ensure that this tax expenditure will bring a benefit to Canada that is at least equal to the $50 million that has been made available to Goodyear?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I appreciate the Hon. Member's concern about this matter which deals with an important organization in his riding, and he has gone through the history of this very carefully. However, I have to tell him that he is wrong in his recommendations about the duty remission scheme. It is in place generally to prevent future closures and to maintain present jobs. We have here a scheme in place which will help specialization, modernization and expansion in the tire industry within Canada. The duty-remission scheme allows that, and without it, it would be much more problematic.

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SIKH ORGANIZATIONS

MINISTER'S LETTER TO PREMIERS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Secretary of State for External Affairs and again concerns the letter the Minister sent to the Premiers urging a political boycott of three Sikh organizations. The Minister's answers in the House in recent days have been equally deplorable. The Government should realize that simply ignoring and denying the injustice done against these Canadians will not lessen the hurt and damage that have been inflicted.

Given that the Premier of British Columbia has refused to co-operate with the Minister, that the Premier of Ontario has not supported the letter despite claims made by the Secretary of State in the House, and that members of his own Government have attacked his position, will the Secretary of State finally do the honourable thing and withdraw these offensive allegations? If he will not, will he agree to establish an inquiry that would investigate the evidence upon which the Government is rationalizing this most questionable action?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, no. With regard to the position of the Premier of Ontario, I was only quoting what I had seen him quoted as saying in the newspapers. It was *The Toronto Star*, and perhaps that was wrong, and I will check that again.

Mr. Blackburn (Brant): You quote from *The Toronto Star*?

Mr. Clark (Yellowhead): It is a terrible thing, Derek, and the Hon. Member and I will not persist in it.

Let me finally say that in an issue of this kind that is very sensitive, there is an opportunity, if political Parties wish to do so, to try to exploit the issue for partisan advantage. I hope that Members of this House would be above that standard of conduct.

TREATMENT OF ETHNOCULTURAL GROUPS

Mr. Sergio Marchi (York West): Mr. Speaker, members of his own Government have recognized that the Secretary of State, through this letter, is playing dangerously with the social and cultural fabric of Canada. He ought to stop making jokes about it and begin to deal with it in a serious and sensitive fashion.

Since we only learned of this letter because it was leaked, and since the Government's policy is now to condemn entire groups and organizations because of the alleged and unproven acts of a few, would the Minister advise the House if any other Canadian ethnocultural group or community has been irresponsibly targeted for such offensive treatment by the Government?

• (1450)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I presume that question was put precisely. The precise answer is that no group in Canada has been irresponsibly targeted by the Government.

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WESTERN DIVERSIFICATION FUND

MANITOBA—ALLOCATION OF FUNDS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I have a question for either the Minister of National Health and Welfare, the Minister who is supposed to be looking after Manitoba's interests; or perhaps the Minister in charge of the Western Diversification Office.

There is growing concern in Manitoba about delays in the approval of projects and the percentage of funding which is going to Manitoba through the Western Diversification Office. Who in the Government can say today what the Government is

planning to do to solve the obvious problems which exist in Manitoba with regard to funding from the Western Diversification Office?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Member asks a question which is very important. The fund is not designed for one province. It is designed for western Canada. The initiatives which have taken place in other provinces involve the industry in most cases, provincial funding, and top-up from western development.

In seriousness, the $3 billion wish list put forward by the Government of Manitoba was not helpful. If that Government had developed one or two major initiatives with which we could have joined, we could now be involved in funding.

I can assure the Hon. Member that in the near future we will be able to come to an agreement with the Province of Manitoba and enter into funding which will strengthen the whole economy in western Canada.

PROPOSED HEALTH INDUSTRY INITIATIVE

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, the Minister knows that it is not only with regard to proposals made by the Manitoba Government but also with regard to proposals made by the private sector that there has been a great deal of concern about delay.

I would like to ask the Minister about one particular proposal from the Manitoba Government which, as I understand it, has been on his desk for some time now. That is with regard to the health industry initiative.

Can the Minister say when the federal Government is going to respond to that? It is quite far along. The ball is now in the Minister's court and people in Manitoba want to know when they will have an answer from the Minister with regard to that proposal.

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, my colleague, the Minister of National Health and Welfare, has already taken steps with the announcement of over $90 million of investment in the LCDC Lab to be located in Manitoba.

Mr. Blaikie: That's different.

Mr. McKnight: The Hon. Member says that that is in the past, but it is a large expenditure and it will be part of the business support structure which will bring other health initiatives into Manitoba.

I can assure the Hon. Member that if the Province of Manitoba can identify, not health care projects but health research initiatives, our colleagues in Manitoba and myself are ready to sit down and discuss projects one at a time to bring benefit to Winnipeg.

CANADA MORTGAGE AND HOUSING CORPORATION

POSSIBLE ACCEPTANCE OF UNITED STATES PLYWOOD STANDARD

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, in the absence of the Minister responsible for housing my question is directed to the Prime Minister. A section of the Canada-U.S. Free Trade Agreement calls for CMHC to decide by March 15, next Tuesday, whether it will accept the U.S. C-D grade plywood for use in housing financed by CMHC. The Minister knows that at the present CMHC requires construction plywood to be C-C grade in Canada, a higher standard than the U.S. C-D grade.

Under the free trade agreement the phase-out of the plywood tariffs over the next 10 years is subject to CMHC's approval of the U.S. lower grade. Can the Prime Minister assure the House that Canada will not yield once again to this unfair pressure from the U.S. Government?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Minister responsible for Canada Mortgage and Housing Corporation is doing government business outside the House. I will take that question as notice and reply to my colleague.

Mrs. Killens: Mr. Speaker, I presume that the subject has already been discussed in Cabinet but I respect the fact that perhaps the Minister is not yet ready to tell us about it.

CANADIAN STANDARD—GOVERNMENT POSITION

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, the Minister knows that the climate of Canada is very cold and rigorous. The Minister who responded to me is responsible for Indian Affairs. He knows that we are responsible for building Indian housing on reserves. We certainly do not want to lower our standards on the reserves of Canada.

Why should it always be Canada that lowers its standards to please the mighty United States? Can the Minister explain this to the people of Canada?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Hon. Member refers to the criteria that are established. Canada Mortgage and Housing Corporation, in conjunction with the building industry in Canada and the research that has been put forward—

Ms. Copps: What about the consumers?

Mr. McKnight: The Hon. Member for Hamilton East talks about the consumers. I can inform the Hon. Member for Hamilton East that the consumers in Canada have benefited through the social housing policies designed by the Government. More social housing units have been provided in the last three years by the Government than were provided in the previous four-year period by the previous administration.

GENERAL AGREEMENT ON TARIFFS AND TRADE

DECISION ON EXPORTS OF PROCESSED FISH PRODUCTS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, in the absence of the Minister for International Trade I would like to direct a question to the Secretary of State for External Affairs.

The GATT prohibition on Canada's export restrictions for unprocessed herring and salmon will mean the loss of 4,000 shore workers' jobs on the coast of British Columbia. Seventy per cent of these jobs are held by women, many of them single parents, many living in isolated communities where there are no alternate sources of employment.

Will the Minister guarantee that these jobs will not be lost and assure the House that he will not accept a GATT decision which guts our fish processing industry and takes away our right to manage our own resources?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I understand the deep concern of the Member and, indeed, of all Members with that GATT ruling. I must say that I find it odd that a Party that has spoken so unequivocally in favour of the GATT could, with any sense of consistency or honesty, now be attacking the GATT process which it has so resolutely defended on every other occasion.

The Hon. Member will know that there have been extensive vigorous representations by Canada to other countries involved in the GATT panel. He will know that there are discussions ongoing now involving the industry and the provinces. He will know that there is a meeting on March 9 to deal with this very important question and that we are looking for a solution which will respect the GATT, which most of the House, and the NDP most of the time, supports, and protects the interests of fishermen, fishing interests, and fish processing plants on the West Coast.

Mr. Manly: Mr. Speaker, the NDP has been consistent and unequivocal in its support of jobs and of workers' rights to have those jobs. We do not want the Government to bargain those jobs away.

REQUEST THAT GOVERNMENT NOT ALLOW GATT DECISION TO STAND

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, will the Minister guarantee that the Government will not allow that GATT decision to stand? If it stands we will lose those jobs because the Government has shown itself to be incapable of bargaining with the United States.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the experience that the House is now having with the NDP on GATT is illustrative of what Canadians would find if they look at what the NDP does and not only at what it says. The NDP is for GATT in principle and against GATT in practice. You cannot have it both ways if there is to be an effective international system.

We have given the guarantees that we are in a position to give with regard to fish processing and other related industries on the West Coast of Canada. We are proceeding in a practical way with the industry, the fishermen involved, with the provinces, and with other Governments. We are looking for a solution which is consistent with Canadian international trading principles and consistent with the requirements and needs of that industry in western Canada.

* * *

[*Translation*]

AGRICULTURE

MASSEY COMBINES—AVAILABILITY OF SPARE PARTS—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question to the Minister of Agriculture deals with the closing of the Massey grain combine plant.

Is the Minister of Agriculture prepared to announce to the House today that concrete steps will be taken to make sure that the Canadian farm community will be able to purchase spare parts for these combines and obtain after-sales service for these Massey-Ferguson grain combines? What concrete steps can he announce to the House to reassure the Canadian farm community?

[*English*]

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, the Hon. Member drafted his question before I gave two answers to it on a previous occasion. The Government is very concerned, in particular, about the retention of the technology in Canada. As I said earlier, discussions are under way to safeguard the interests of farmers and dealers. It is anticipated that Varity and other companies will assure that there is a continued supply of those essential replacement parts in the event that there are no redeeming features to the present circumstances at Massey-Ferguson.

• (1500)

Mr. Speaker: The Hon. Member will have a short supplementary question, followed by a single question by the Member for Scarborough West. That will close Question Period.

EMPLOYEES' PENSION FUND

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, we still did not get an answer. My supplementary question is directed to the Prime Minister. It concerns the 3,300 pensioners and would-be pensioners of the Massey-Ferguson plant.

Will the Prime Minister meet with the provincial authorities of Ontario who now have a committee to assist the employees with the $54 million shortfall in the Massey-Ferguson

employees' pension fund in Ontario? Will the federal Government agree now to participate financially with the Province of Ontario in a rescue plan for the funds of the pensioners?

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, I answered that question earlier as well. There is the question of the pensioners and the question of the approximately 300 disabled workers who are uppermost in our minds.

There are discussions with our provincial counterparts to determine just what are our respective jurisdictions and responsibilities. There will be no unsatisfied obligations to any person who has earned certain pension rights from this company.

* * *

EXTERNAL AFFAIRS

ETHIOPIA—RESETTLEMENT PROGRAM FOR PEASANTS—CANADIAN POSITION

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The Marxist Mengistu Government of Ethiopia is reported to have used coercion to compel unwilling peasants to submit to its resettlement program.

Insofar as Canada is partially aiding this program, what action will the Government take to ensure that Chairman Mengistu will honour his commitment to Canada that Ethiopians will participate in this program only by their own individual free choice?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, when my colleague, the Minister for International Relations, was in Ethiopia a few weeks ago she raised precisely that question with the Government of Ethiopia. She was given an assurance at that time that there was no forced resettlement.

I want to make two points. First, a voluntary resettlement program is something that can be accepted by all Members of this House as a necessary part of development. This House, this Government and Members in it, are opposed to forced resettlement programs.

Second, if any evidence of forced resettlement with regard to the settlement program can be brought to my attention or that of my colleague, the Minister for International Relations, I would like to have it. I can assure the Hon. Member that we will bring it directly and immediately to the attention of Ethiopian authorities.

GOVERNMENT ORDERS

[*English*]

OFFICIAL LANGUAGES ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Hnatyshyn that Bill C-72, an Act respecting the status and the use of the Official Languages of Canada, be read the second time and referred to a legislative committee.

The Acting Speaker (Mrs. Champagne): When the House rose the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) had the floor.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Madam Speaker, just before the House rose for lunch I was pointing out that there is a lot of emotion surrounding the whole subject of language. There is a certain degree of fear, some prejudice and sometimes there are people who attempt to manipulate our fears and prejudices.

I also pointed to what I called linguistic imperialism. Certainly both English and French have been used in an imperialistic way to force themselves upon other peoples around the world. That is generally true of European languages, as I suppose it is of other languages in other parts of the world.

I pointed to the Canadian experience where Indian young people who went to residential schools and spoke their own Indian language were forced to speak English. Their mouths were washed out with soap if they spoke their own Indian language.

Today there is a situation in which many Indian nations are faced with the loss of their languages. Indeed, some have been lost because of that kind of cultural imperialism.

This Bill represents an attempt to do something quite different. We are trying to guarantee the equality of both our official languages.

Everyone recognizes that it is difficult to maintain a language when one is in a minority situation. That is certainly obvious when we consider Canada west of the Ottawa River. The further west one travels, the more difficult it is for francophone communities to maintain their own language. In British Columbia, for example, Maillardville is the only francophone community in that province which still maintains French as the language of the community.

At this time I want to pay tribute to the Prime Minister (Mr. Mulroney) for the kind of leadership he has shown in this whole question of language. I wish he had continued to show that leadership today by speaking on this Bill because it would have been helpful if he had spoken. However, he chose not to do so.

When he was Leader of the Opposition he showed a degree of leadership and courage in standing up to some Conservatives from Manitoba who were obstructing the process toward getting linguistic justice in Manitoba.

What the Prime Minister is saying through Bill C-72 is that the whole program of bilingualism is not just a Trudeau-Liberal plot that has been foisted upon Canadians by Quebec, but a fundamental recognition of the true linguistic nature of Canada. I give credit to the Prime Minister for taking that approach.

We saw a similar act of leadership by a former leader of the Conservative Opposition, Robert Stanfield, when he refused the candidacy of Leonard Jones because Leonard Jones was taking such an intransigent approach to the whole question of francophone rights. This is not and should not be a partisan matter. It is, however, an area where leadership has and will continue to be needed. That is particularly true in western Canada where there is deep misunderstanding of the French fact.

We must admit that it is not limited to the Conservative Party but is an historic fact that runs deep. For instance, there was the situation in 1890 when Anglophones forming a majority in Manitoba stripped the francophone minority of their historic rights in their own language.

David Lewis, former leader of the NDP and former federal secretary of the old CCF Party, pointed out some of the difficulties in our own historic traditions regarding language. He pointed out that he always had some difficulty getting our previous leaders, including M.J. Caldwell and J.S. Woodsworth, to recognize the importance of linguistic and cultural matters to Quebec. He told the story of Harold Winch, a very distinguished member of the CCF who, in 1955, made an offhand remark that all MPs in the House of Commons should be speaking English. That was a completely outrageous suggestion. It was uttered before the time of simultaneous translation. It caused a furore because it was completely contrary to Party policy. However, it was the type of remark that western Canadians were inclined to make in the House of Commons. That took place over 30 years ago, and we have made progress since then. However, there are some people who are still rooted in those old fears and prejudices. I think it is incumbent upon the Government to give some real leadership in this matter, not only in terms of bringing this Bill forward and ensuring it gets through the House, but in addressing the real fears some people have, fears which some people are attempting to manipulate in what I consider to be an unscrupulous way.

• (1510)

It is on that basis that I welcomed the letter that was put into the *Western Report* by 10 western cabinet Ministers. I think that is important. I think it would also be important if the Prime Minister had spoken in this debate. I think it would have been important if more of the back-benchers from western Canada had been willing to speak in this debate. Not all of the back-benchers from western Canada in the Conservative Party agree with the Neanderthal attitude of the Back-Bench Committee. There are a number of back-benchers in the Conservative Party who take a reasoned approach to this. I think more of those people should have spoken up to assure the people of western Canada that this legislation is good legislation and there is nothing to fear from it.

I would be glad to answer any questions that any Member has.

Mr. Winegard: Madam Speaker, I have listened to this debate through most of the morning and now into the afternoon. What I really do not understand is, since we obviously have agreement in principle, why we do not get busy and vote on it. I ask my colleagues to my right if they are ready to vote. I do not know why we continue to talk. Let us get the Bill into committee.

The Acting Speaker (Mrs. Champagne): Are there any more questions or comments? Resuming debate.

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I do not believe there is anyone in this House who disagrees with the main principle of this Bill, which is that Canadians, in terms of the Constitution of Canada, where there is significant demand, will be able to get services in the official language of their choice. I do not think there is any disagreement with that at all. But there is another principle contained in the Bill that in fact has nothing to do with official languages and has everything to do with constitutional changes as they affect the northern territories. I want to address this very briefly.

This principle is contained in Clause 90 of the Bill which states as follows:

> The ordinance entitled the *Official Languages Act*, made on June 28, 1984 by the Commissioner in Council, as amended on June 26, 1986, may be amended or repealed by the Commissioner in Council only if the amendment or repeal is concurred in by Parliament through an amendment to this Act.

Of course, the Official Languages Act referred to here is the Official Languages Act of the Northwest Territories, a statute passed by the Legislative Assembly of the Northwest Territories.

The inclusion of this principle in the Bill is adding insult to the Meech Lake injury. It says in effect that the elected representatives of the people of the territories, at the provincial-type level, are not to be trusted, that Ottawa in some way has to maintain control, that the apron strings will remain tied.

There is no precedent in the Northwest Territories Act or any of the Acts establishing provinces where this type of control is to be maintained by the Parliament of Canada. In fact, in my opinion, and in the opinion of the people I represent, it is completely unnecessary and, coming as it does after the Meech Lake agreement in which the territories were treated so badly, it cannot fail to elicit this deep feeling on the part of my constituents.

If one examines the language laws in the Northwest Territories, one will find that we have probably the most progressive language law in the whole of Canada. Not only does the Act respect English and French as official languages, but it also respects the many indigenous languages spoken in the Territories which were spoken there probably thousands of years before ever a word of English or French was uttered on this continent. The people who speak those languages do not want to lose them. They are faithful to those languages. They feel the same way about their languages as the people in Quebec undoubtedly feel about the French language.

Much work has been done in the territories with respect to the extension of French language services to the small French speaking minority there. We would have to thank the Secretary of State of Canada (Mr. Crombie) for making funds available so that those services can be extended.

The history of Clause 90 goes back to the Joyal—Nerysoo Agreement of 1984. At that time Serge Joyal was the Secretary of State for Canada, and I suspect this was a rather unequal treaty. It is my suspicion that it was forced on Richard Nerysoo, who was then the Government Leader in the territories. It was done at a time when funds were to be made available to the territories for the provision of these French services as well as services in indigenous languages.

The agreement specified that Clause 90 as it now reads be applied to a Bill which was then entitled Bill C-25. It was the official languages Bill—not unlike the Bill we have before us today—which was to have been brought forward by the Liberal Government of the day but, for some reason or other, it died on the Order Paper.

Whatever the situation was in 1984, it certainly does not exist today. Clause 90 is redundant, superfluous and unnecessary. If for some remote reason, and I cannot foresee it happening, the territories wanted to amend their Official Languages Act in a way which took away the rights of French-speaking people—and I do not think this would happen—there are various recourses available to the federal Government to deal with this situation. It is not necessary to put Clause 90 in the Bill. Federal authorities can instruct the Commissioner of the Territories to refuse consent to any amendment to the Official Languages Act of the Northwest Territories. Federal authorities retain the power of disallowance. It can disallow any territorial legislation. Over and above that, it has the power to enact overriding legislation should it so choose. Therefore, Clause 90 is not necessary at all.

On February 17, the Legislative Assembly of the Northwest Territories, feeling as strongly about this issue as I do, adopted the following resolution:

> Whereas the people of the Northwest Territories and the Legislative Assembly of the Northwest Territories have in recent years taken large steps towards the achievement of responsible government;
>
> And whereas there is presently, before the Parliament of Canada, a federal Bill which provides for a reduction in the legislative authority of the Legislative Assembly of the N.W.T.;
>
> Therefore, be it resolved:
>
> —that this Legislative Assembly declare its strong opposition, through the Speaker, to the enactment of Clause 90 of Federal Bill C-72 presently before the Parliament of Canada, which clause reduces the legislative authority of this Assembly.

• (1520)

I would like to record my thanks to two Members of the House of Commons in particular who have spoken on this issue already. One, of course, is the Hon. Member for Cochrane—Superior (Mr. Penner) representing the Liberal Party who is in the House this afternoon. The other is the Hon. Member for Winnipeg North Centre (Mr. Keeper) of the New Democratic Party.

Those of us who are familiar with northern issues realize that this is not a Party issue. Rather, it is one that acts against the interests of the territories eventually becoming a province in their own right. Hopefully, that is something that we are all agreed upon regardless of our Party persuasions.

I am not really pessimistic about this because I have every expectation that Clause 90 will be removed at committee stage. Therefore I would like to get this matter to committee at an early opportunity. Presumably, at that time, the Governments of the territories will have an opportunity to appear as witnesses. I think that this is really a technicality that can be put to rights with no great problem.

Finally, I would like to say that the territories have now come of age. Constitutional authority once granted to them is not to be rescinded. Here we are trying to rescind that authority under the guise of a Bill that deals with official languages. That is not acceptable to me or to my constituents. Therefore I hope that every consideration will be given to the remarks that I have made and to the remarks of other Members of the House of Commons speaking on the same issue when the Bill is referred to committee.

The Acting Speaker (Mrs. Champagne): Are there questions or comments? The Chair recognizes the Hon. Member for Thunder Bay—Nipigon (Mr. Epp).

Mr. Epp (Thunder Bay—Nipigon): Madam Speaker, I listened with care to the comments of the Hon. Member for Western Arctic (Mr. Nickerson). He has addressed an important matter felt quite keenly in the Northwest Territories. I would like to say something along a very similar line on behalf of the Government of the Yukon and in recognition of the fact that the Hon. Member for Yukon (Ms. McLaughlin) is not able to be here today. I know that she wanted to address a particular concern which is quite similar to the one which has just been put forward regarding the Northwest Territories.

We are concerned that the Bill be considered carefully in committee. We expect that it will soon go to committee. We are concerned that in Clause 3 of the Bill in which federal institutions are defined there is an exclusion, which is, of course, relevant to what the Hon. Member was just addressing. The definition of federal institution does not include any

institution of the Council or Government of the Northwest Territories. Because that particular exclusion is in place one might conclude that the Government of the Yukon, an institution of the Council or the Government of the Yukon, is in fact included under "federal institutions". That is a matter of grave concern to the Government of the Yukon. I think I can say that it is of grave concern to the entire Legislature and to all the people of that part of Canada.

This concern is very similar to the one expressed by the Hon. Member from the Northwest Territories and requires application here because the Yukon is practising full self-government. After the Meech Lake meeting the question of the Yukon, as with the Northwest Territories, achieving provincial status becomes profoundly problematic. That is one of the objectionable points that has been raised about the Meech Lake agreement.

It is proper that the Parliament of Canada should respect the Legislature, Council and Government of the Yukon and not impose on them official bilingualism but rather have them accept as we wish it to happen in the other provinces of Canada, the standing of English and French as official languages as is true in New Brunswick. We would like that to happen in other cases. The Government of the Yukon is advancing services and extending services and so on. But it is necessary at committee to take this up.

As the Hon. Member has anticipated, some revisions relating to the imposition of constraints on the Government of the Assembly of the Northwest Territories are essential. Similarly, there needs to be a recognition of this concern for the Yukon in the committee's consideration of the Bill.

I appreciate your allowing me the time, Madam Speaker, to put this case on behalf of the Yukon in the absence of the Hon. Member who is away on business elsewhere.

Mr. Nickerson: Madam Speaker, all I can say is that I agree with the comments of the Hon. Member. I did not speak of the Yukon in my address because I was not entirely clear what it is that the Government of the Yukon wants. It has not advised me of its particular standing on the issue. I would be pleased if it would be so kind as to do so.

When one looks at the Bill one sees that in many respects the Yukon has been treated even worse than the territories. The Government and the Legislature of the Yukon have been treated very much as a federal government Department in the Bill. I am sure that although the Government has not told me this, it would find that unacceptable.

Mr. Keith Penner (Cochrane—Superior): Madam Speaker, I want to begin by commending my friend, the Hon. Member for Western Arctic (Mr. Nickerson), for drawing attention to the difficulties with respect to Clause 90. Toward the end of my remarks I wish to indicate my strong support for an amendment to that particular clause which in no way affects the principle of the Bill.

I am prepared to vote on the Bill, but my constituents would expect me, because of its great importance to French-speaking people outside Quebec, to express a strong word in favour of Bill C-72 which I consider to be an important Bill for Canada. I consider it to be a necessary Bill. I consider it to be a piece of legislation which is in fact long overdue.

All of us here are aware that the Constitution of Canada provides that English and French be the official languages of Canada and have equality of status and equal rights and privileges as to their use in all of the institutions of Parliament and the Government of Canada.

However, the linguistic rights so guaranteed do not go far enough, in my view and certainly in the view of the Government and of the framers of the legislation, for example, in the area of the language of work. Hence there is a need for Bill C-72 which will serve to ensure respect for English and French as the official languages of Canada, especially in those areas in which there has been some difficulty in the recent past. I am thinking of the administration of justice. I am thinking of providing services to the public in all areas of Canada. I am thinking of carrying out the work of federal institutions in either one of the official languages.

Further than that, and most important to me and to the constituency in northern Ontario which I represent which has a significant Franco-Ontarian population, is one of the stated objects of Bill C-72. I refer to the support and the development of English and French linguistic minority communities and generally the advancement of the equality of status and use of the English and French languages within Canadian society.

Some Members of Parliament who keep abreast of these matters will know that in one of the major communities in my constituency, namely, Kapuskasing, there was in fact a struggle that finally ended up in the courts when the local council attempted to have the community designated as bilingual. In the end, because of the court decision, it had to pursue the goal of bilingualism in a somewhat different fashion. But had Bill C-72 been in place at the time, the cause of bilingualism would have been greatly strengthened.

• (1530)

Supporters of Canadian bilingualism will certainly hail and applaud this Bill. Bill C-72 bodes very well for the future of bilingualism in Canada. It builds on the very solid foundation that has been established by past Prime Ministers, including the Right Hon. John. G. Diefenbaker, the Right Hon. Lester B. Pearson, and, most particularly, the Right Hon. Pierre Elliott Trudeau.

[*Translation*]

With a view to strengthening federal legislation on the official languages, Bill C-72 has a three-fold objective: first to ensure the equality of the official languages, second to support the development of the official languages minorities and the advancement of equal status for both official languages and,

third, to define the powers and obligations of federal institutions with respect to this matter.

[*English*]

Clause 33 of Bill C-72 makes English and French the languages of work in all federal institutions. It grants to officers and employees of all federal institutions the right to use either of the official languages.

It has already been drawn to the attention of this House that the February issue of *Western Report* interprets this clause to mean that if a person is not bilingual then—

[*Translation*]

—you cannot work for the federal Government.

[*English*]

That, of course, is a gross misinterpretation. In that context, it does seem to me that a new generation of young Canadians is coming to realize that to be bilingual is a qualification which will assist enormously in promoting a career in the federal Public Service. The fact that many jobs now require fluency in both official languages should upset no one. In the same manner as mathematics is essential for engineering, chemistry is necessary to a career in pharmacy, and anatomy is required for medicine, it is increasingly recognized, if a person chooses a career in the Public Service of Canada at the federal level, that bilingualism is a prerequisite for that person to extend his or her career as far as his or her abilities will allow.

I was able to cut my political teeth on the policy of official bilingualism. I did so especially during the first Trudeau administration. I did so in all parts of the country where initially the policy was extremely unpopular. For example, I can remember on a radio call-in show where a man said to me that he was sick and tired of having French jammed down his throat. I asked him to elaborate a little, and he made reference to the famous cornflakes box. The conversation ended very abruptly when I told him that he was meant to eat the contents of the box, not the box itself.

Clause 40 of this Bill has particular appeal for me, and also for the Franco-Ontarian constituents whom I represent in this House. Under Clause 40 the federal Government is committed to enhancing the vitality of minority communities, supporting and assisting their development, and fostering the full recognition and use of both official languages.

It will be the task of Canada's Secretary of State (Mr. Crombie) to direct a co-ordinated approach to the implementation of this provision. Federal Ministers will be empowered by Bill C-72, if they are so designated by the Governor in Council or the Cabinet, to consult and negotiate with provincial Governments to ensure the co-ordination of federal, provincial, and municipal educational services in both official languages.

Canada's first Prime Minister said it as well as anyone. Sir John A. Macdonald, a Conservative Prime Minister, when speaking to the House of Commons on February 17, 1890, as reported on page 745 of *Hansard*, stated:

> I have no accord with the desire expressed in some quarters that by any mode whatever there should be an attempt made to oppress the one language or to render it inferior to the other; I believe that would be impossible if it were tried, and it would be foolish and wicked if it were possible.

Canada's first Prime Minister was correct. His statement, however, was made with a negative connotation. He spoke of the futility of repressing one language or the other in Canada.

Today, with Bill C-72, we are able to speak of the advancement of bilingualism, enhancing the vitality of English and French where it is necessary to do so, assisting the development of two official languages, and fostering their full recognition.

To the Party opposite, which now forms the Government of Canada, I can only say, "Congratulations. You have come a long way". In this legislation what the Government is doing is essentially right in every respect.

Henri Bourassa wrote this in 1916:

> The preservation and simultaneous growth of two national languages—far from being an obstacle to the progress of Canada, constitutes its most powerful factor and our greatest national asset.

At this time we are only considering the principle of the Bill. There will be another time and occasion for a clause by clause analysis. With reference to one clause which I referred to earlier, I do wish to raise the need for an amendment. In advancing the cause of bilingualism, which I fully support, I fail to see why it is necessary to reduce the legislative authority of the Legislative Assembly of the Northwest Territories. I refer to Clause 90 of Bill C-72 which prohibits that Legislature from amending one of its own statutes, namely, the Northwest Territories Official Languages Act, without the prior approval of the federal Parliament.

Hon. Members opposite will be quick to point out to me, as some have already done, that Clause 90 is consistent with an agreement reached between the then Secretary of State and the Government of the Northwest Territories on June 28, 1984. That is an agreement made by the previous Liberal Government.

I say to the House that such a provision was unnecessary then, and I further submit that paragraph 8, which put that obligation on the Legislative Assembly to seek permission from this Parliament, is no longer even in effect. The Bill which gave it effect, Bill C-26 of the day, died on the Order Paper.

All of that aside, we are now living in 1988. Despite the Meech Lake Accord which is a set-back for the North, the Legislative Assembly of the Northwest Territories is rapidly evolving toward full responsible Government. There is no agreement now in effect regarding official languages. The Northwest Territories has its own statute. Therefore, it is entirely logical and reasonable to argue that Clause 90 is not required.

Therefore, at a later stage in the consideration of this Bill, I will either move an amendment myself, or if the amendment comes from my friend, the Hon. Member for Western Arctic, I will support it. As I stated earlier, this in no way touches on the principle of this excellent piece of legislation.

I wish to conclude by commending the Government in general for bringing forward Bill C-72. I applaud its efforts, I welcome all aspects of this Bill, the thrust of it, and in particular I extend my congratulations to the Secretary of State who is responsible for the Bill.

Mr. Taylor: I enjoyed listening to the Hon. Member. His address was positive. I believe some of the points he was raising are very important. For instance, the Bill does not require everybody to be bilingual. The Bill is based on the fact that there will always be English-speaking and French-speaking unilingual people in this country. A second language is always advantageous, whether it is French, Ukrainian, Danish, Swedish, Chinese or whatever. There are Canadians today who speak two and three languages. There are others who never in a lifetime will want nor will there be a need for them to have a second language. Consequently, I think we have to make it very clear in our regulations and in the committee as it goes through this Bill that there will be no discrimination against unilinguals in the market-place where the work is done.

• (1540)

There is always the hope that people will be able to learn another language. As I mentioned this morning, the Government of Alberta is already encouraging people to learn the second official language. Some 23,000 students are enrolled in that program under the auspices of the Government of Alberta.

I would like the Hon. Member's comments. In the everyday working place that is wholly unilingual, the foreman, or the boss as he is sometimes called, should never be worried about the fact that he will not be promoted because he knows only one language, the one being the language of his working place. I think Canadians should be aware of that point and the committee should also cover it very carefully.

There is another point I would like to mention. I mention both points now to save time. The Hon. Member talked about federal institutions. He is right. This Bill does apply to federal institutions. Consequently, there is no reason at this time for people in provincial or municipal courts or provincial or municipal bodies to fear that someone will force them to speak a second language whether that language is French or English. I think that is a very important point we have to recognize.

The Bill is very important and the regulations and the administration of it are very important. I hope that when the Bill comes out of the committee it will be abundantly clear to all concerned that in a unilingual area there will be no pressure whatsoever placed on people forcing them to learn another language and that they will be able to have their promotions on merit and ability. I would appreciate hearing the Hon. Member's comments.

Mr. Penner: Madam Speaker, I am pleased the Hon. Member for Bow River (Mr. Taylor) has raised that matter. The Bill itself takes account of the concern, the concern about the merit principle. In Clause 38 of the Bill in Part VI which deals with the language of work, it says quite clearly:

> Nothing in this section shall be construed as abrogating or derogating from the principle of selection of personnel according to merit.

I notice that the Hon. Member for Bow River was very precise in raising the point. He is talking about those areas where it is unnecessary to be bilingual, and in that area of the Public Service promotion should not be denied because a person does not have the capacity to speak both official languages. The Bill makes that perfectly clear. I think the Hon. Member from Bow River raised the point because I indicated to him that there is a growing number of positions in the federal service, certainly senior positions, in which bilingualism is required. I think I would continue to make it an appeal to the young people of Canada, and I know the young people in Alberta have responded very positively to it, that if they want a senior career or want to advance their career in the Public Service of Canada then bilingualism is one of the attributes they should have on their *curriculum vitae*. It will help them enormously.

It has now become commonplace to say that it is unthinkable that we would ever have a Prime Minister again in this country who is not fluently bilingual. If that is true for the Prime Minister of the country, it is true for many other senior positions in the Public Service, and the young people of the country will want to be cognizant of that. Having said that, however, the point made by the Hon. Member for Bow River is a valid one that where only one language is required, no one should be restricted from being promoted in a particular area.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, it is with pleasure that I take part in the debate on Bill C-72 this afternoon. We are asked to consider Bill C-72 respecting the status and use of the official languages of Canada so as to promote respect for this country's linguistic duality. Madam Speaker, we need this piece of legislation to reaffirm our commitment respecting Canada's bilingualism policy. And even if there were no other reason to introduce Bill C-72, this reason in itself is enough to justify reaffirming this commitment in the House of Commons today. Of course, Madam Speaker, there are other reasons, and I will be dealing with them in the course of my remarks later this afternoon.

The first thing I want to say about this measure is: at last we are debating it in the House of Commons. I say "at last", Madam Speaker, because we have been waiting for two years to have this kind of measure. The Bill was introduced in the House on June 25, 1987 and promptly forgotten. Indeed the Hon. Member for Ottawa—Vanier (Mr. Gauthier) moved a non-confidence motion in the House on February 1 last to

denounce the Government's refusal to forge ahead with the official languages issue. Here is the text of the motion sponsored by my colleague the Hon. Member for Ottawa—Vanier:

> That this House condemns the government for its inaction, its lack of political will and its hesitation to accept debate in the House of Commons, at the second reading stage, on Bill C-72 respecting the status and use of the official languages, thus causing a clear setback in the application of the Act by federal departments and agencies, in addition to having detrimental effects on national unity.

A hard-hitting motion, Madam Speaker, but still it did stir up some action: a few days later, on February 8, the House began the second reading debate on Bill C-72. It lasted two days and during that time seven Government Members and five opposition Members took the floor, hardly justification to claim that the measure has been debated at length in the House of Commons. Yet earlier today the Prime Minister (Mr. Mulroney) took pleasure in blaming the Opposition for the snail-pace progress of this legislation. As he is wont to do, the Prime Minister takes it out on parliamentarians and other political Parties whenever he wants to hide his incompetence. We know better, Madam Speaker, we know that this measure has been at a standstill for two weeks and I would urge the Hon. Member for Chambly (Mr. Grisé) to pay attention—

Mr. Grisé: If the Prime Minister had spoken to this Bill you would still be making the same remarks.

Mr. Boudria: —because he too has a lot to learn, Madam Speaker, a lot more than most other people, and if he listens carefully he just might learn something.

Finally, we have today this third day of debate in the House and, although the Prime Minister has chosen not to participate in it, he is to be blamed just the same for the lack of progress of the issue in the House. The two other political leaders, namely the Right Hon. Member for Vancouver Quadra (Mr. Turner) and the Hon. Member for Oshawa (Mr. Broadbent) have both participated in it. So far, the Prime Minister has refused to do so. I trust that he will honour us with his participation before this second reading debate comes to an end.

As I was saying, Madam Speaker, even if it were for no other reason than to reaffirm our commitment to the official languages issue, we should have Bill C-72 just the same. As I was saying, however, there are other reasons: first of all, since the original Official Languages Act was adopted, we have passed the Canadian Charter of Rights and Freedoms and Sections 16 to 20 of the Charter dealing with the official languages issue. We have had also the Meech Lake Accord, so that we need to make a sort of new commitment and rejuvenate this legislation which is already several years old.

There had been several other previous initiatives which recognized the linguistic duality of this country so that the Official Languages Act is not the first. Think of the history of our country: The Quebec Act, 1774, made reference to the linguistic duality; The Union Act, 1840; The British North America Act, 1867; and The Manitoba Act, 1870, even if this legislation was never or almost never enforced, and many others. Finally, let us not forget the Laurendeau-Dunton Report which gave birth to the present Official Languages Act. Naturally, this Laurendeau-Dunton Report was prepared at the request of the Right Hon. Lester B. Pearson, a former Primer Minister of Canada. In this Laurendeau-Dunton Report, the so-called Royal Commission of Inquiry on Bilingualism and Biculturalism in Canada concluded that our country needed an Official Languages Act to recognize in a concrete fashion the Canadian linguistic duality, as well as the need, privilege and right of every Canadian to be served by the Federal Government in the language of his or her choice.

• (1550)

[*English*]

Some have asked why we need a new Bill and why we need it now. We need it because it is finally time for us to revamp a law which has aged many years and because of the constitutional amendments we have made over recent decades including the Meech Lake constitutional Accord which has not yet been fully adopted and the 1982 constitutional document.

[*Translation*]

Madam Speaker, the *Fédération des francophones hors Québec*, in a press release dated February 4, deplores the Government's failure to act on the official languages issue, and I want to quote the following from the text released by the *Fédération*:

> What is the Mulroney Government waiting for? Why won't it proceed with second and third reading of a Bill that was tabled six months ago? We can find no explanation for the delay, and we want the Government to proceed immediately.

Madam Speaker, it is clear Francophones outside Quebec are upset about the Conservative Government's failure to act. What does the Bill contain? I think it would be in order to give a brief enumeration of the main points of Bill C-72. First of all, the Bill will contain a preamble, defining the Government's commitments with respect to official languages. It will contain measures to provide for improved access to the administration of justice in both languages, a very important issue.

There will also be measures to improve the access to, and the direct visibility of, bilingual federal communications and services.

There are provisions recognizing the rights of Canadians to work in the official language of their choice in federal institutions, in accordance with the linguistic responsibility of these institutions.

There is also recognition of the principle of full participation by French-speaking and English-speaking Canadians in federal institutions.

There are many other measures, but I would like to conclude with what I consider to be a very important one, namely, the primacy of the rights and obligations of the future legislation

or this new Act over federal statutes that are not compatible with its provisions.

Madam Speaker, I have the honour of representing in the House the electoral district with the highest percentage of Francophones outside the province of Quebec.

There are about 70,000 Francophones in my riding, the electoral district of Glengarry—Prescott—Russell. The riding borders on Quebec, and as you know, Madam Speaker, since you cross my riding on your way to Ottawa, some parts of the riding border on Quebec to the north, east and south. So although we are in Ontario, we are almost surrounded by Quebec, which partly explains the high percentage of Francophones in my riding.

I was born in Quebec and am a Franco-Ontarian by adoption, so I see myself as a Franco-Ontarian, as a Quebecer, but above all, as a French-speaking Canadian.

[*English*]

When we discuss the issue of official languages, it is important to bring to the attention of the House the commitment of the Government in that regard. One thing which has happened over the last few years which best describes to me what I believe is a lack of commitment on the part of the present Government was the trial of one Luc Paquette. Mr. Paquette asked the Court of Queen's Bench in Alberta for a French trial. He won the right to a French trial with a judge, jury and Crown Attorney. The federal Government appealed that decision to the Court of Appeal and challenged Mr. Paquette's right to the trial. Mr. Paquette ended up losing his right, though others who had made similar applications before were successful. Those who will make similar applications in the future, because of the precedent-setting decision in the Paquette case, will not be successful. I feel that that is an unfortunate move on the part of the Attorney General of Canada (Mr. Hnatyshyn), one which should not have been contemplated and one which this Government will live to regret.

[*Translation*]

We know, Madam Speaker, that many conservative members do not support the Official Languages Bill. To my knowledge, this is the only legislation since I came to this House that, despite unanimous support from Cabinet ministers and both opposition parties, does not enjoy the unanimous support of Government back-benchers.

Mr. Blenkarn: We will soon see!

Mr. Boudria: This is a very special situation, and a conservative member opposite is suggesting we will soon see. Indeed, Madam Speaker, we will see, first, whether Government members, who expressed such disagreement on the Bill, will be present to demand a division, since five members must rise to indicate their disapproval before there can be a division. Secondly, we will see whether there will be a division in this House and whether hon. members will be present to vote in line with the views they expressed in this House in the past.

[*English*]

Mr. Blenkarn: Let's get on with the vote now.

Mr. Boudria: Once again, we hear from government Members who do not think that debating this issue is important. They have a right to think that. However, we have been debating this Bill for three days in the House of Commons, and for an inept Member to state otherwise is totally inaccurate. He should be ashamed of himself that such an important piece of legislation is being refused the opportunity to be debated.

[*Translation*]

Some will suggest, Madam Speaker, that the official languages Bill will force Canadians to be bilingual in order to work in the Public Service. I have here the February 1, 1988 copy of the Alberta Report, an English language magazine published in western Canada, and I would like to show it to you, but since this is contrary to our rules, I will simply read the cover which states:

> Si vous ne pouvez pas lire ceci, vous ne pouvez pas travailler pour le gouvernement fédéral.

• (1600)

[*English*]

Translation: "If you can't read this, you can't work for the federal Government".

[*Translation*]

Madam Speaker, we know that such a statement is totally inaccurate. We know that of the 221,000 jobs in the Public Service, 60 per cent require English only; 7 per cent, French only, and 28 per cent are designated bilingual.

How is it then possible to utter such nonsense, suggesting that if a Canadian is not totally bilingual he or she cannot work in the Public Service? This is absolutely false, as most hon. members in this House know.

[*English*]

Earlier this year there was an election in the Province of Ontario which, of course, was won in a landslide by the Liberal Party. In that election one political Party chose to fight the election against bilingualism and, in my opinion, on the backs of French Canadians in Ontario.

This political Party, supported by an outfit calling itself APEC, the so-called Alliance for the Preservation of English in Canada, was going from constituency to constituency trying to convince municipalities to adopt resolutions declaring themselves officially unilingual. In my opinion those resolutions were reprehensible, and luckily only a few municipalities fell for that trap set by APEC and the issue went nowhere. However, the general theme was picked up by the provincial leader of the Conservative Party and that Party was just about wiped out in the election.

There was a message in that, the message being that Canadians have now evolved beyond that. If such schemes ever worked, they will not work in 1988. I am sure that the present federal Government has realized that and I hope that it will assist in their decision some of the back-benchers who had some reservations about the Bill.

Mr. Horner: You haven't convinced anybody.

Mr. Boudria: Madam Speaker, it is not important that I convince anyone. What is important is that the people of Canada have an Official Languages Act which is in their interest and will reflect the fact that we live in 1988, not that we are vestiges of the former century, as some Members of this House would like us to be.

I will conclude by reminding this House that the Mayor of Alexandria, a town in my constituency, said not long ago that APEC should stand for "All People Created Equal".

[*Translation*]

All Canadians are equal. All Canadians have equal rights. We will know in a few moments whether Government back-benchers will have the courage to express their convictions, whether they will rise in this House to demand a division to determine whether members support or reject Bill C-72. I hope we will enact the Bill. Naturally, as anyone else I wish for amendments, improvements, but a vast majority in this House will support Bill C-72 today, and we will send it to a committee of the House. But Bill C-72 must not die in that committee! We must discuss the matter, we must discuss it rapidly, and bring it back in this House to enact it in order that Canada in 1988 may have an Official Languages Act, 1988.

[*English*]

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Mr. Boudria: I heard someone say no.

The Acting Speaker (Mrs. Champagne): I did not hear a "no" but I will ask the question again to make sure that there is unanimity. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Yea.

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

I declare the motion carried.

Motion agreed to, Bill read the second time and referred to a legislative committee.

* * *

[*Translation*]

WESTERN ECONOMIC DIVERSIFICATION ACT

MEASURE TO ENACT

The House resumed from Wednesday, March 2, consideration of the motion of Mr. Mulroney that Bill C-113, an Act to promote the development and diversification of the economy of Western Canada, to establish the Department of Western Economic Diversification and to make consequential amendments to other Acts, be read the second time and referred to a legislative committee.

The Acting Speaker (Mrs. Champagne): The last time Bill C-113 was under consideration, the Hon. Member for Regina West (Mr. Benjamin) had completed his speech.

[*English*]

The question and comment period following the Hon. Member's speech is now available to Members. If there are no questions or comments the Chair is prepared to recognize Hon. Members for debate.

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Mr. Riis: No.

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

Some Hon. Members: Yea.

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

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

Motion agreed to, Bill read the second time and referred to a legislative committee.

SITTING SUSPENDED

Mr. Lewis: Madam Speaker, in view of the progress which the House has made today I think it would be in order to suspend the sitting of the House until five o'clock in order to allow for Private Members' Hour to take place at that time.

The Acting Speaker (Mrs. Champagne): The House has heard the suggestion made by the Hon. Minister of State. Is there unanimous consent for that?

Some Hon. Members: Agreed.

At 4.10 p.m. the sitting of the House was suspended.

[*Translation*]

SITTING RESUMED

The House resumed at 5.02 p.m.

The Acting Speaker (Mrs. Champagne): Order, please. It being 5 p.m. the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

AGRICULTURE

ADVISABILITY OF ESTABLISHING A NATIONAL FOOD POLICY

Mr. Steven W. Langdon (Essex—Windsor) moved:

That, in the opinion of this House, the Government should consider the advisability of establishing an improved national marketing structure for all major farm produced commodities and negotiate with the provinces a national food policy with over-all production targets and market sharing.

He said: Madam Speaker, last Friday night I attended the Essex County Federation of Agriculture annual meeting to honour their activities. I found myself sitting opposite two young people who had been working since they entered the labour force to try to earn enough to provide some kind of basis on which they could purchase a farm. They came from farming families and wanted to establish a future in farming for themselves. This motion is very much directed at them and toward hundreds of farmers across my constituency with whom I have talked in the last three and a half years.

Frankly, they have faced very difficult circumstances throughout that three and a half year period. The two young people I faced last Friday should be the future of our farming community, yet that young woman and man had found themselves in a position where the prospect of getting into farming, rather than becoming a more realistic goal, was becoming less likely, despite the fact they were earning more and saving more money.

I suggest that this is just one sign of the reality of the farm crisis which exists across Canada. The farm crisis in Essex County and in many other parts of Canada can be seen in terms of the very heavy debt loads which farmers are carrying. The crisis in Essex County is shown by a drop from one-third to two-fifths in the price of land which farmers have held for the last four to six years. The consequence of this to a farmer who has contracted a very significant debt is that the asset which covers that debt is very much reduced year by year.

However, the heart of the crisis is not the debt load which farmers carry. As the Essex County Federation of Agriculture told the Minister of Agriculture (Mr. Wise) in a letter: "Despite highly efficient agricultural operations the current prices for farm commodities do not cover the basic costs of production in many cases, do not provide any return on investment, nor a reasonable wage for labour expended plus management skills".

In addition, as I have suggested in the House on a number of occasions, there are various mechanisms of harassment which Governments seem to be using to undercut farmers' potential for the future. For instance, one has seen in Essex County a doubling in the tax audits affecting farmers in the past year. Much tougher definitions are being applied in the process of this auditing, which has the effect of putting the farmer in a catch 22 situation. He or she must go out to find a job off farm in order to cover debts and the low prices for commodities, then tax audits refuse to classify this farmer as a full-time farmer because of the job he or she has had to take off farm. The consequence is that they are able to write off much less of their losses than was true previously.

Of course, farmers are not just sitting back and taking this. Farmers across Essex County and right across the country are fighting back with imaginative approaches and new methods of organization.

• (1710)

Again, to use my own constituency of Essex—Windsor, as an example the National Farmers' Union has formed a new local within the county which has expanded tremendously. One of the methods it is using to fight back is to hire people with an accounting background to go to the various Farm Debt Review Boards, which are held to look at the farmers who have got into difficult debt positions, and through the National Farmers' Union could work out as effective and optimistic a picture of the farm operation under scrutiny as is possible.

The union has been quite successful in a number of cases in persuading both Farm Debt Review Boards and banks that farms which appeared at first glance to be non-viable, with some satisfactory writing down of debt, some sort of sharing of the debt burden—for which farmers are not responsible—are really viable. It is not farmers who raised interest rates to 22 per cent in the early 1980s. Yet they are the people who are having to carry the burden of this increase.

The National Farmers' Union has fought back on that level. The Essex County Federation of Agriculture has fought back on the question of prices and the lack of relationship between prices and the cost of production for most farmers. Our office in the last few days has been talking with various experts in the farm community in Essex County. They have been able to generate figures which give one a sense of the depth of the crisis. The cost of production of soybeans is about $6.08 per

bushel. The soybean growers' estimate of what they will receive as a price is $6.42 per bushel. It is at least some positive return, but a very small one. The cost of production of soft winter white wheat, another major crop in Essex County, is estimated at $3.19 per bushel. The market price as of today is $3.45 per bushel. Most farmers would have delivered their wheat in August of 1987, at which point the price was $3 per bushel. They would have lost something in the order of 19 cents to 20 cents per bushel with respect to their soft winter white wheat.

Perhaps the most hardest hit of commodities in my county is corn. The cost of production is approximately $3.18 per bushel. The market price is $2.02. The loss is over one dollar per bushel for these farmers.

What can we do when we are faced with these prices? I think it is something that has to concern all of us in this House. It is why I have tried on as many occasions as I could to speak out about these farm concerns. I think the first thing we have to do is to look at our marketing structures throughout this country. With respect to dairy farmers, with the feather industry, it has become viable, for the most part, to be a farmer, because there is successful supply management which works well. I speak with some personal experience on this subject. My family has operated a dairy farm north of Guelph very successfully since the period that supply management came in. So it has worked and it has worked with the feather industry.

Poultry farms are successful now and would not have been in the past. I recognize it is more complex for crops which are exported rather than serving the domestic market, as is the case, for the most part, with dairy products and the feather industry. However, with respect to those export crops, it is possible to have a two-price system. We have had it with respect to wheat quite successfully. One of my great sorrows with respect to the trade deal which has been presented by the Government to us in the House is that the two-price system for wheat is going to disappear. With respect to the two-price wheat system, the Ontario Wheat Board stated that Canada's two-price wheat policy has been a very important stabilizing factor in the general domestic wheat industry. The pricing mechanism provided by the policy has worked well for both the marketing board and the millers. Supplies have been assured and purchase risks have been eliminated through established prices to millers and processors.

It is not just processors; consumers as well have a predictable price. They do not see these jumps and ups and downs which have taken place in many farm commodities, which make it hard to predict. So they have a world for which they have been able to budget and which they understand. I think it is absolutely crucial that we have an improved marketing structure for all major farm produced commodities. It will have to be negotiated with the provinces. It will have to involve a national food policy, not just provincial food policies. We will have to accept over-all production targets and market sharing within our domestic market. Of course, we have to accept as a reality also that for exports we cannot apply that kind of price predictability. We have to accept that those ups and downs are going to take place.

We have to negotiate with the provinces for the fullest possible coverage, for help for starting farmers. We have to deal with some of the problems, which, I admit, have existed with respect to national marketing structures, including the accelerated cost of quotas which have prevented some young farmers from getting into farming.

• (1720)

The last word I want to leave with the House is that besides the points made in this motion I stress that it is crucial that we keep in Canada the capacity to direct our own affairs with respect to agricultural policy. That is why I find the free trade proposal of the Government, the trade deal with the United States, to be so destructive with respect to many parts of agriculture, specifically those parts of agriculture that I represent in my constituency.

Mr. Geoff Wilson (Swift Current—Maple Creek): Madam Speaker, I am pleased to be able to join in this debate in Private Member's Hour on the motion raised by the Hon. Member for Essex—Windsor (Mr. Langdon).

The Hon. Member has touched on problems which are certainly common to agriculture across the country and which I think relate specifically to the grains and oilseeds sector which has been beset by low prices as a result of conditions in the market-place lying beyond the borders of our country. Of course, I am talking about the trade war between the United States and the European Economic Community. This is a problem which has been discussed countless times in the House. I do not think it needs revisiting at this point in time.

The question is what to do about it. Of course, a number of initiatives have been taken by the Government which I intend to enlarge upon later in my remarks.

First, I want to say in response to the Hon. Member's remarks that, certainly, there is an enormous overhang of farm debt out there. We are told right now that there is something in the order of $22 billion owing against farms in Canada. It is worth noting that the Standing Committee on Agriculture at this time is embarking upon a study of that very problem. It is called the "22 billion dollar problem". It is intended to try to seek some solutions to this overhang of farm debt resulting from the overcapitalization of agriculture during a period of rampant inflation followed by the catastrophic drop in grain and oil seed prices.

The Parliamentary Secretary to the Minister of Agriculture (Mr. Clark) seconded the Hon. Member's motion. The Parliamentary Secretary has asked me to indicate that he did so, not out of support for the intent of the motion, but because in the absence of any opposition Member in the House at that time he wanted the Member's motion to be heard. It was for that reason that he seconded the motion.

The Hon. Member for Essex—Windsor talked about domestic wheat pricing, the two-price wheat policy, as some sort of argument in favour of the thrust of his motion that the Government consider further supply management schemes relative, I gather, to the grain sector. Frankly, I found that rather curious. There is no question that the domestic wheat benefit, the two-price wheat system, is being phased out at this time, not as a result of anything relating to the trade agreement between Canada and the United States but, rather, to the distorting influences which that artificial program has had on production and cropping patterns across Canada over the past several years.

In that regard I want to refer the Hon. Member to the report of the Special Committee on the Pricing of Domestic Wheat which reported to the House in the spring of 1986. That was an all-Party committee which travelled across the country. It listened to the interests of farm groups, producers, Governments and food processors. It concluded that there were problems relating to the policy. In particular it related to the fact that it was already leading to a distortion and a displacement of production in the sense that an artificial price of $6 or $7 per bushel of wheat would tend to encourage a tremendous movement into that kind of production in areas where, traditionally, other crops had been grown. Over the past two years we have seen the problems that that committee flagged becoming exacerbated.

As the Hon. Member has pointed out, the result is that in Ontario there has been a tremendous movement into the production of hard wheat, which traditionally has not been grown there, with a consequent displacement of that domestic wheat benefit and a shift in it from western Canada into Ontario and, indeed, into other areas of the country. I think that has caused considerable difficulties. It perhaps points out one of the problems relating to the sort of policy which has the capability of sending the wrong signals into the market-place, distorting production and sending producers chasing after something that is artificial. I think it has caused a problem.

In any event, I want to assure the House that the Government well knows the importance of agriculture to the country. It recognizes the enormous contribution that agriculture makes to our economy. It well understands that it has a responsibility to ensure that agriculture has a strong and stable future.

It is important to be clear about this responsibility. I do not believe it is up to the Government to impose marketing systems that Canadian farmers neither need nor want. What the Government must do is to continue to work with the provinces and with the private sector to develop effective long-term plans. That is exactly what it is doing at this time. The national agriculture strategy signed by the federal and provincial Ministers of Agriculture in the fall of 1986 is a major milestone in federal-provincial relations.

At that meeting the Ministers agreed that the long-term future of the agri-food industry depends upon maintaining existing markets, developing new markets and responding to changes in the domestic and international environment. It depends on effective measures to address farm income problems.

Regulated marketing can be an important part of the solution. Supply management has certainly helped to provide stable incomes to producers in certain sectors, particularly the dairy, poultry and egg sectors. The policy of the Government and of the Progressive Conservative Party has been to look to producer choice in those particular sectors. If the bulk of producers want that form of program, it has been the policy of the Government to attempt to assist. In that regard I cite the establishment of the Canadian Broiler Hatching Egg Agency in 1986 during the term of this Government.

There is no question that supply management can be effective in certain sectors, notably ones that I think would have difficulty in the international market, those sectors which traditionally have not been exporters. Of course, it was the producers themselves who asked for the authority to establish national marketing plans in these areas. It was the producers themselves who helped to bring their own supply management systems about.

Producers in many other sectors simply do not consider supply management to be a viable solution. I cite cattle and hog producers who are strongly opposed to production targets and to market shares. Although the issue is raised repeatedly, a majority of red meat producers have rejected consistently supply management as being incompatible with their marketing goals. Our red meat industry competes successfully in the international market-place exporting much of what it produces.

Another example of course is the grains and oilseeds sector in which production targets and market sharing run against the current consensus among grain and oil seed producers and their organizations. The fact is that fully 80 per cent of our production of wheat, for example, goes into the international market-place. Clearly, with that kind of emphasis on export it is impossible to apply any sort of suggestion such as the Hon. Member has made relative to that sector.

• (1730)

I see that my time is almost up. I wish to reiterate that the Government recognizes the crisis caused by the international trade war in the grains and oilseeds sector. It has come forward with programs of historical magnitude in terms of assistance to the grains and oilseeds producers, including huge payments under western grain stabilization, two successive Canadian special grains programs, fuel tax rebates, and a myriad of other programs to help tide the grain producers over this time of crisis.

On the international scene, various Ministers, including the Minister of State for Grains and Oilseeds (Mr. Mayer), through the Cairns Group have been actively pursuing attempts to bring a measure of sanity back into the international market-place. Indeed, this week the Minister of State

for Grains and Oilseeds returned from Argentina after another round of talks to attempt to reduce the effects of subsidies world-wide which have had the effect of causing these disastrous prices to our producers.

I congratulate the Hon. Member for again flagging the problem. It gives us an opportunity here to point out that some of it is caused by factors beyond our borders, but Government is responding to it in a measure which is unparalleled in Canadian history.

Mr. Maurice Foster (Algoma): Madam Speaker, I am happy to have an opportunity to say a few words on the motion put forward by the Hon. Member for Essex—Windsor (Mr. Langdon). Agricultural marketing is perhaps the most difficult and challenging responsibility for farmers and Governments across the country in the whole agricultural production question.

We are very capable, particularly in the developed countries of the world, of producing massive amounts of food. The question is, how can we market those products both domestically and internationally at a price that is adequate to give the farmer a decent return on his investment?

We have seen the chaos created by the United States with its Farm Bill and with the massive subsidy program, which is not only designed to drive down the price of food, especially grains and cash crop items, but at the same time guarantee its own producers a very reasonable level of return. At the same time as the United States is driving down the world price, it has been providing massive export subsidies to its markets. It has been estimated that it has driven the price down by approximately $3 billion and provided some $6 billion or $8 billion per year in compensation to its producers.

This total chaos has been the greatest challenge ever faced by Canadian agriculture. No piece of legislation in the history of our country, in this Legislature or in any other, has had such a devastating impact on Canadian agriculture. Thousands and thousands of farmers have been put out of business because of the international trade wars which are now going on between the United States and the European Economic Community.

The disturbing part is that perhaps those trade wars are not finished. At some stage in the next year or two we hope that the United States and the EEC will draw back. Although the funding is only for three years, the American Bill provides for the legislation being in place for five years. If the funding continues and no international agreements are made, then the same chaos will continue.

We have seen a dramatic rise in the number of farmers in our country who are facing bankruptcy. It has risen from 30,000 or 32,000 to approximately 50,000 farmers who are either in serious financial difficulty or who are totally insolvent. The Government has not responded. Over one year ago the FCC went into a lack of financial viability. The Government has not responded by providing funding to take FCC out of its state of insolvency. On April 30, 1987 that was estimated at $124 million, and the estimates are that by the end of this fiscal year it will be up to $300 million. It is clear that the situation for many farmers is untenable with regard to the farm debt crisis.

The situation of extremely low world prices, farm debt brought on by devaluation in farm land, put in context with the uncertainty of the whole supply managed market for the dairy and poultry industries, for the fruit and vegetable industry, for the grape industry, and for many other industries, by the free trade deal with the United States, has caused either the greatest financial instability, in the case of supply management managed commodities, or the greatest uncertainty which our country has ever seen in agriculture.

The free trade deal will cause immediate violent repercussions in some areas, for example, in the production of grapes. Our grape producers in the Okanagan Valley and the Niagara Escarpment have input costs of $600 to $800 a tonne for grapes, competing with grapes produced in the southern areas of California at $100 to $200 a tonne. This is simply not viable. That whole industry is facing a colossal disaster, an agricultural and industrial adjustment of tremendous proportions, yet there is no provision in the free trade agreement for that. Simply put, they have been sacrificed. They know it. They have been promised there would be a phase-out or adjustment period of 10 years. There is no adjustment period of 10 years; it is cold turkey next January, if the deal is passed.

The deal may not be passed. The United States Congress may well turn it down. The United States Congress may well require that the Government of Canada fulfil its commitment in the trade deal to ensure that the provinces will comply. The Government stated it would do that. There is no known way that that can be done, unless the Government invokes the peace, order, and good government clause, the emergency stand-by powers of the Constitution. As I understand it, the Government has stated it will not invoke those sections of the Constitution in order to implement the trade deal, so the deal may fall apart because of that. It may fall apart because of a general election. But at this stage we have to assume that the Government, having 210 Members of Parliament, will likely pass the enabling legislation.

The whole range of agricultural commodities will face the problems of the free trade deal, including canola meal and canola oil, which have found a tremendous market in the Pacific northwest, where it will be subjected to the loss of transportation assistance under the Western Grain Transportation Act. It is expected they will lose some $30 or $35 a tonne for transportation under the free trade deal, whereas the tariffs which apply to canola meal and to canola oil going to the Pacific Northwest running as high as over $30 a tonne will not be viable for them. It is just the same with fruit and vegetables. The growers have operated under the protection of seasonal tariffs. If they are an expanding industry, those tariffs are removed. The snap-back provision, which is in the Act and often hailed by the Government, is not in fact available.

• (1740)

Without getting into all of the commodities, Madam Speaker, you can see that the free trade deal with the United States will have an extremely adverse effect on the marketing of a number of commodities. The commodities are simply not viable when put into direct competition with low-priced commodities coming in from the United States at uncontrolled levels and price.

Mr. A. H. Harry Brightwell (Perth): Madam Speaker, I am pleased to enter into this debate on the motion presented by the Hon. Member for Essex—Windsor (Mr. Langdon), who is proposing that we have a national food policy with production targets and market shares for all major farm commodities. He is suggesting that we have supply management for industries that depend greatly on export. If we followed his suggestion, we would lose 35 per cent of all the pork producers in Canada. One in three, every third person down the road, would be out of business. If we followed his suggestion, we would have 80 per cent of the wheat producers in Canada out of business and 12 per cent of the beef producers. The Member is suggesting that we can find some way to have both supply management and an export market, but I do not think that is at all possible and the end result will be as I have already said.

The Canadian Consumers Association emphasized that point and the producers in the dairy, poultry and egg sectors have benefited greatly from the supply management schemes that are in place at the present time. Other countries have not had these programs and they have paid through massive export subsidies, subsidies which the Hon. Member for Algoma (Mr. Foster) spoke about as disrupting farm income in Canada, and, indeed, in North America. The Americans have had to do something by trying to buy down the excess dairy cattle. This happened in the United States last year and in the European Economic Community before. Certainly supply management has cost Canadian consumers a small amount, but they have a good and high quality product on a regular basis and consumers and producers have been well served.

This Government is fully supportive of supply management schemes. In fact, we have, since we came into power, brought in the latest of the supply management schemes through a national marketing agency for broiler hatching eggs which was created in 1986. Supply management is not the panacea for the entire agricultural industry. It is important that we recognize that the agricultural industry is very diverse and that what works in one sector indeed will not necessarily work in another sector or may perhaps be unnecessary in another sector. That is why the Government has made a commitment to producers that we will support whatever marketing systems producers decide work best for their particular commodities, as long as those interests are also in the public interest. Some commodity sectors believe that they are better off with a free market system. Most red meat producers, for instance, are opposed to supply management.

In 1986, beef producers in this country earned cash receipts of $3.6 billion. Of this amount, more than $413 million came from exports of beef and beef products. This is the amount the Hon. Member for Essex—Windsor would be prepared to sacrifice for a supply management scheme. Hog producers reported cash receipts of $2.1 billion. Exports accounted for more than $800 million of this amount. Again, this is the amount that would be sacrificed. Red meat exports earned more than $1.2 billion for the Canadian economy. That is more than $1.2 billion toward a favourable trade balance. Canada simply cannot afford to produce red meat exclusively for the domestic market. The red meat sector is certainly among the healthiest parts of the Canadian farm economy.

When dairy, poultry and egg producers opted for the supply management system, it was to bring order out of chaos. Their sectors had been ravaged by boom and bust cycles that cost them and Canadians a great deal. They sought some sort of orderly marketing to provide stability to their sectors. Red meat producers prefer unfettered markets, and they are managing quite well. What is more, contrary to what the Member for Algoma has just said, red meat producers are excited by their prospects under the free trade agreement. They anticipate increased export opportunities under free trade with the United States. This would be lost under a supply-managed scheme.

Many farm sectors will benefit from the removal of tariffs and the elimination of technical barriers, but perhaps none more so than the red meat sector. Stan Wilson, President of the Canadian Cattlemen's Association, has said free trade is welcomed by cattle producers right across the country. Bill Vaggs, head of the Canadian Pork Council, said he is "very comfortable" with the free trade agreement. He has urged the federal Government to do everything in its power to keep the doors open to the United States market for Canada's hog and pork exports.

Even the report by the Ontario Ministry of Agriculture and Food, a ministry headed by a person dedicated to finding reasons why free trade is bad for Ontario agriculture, even that department working under that kind of direction failed to find a problem for the read meat sector. In fact, it found that there would be some $18 million advantage per year in Ontario alone for the red meat sector. This same study, I believe, forgot that farmers are consumers and consume a great deal of products in their farm operation and would benefit from a reduction in tariffs and the products which they consume. It also failed to realize that many farmers have children, even farmers themselves who work off the farm and would benefit from more jobs that pay higher in their communities. The very least optimistic report which the Ontario Government could find still showed an $18 million advantage for Ontario red meat producers.

In recent years, the value of Canadian red meat and live animal exports to the United States has totalled more than $1 billion a year, nearly half of Canada's farm exports to that country. Our red meat sector is fully competitive with the U.S.

Its assured duty free access to the U.S. market helps guarantee the continued well-being of this sector.

The free trade agreement will exempt both our countries from each other's meat import laws. Without an agreement, U.S. meat import law could limit Canada's beef and veal exports to the United States, either through formal import quotas or so-called voluntary export restraints. The agreement is going to provide an improved environment for additional investment in meat processing plants since there is now much greater certainty of continued access to the U.S. market. That, of course, demonstrates again the tendency for years where we in Canada have sent more money out of this country across the border to invest in American business to avoid tariffs, money that could have stayed here at home to produce Canadian jobs. Of course, the more money we keep at home, the greater the chance for Canadian employment.

The particular advantage that Canadian meat producers will have will be the removal of the tariffs on portion-controlled cuts of high quality beef. This should provide a greatly increased market in the United States.

The trade deal also addressed the broadest possible package of mutually beneficial trade barrier reductions, an end to the misuse of technical barriers in such areas as meat inspection where every lot could have been inspected as it went across the border, and the misuse of food additives as well as the use of specific veterinary drugs will facilitate red meat export. How well the pork industry knows of the problem with chloramphenical, indeed, the long-lasting problem of chloramphenical which is not presently available to the Canadian producer. Red meat producers have every reason to be optimistic about their prospects under free trade and every reason to be optimistic about their industry's future.

The motion before us today is not new. Back in 1971, beginning with Bill C-176 it was proposed that we establish the Farm Products Marketing Agencies Act. Originally, cattle and hogs were covered under this Act. A very spirited defence from a variety of organizations fought over a year and had the red meat sector excluded. Since that time the issue has resurfaced on many occasions and is resurfacing in the Ontario sector on a regular basis through the Federation of Agriculture. Some individuals favour supply management for red meat. However, the majority of the industry is clearly not in support of this alternative.

• (1750)

In 1986, at a national workshop on hog marketing alternatives, Canada's pork producers turned thumbs down on supply management. There are certainly viable alternatives, however, for the industry. These would include tripartite stabilization plans, the new commodity type mortgages under the Farm Credit Corporation and the Farm Debt Review Agency about which the Hon. Member for Essex—Windsor talked.

The red meat industry is not asking for supply management. Without any sort of regulated intervention in the marketplace, the red meat industry is competing with vigour and with success. There are better methods of supporting the industry, methods that I outlined briefly above, and that is the course this Government will take.

Mr. Vic Althouse (Humboldt—Lake Centre): Madam Speaker, it gives me great pleasure to join in the balance of the debate on Motion No. 99 presented by the Hon. Member for Essex—Windsor (Mr. Langdon) calling for the establishment of an improved national marketing strategy for all major farm-produced commodities and for the negotiation with the provinces of a national food policy with over-all production targets and market sharing.

I think some Hon. Members who have spoken, particularly those on the government side, seem to have taken this motion somewhat out of context. They immediately say that this is an attempt to set up supply-managed marketing for all commodities across Canada. That is not necessarily so. It is an attempt to discuss with the provinces a long-term national marketing strategy.

This motion is timely because of the circumstances in which we live. We have seen develop over the last four or five years an income crisis in agriculture as farm returns do not meet the cost of production. This has in turn augmented a debt crisis so $22 billion to $23 billion-worth of debt is now being carried by Canada's farmers, a debt load which they cannot afford to carry, given the current value of land and the market outlook.

We have watched as land and agricultural assets have deteriorated in value. There has been deflation in the agricultural sector for the last five years, yet the Minister of Finance (Mr. Wilson) is still attempting to fight inflation. In rural areas across Canada, land values are between 40 per cent and 50 per cent lower than they were four or five years ago. Yet the Minister persists in trying to fight what he calls inflation. To do that, he has kept the interest rate higher than it needs to be. It is 1.25 per cent higher this year than it was a year ago. This has meant high fixed rates for Farm Credit Corporation loans. These rates are so high that the very small amount of money the Government made available for the FCC to lend was not even taken up by farmers. They went elsewhere to get loans at much cheaper rates.

Because the Government persists in holding the interest rate higher than it needs to be in order to fight inflation in the Toronto area, the Canadian dollar has risen to the 79-cent level from about 71 cents or 72 cents in the past year. This means that for farmers who export, the price of their commodities has effectively fallen 10 to 12 per cent and the cost of borrowing money has risen 1 per cent to 1.25 per cent.

A bit over a year ago, the agriculture committee took it upon itself to investigate ways of reducing costs at the farm gate and attempted to look at the price of inputs and what could be done by Government and farmers to reduce those input costs. We found that there was not very much that could be done in terms of real savings, which would have meant more

money in farmers' pockets. Very little could be achieved. There has been virtual free trade in farm chemicals and most farm inputs including farm machinery. The trade deal would not solve that problem and has not solved that problem. It may have exacerbated some other problems on the market side, but I will deal with that later.

The only hope farmers have of having a bottom line that leaves money in their pockets is in doing something about the marketing end. In a number of commodities, farmers have turned their attention to that in the past, and I will review very quickly, because I see that time is short, the three methods farmers have utilized to improve their bargaining power in the market over the past 50 or 60 years.

During the First World War, the Canadian Wheat Board was first established as a single-desk seller of all western Canadian wheat. The farmers hated it. There was a great political furore when the Government set up that Wheat Board. In fact, the political impetus for setting it up, going back in history, was that the grain traders on the grain exchange had got themselves into a box they could not get out of, so the Government intervened, froze all the assets and began marketing the grain itself. The grain traders had sold four, five and six times as much grain as actually existed and there was no way that contracts could be met.

After a year's experience with the board, farmers began to see the advantage of single-desk selling. They got a higher price for that crop of grain than they had ever received before. They got an even price, regardless of when they were able to deliver. They all got the same price, and they decided that they liked that. There is no way now that farmers would give up that single-desk selling agency, the Canadian Wheat Board, which markets export grain at the moment and has been undermined a bit over the years.

Another type of single-desk agency is provincial hog marketing boards, one of which I was active in setting up in the Province of Saskatchewan. They function like little wheat boards with less bargaining power because they restrict themselves to their own bailiwick. If they were able to get together across the nation and market through one desk nationally, they would be able to extract another one cent, two cents or three cents per pound for hogs from the various processing firms. That is an option that is held back from them by the current legislation which does not permit any commodity to put together that kind of a national program except those that are named in the legislation including dairy products, poultry, eggs, now tobacco and soon, I hope, potatoes.

The third type of system is the type everyone hates, everyone on the government side at least, and that is the supply managed marketing boards, which work very well and are the epitome of efficiency in commodities that are very necessary for the maintenance of good food and nutrition. They have done a good job of providing consumers with exactly the amount needed without producing waste which only adds to the cost and is an unnecessary expense to the system. I regret to see that my time is up, Madam Speaker.

The Acting Speaker (Mrs. Champagne): The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1), the order is dropped from the Order Paper.

[*Translation*]

It being six o'clock, pursuant to Standing Order 13(5), the House will now proceed to the taking of the deferred division on the motion related to the business of supply.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—NATO—COMMITMENT TO CANADIAN PARTICIPATION AND SUPPORT

The House resumed from Friday, March 4, consideration of the motion of Mr. Hopkins:

That this House recognizes the pivotal role that NATO continues to play in mutual security and defence and in furthering progress in arms control and disarmament and, therefore, reaffirms its commitment to continued Canadian participation in and active support for the North Atlantic Treaty Organization as a primary instrument of Canadian defence policy.

The Acting Speaker (Mrs. Champagne): The House will now deal with the deferred vote on the motion moved by the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins).

Call in the Members.

The House divided on the motion (Mr. Hopkins), which was negatived on the following division:

[*English*]

• (1800)

(Division No. 316)

YEAS

Members

Axworthy	Gray (Windsor West)	Marchi
Baker	Henderson	Nicholson (Trinity)
Boudria	Hopkins	Penner
Copps	Isabelle	Robichaud—18
Foster	Kaplan	
Frith	Killens	
Gauthier	MacLellan	

NAYS

Members

Althouse	Belsher	Blenkarn
Angus	Benjamin	Bosley
Beatty	Blaikie	Boyer

Bradley
Brightwell
Broadbent
Browes
Cadieux
Caldwell
Cassidy
Clark
(Brandon—Souris)
Coates
Cook
Corbett
Crofton
Crouse
Dantzer
Darling
Daubney
de Jong
Desjardins
Dewar
Dorin
Duguay
Ellis
Epp
(Thunder Bay—
Nipigon)
Epp
(Provencher)
Fennell
Ferland
Fontaine
Fretz
Friesen
Fulton
Gagnon
Gass
Gormley
Graham
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Grisé
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Heap
Hees
Hockin
Holtmann
Horner
Jardine
Jepson
Jourdenais
Kelleher
Kempling
Kilgour
Ladouceur
Langdon
Lanthier
Lawrence
Leblanc
Lesick
MacDonald
(Kingston and
the Islands)
MacDougall
(Timiskaming)
Mailly
Malone
Manly
Mantha
Marin
Mayer
Mazankowski
McCrossan
McCurdy
McDonald
(Broadview—
Greenwood)
McKenzie
McKnight
Minaker
Mitges
Nicholson
(Niagara Falls)
Nickerson
Nystrom
Oostrom
Orlikow
Parry
Pennock
Pietz
Porter
Redway
Reid
Reimer
Ricard
Riis
Robinson
St. Germain
Schellenberg
(Nanaimo—Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Sparrow
Stackhouse
Taylor
Thacker
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Van De Walle
Vincent
White
Wilson
(Swift Current
—Maple Creek)
Winegard
Wise—118

• (1820)

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

[*Translation*]

It being 6.25 p.m., this House stands adjourned until tomorrow morning at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.25 p.m.

HOUSE OF COMMONS

Tuesday, March 8, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSES

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages, the Government's response to petitions, Nos. 332-3739 to 332-3743 inclusive, and 332-3817 to 332-3819 inclusive.

I might indicate to the House that three of those were certified on November 2 but not presented to the House until February 3. The Government has responded to them as quickly as possible, but it would be helpful if Members would present petitions soon after certification.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. That statement is uncalled for, unnecessary and absolutely cheap. We table petitions whenever we have a chance. Sometimes they are post dated, if you like, but sometimes we also have difficulty organizing our time.

Members have committees to attend and other things to do. There is no rule that states the petition must be presented the day or day after its certification by the Clerk at the Table.

The Hon. Member knows that we can get difficult as well. If the Member wants to get very difficult, if he wants to play that kind of a game, we will start playing that game, too. I am giving him fair notice right now.

Mr. Riis: Mr. Speaker, this is not the first time that the Hon. Member has raised this issue. I know that we in the New Democratic Party have received literally thousands of petitions on the trade deal. The importance is that this issue is still before the House and the trade deal will not take effect until next year. Petitions that oppose the trade deal with the United States have been coming in month after month. Until the deal is actually in place, and while there is a shred of hope that the Government will see the wisdom of backing off from this sell-out to the United States, we feel an obligation on behalf of our constituents who have submitted these petitions to raise them, even on a daily basis.

• (1110)

For the Hon. Member to suggest that there has been any impropriety is wrong and, quite frankly, it is not the way to encourage co-operation in the House of Commons.

Mr. Hawkes: Mr. Speaker, under our reform rules the Government has an obligation, for the first time in parliamentary history, to respond to petitions. The Government has had urging from the other side of the House on many occasions to be more prompt in its responses, and I have been working on the Order Paper questions to see that we have quicker responses.

I am anxious to get responses to petitions before the House as quickly as possible because people sign petitions expecting that Parliament, particularly the Government, will listen to their petitions. It puts the Government in a very difficult position when people petition the Government of Canada and believe we should respond, but we do not have the chance to respond until the petition is tabled.

I would point out to Hon. Members that there are two methods to present petitions, first, to rise in the House and present the petition. I can understand that occasionally there are difficulties with committee travel and, therefore, some reason for delay. There is another method of simply presenting petitions to the table, which staff can do on behalf of Members. That is a faster way to bring the petitions to the attention of the Government.

I just indicate to the House that I will do my best to see that petitions are responded to quickly, adequately and thoroughly. However, I need the co-operation of the whole House in presenting them as quickly as possible.

Mr. Boudria: Mr. Speaker, perhaps the House and Canadians should be reminded about how the process works. First, Members of Parliament receive petitions in their constituency offices, by mail or by a variety of ways. There is a new certification process but there is nothing that says that that certification process must be gone through within a certain number of days after a Member of Parliament receives a petition.

Further, Mr. Speaker, you will know that once the petition is certified, if all Members rose in the House every day we received a certified petition, this whole House would be bogged down doing nothing else but presenting petitions. Indeed, it is

sometimes appropriate to accumulate a number of petitions in the spirit of the co-operation that Members of Parliament are trying to display in not stalling this House unduly for ridiculous reasons, such as the reasons presented to us by the Parliamentary Secretary.

If I was to present every petition, one by one, as I received them, and if all of us did that, we would never get to Orders of the Day and the Government would then accuse us of delaying the House. That is totally ridiculous. The Parliamentary Secretary should not have even brought the topic up this morning. Now that he has, I am sure he regrets it, and he should apologize.

Mr. Belsher: Mr. Speaker, I would just like to reiterate the point the Parliamentary Secretary was making. That is that in the dating it is necessary to advise people, and he was merely pointing out that there are lapses in the timing. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) says that he has never accumulated things and is always very expeditious. I have sat in this House and observed him on occasions taking quite a length of time in presenting petitions.

Mr. Boudria: When? Name one day.

Mr. Belsher: I can look back on the record and I am sure we could find it.

Mr. Boudria: I think you should. Good luck!

Mr. Belsher: There is no justification for Hon. Members of either opposition Party to impugn the integrity of the Parliamentary Secretary when he is stating the facts. Therefore, I would hope that this issue would die now.

Mr. Speaker: The Hon. Parliamentary Secretary has raised a matter which perhaps more properly ought to have been raised on a point of order, not as a part of his tabling of documents. I say this because I am very conscious of the fact that the Hon. Member for Ottawa Vanier (Mr. Gauthier) does pay attention to these rules and would, I think, agree with me, and I hope other Hon. Members would accept that.

The issue is literally that the Government has said, please, those Members presenting petitions, try to get them in as soon after they have been sworn and certified as is possible. There is some merit in the position taken by the Government because people, having signed a petition, now that the rules require that the Government respond to it within so many days, would understandably wonder why there had been a long delay. However, I am certainly not at the moment going to make any kind of ruling on this, except to caution the Hon. Parliamentary Secretary that I think, strictly speaking, those comments at the time they are presented are more properly matters that should be brought up on a particular point of order. I think it would not be appropriate to continue making those remarks.

The Government, of course, has another option, and that is, when sending its responses to those who have made out a petition, it can factually set out when it received the petition and when it replied.

The other side of the coin is that I think it is probably appropriate, and I think the public watching this would think it is probably appropriate—of course, the public realizes there are many hundreds of petitions and Members are not always able to put those petitions in immediately—that there may be very good reason why, in order to have perhaps a more effective impact, Members, using their own good judgment would support the very aim of the petitioners by holding some petitions and bringing them forward collectively. These are all matters of common sense and reason.

I think fundamental to it all is that all Hon. Members ought to try to co-operate as closely as possible with the rules so that the public is confident that the petitions they bring to the House of Commons are answered as quickly as possible. Unless there is further difficulty, I do not think there is any need for further comment.

Mr. Gauthier: Mr. Speaker, I have petitions that I intended to table this morning. I just wonder if the Government in this good spirit, since it was suggested by the Speaker, perhaps would like to write to every one of those people who signed this petition and give them its answer. If that is what the Government is talking about, then I would agree it would need time to get the names and addresses of the 25 people per petition. If the Parliamentary Secretary is talking about that, that is a different point. However, up until now these petitions have been tabled, a response has been prepared by the Government—

Mr. Speaker: I have a very high regard for the procedural comments made by the Hon. Member to assist the Chair. However, I think, under the circumstances, all Members could reflect on the comments of each other and on the comments of the Chair and I hope we will not have any more difficulty with the matter.

* * *

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF THE REPORT OF THE CANADIAN BRANCH OF THE COMMONWEALTH PARLIAMENTARY ASSOCIATION

Hon. Lloyd R. Crouse (South Shore): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House, in both official languages, the report of the Canadian Branch of the Commonwealth Parliamentary Association attending the seminar on Parliamentary Practice in St. Lucia on February 13 to February 21, 1988.

[*Editors note: See today's Votes and Proceedings*]

COMMITTEES OF THE HOUSE

FINANCE AND ECONOMIC AFFAIRS—FOURTEENTH REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present the fourteenth report of the Standing Committee on Finance and Economic Affairs, in both official languages. The report is in connection with Bill C-109, the Borrowing Authority Act, which is reported without amendment.

ELECTIONS, PRIVILEGES AND PROCEDURES—EIGHTH REPORT OF STANDING COMMITTEE

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, I have the honour to present the eighth report of the Standing Committee on Elections, Privileges and Procedures on the Canada Elections Act, in both official languages.

This has been accomplished with respect to the ruling of January 28, 1988 of the Speaker on a point of privilege raised by the Hon. Member for Kamloops Shuswap (Mr. Riis), in which you did state that it was in order for this Standing Committee to study and report on matters relating to the process and procedure followed by the Chief Electoral Officer and his officials.

• (1120)

I would like to draw to the attention of the House four of the most significant conclusions arrived at by the committee. Recommendation No. 26 states:

> The officials of Elections Canada stated that they had no direct evidence that Mr. Masse counselled Lavalin Inc. to breach the Act. They stated that the evidence they would have used to support a charge was circumstantial and that, in their opinion, a charge based on that evidence would not likely have succeeded.

Recommendation No. 27 states:

> The opinion of the Commissioner of Canada Elections continues to be that charges should not be laid against Mr. Masse.

Recommendation No. 30 states in part:

> Your Committee recommends that the Act be amended as quickly as possible in those sections dealing with expenses so that it precisely defines those election expenses which should be the subject of spending controls and rebates.

Recommendation No. 34 states in part:

> Your Committee recommends that the Statutory Report of the Chief Electoral Officer which follows a general election contain a more detailed section relating to specific problems with the Act encountered during the election. Your Committee will report with its view on the problems thus identified at the earliest possible date.

As Chairman I would like to thank all members of the committee who participated in this matter, as well as the staff members.

Petitions

PETITIONS

PROPOSED FREE TRADE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, pursuant to Standing Order 106 it is my pleasure to present a petition which was collected back in October and November but which is as valid today as it was then. I know that these constituents who signed the petition would want me to keep raising the matter to try to bring the Government to its senses.

They make the point that the Conservative Government lacked a mandate from the people of Canada to conclude a trade agreement because the Prime Minister (Mr. Mulroney) was on record as opposing a trade deal with the United States. All major Cabinet Ministers were also on record as opposing the deal. They betrayed their word and did exactly the opposite. These people are very concerned about this apparent betrayal.

They point out that this deal certainly threatens the very fabric of our political and economic life in Canada because it gives away complete control to the Americans in terms of controlling and owning our economy. It gives Americans total access to our energy supplies and, essentially, sells out the whole energy sector to the United States. Obviously, these people are very concerned. I know that the Parliamentary Secretary does not want us to remind the Government about the concerns of these petitioners but I feel an obligation to do so.

To summarize, these petitioners simply suggest that Parliament dissolve now, immediately, to allow the people of Canada the opportunity to go to the polls and to let the people of Canada tell the Government what they think of it.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, pursuant to the Parliamentary Secretary's edict I am tabling at the earliest possible time eight petitions which comply with the provisions of Standing Order 106.

The petitioners state that whereas the Mulroney Government has sold out Canada and received nothing in return; whereas Canadian industries are still not protected by this so-called agreement from U.S. trade laws; whereas the United States obtained everything that it wanted in all key sectors, especially agriculture, energy, auto trade, financial services and investment; whereas thousands of Canadian jobs are threatened and the Conservative Government has not provided for any adjustment assistance for Canadian workers, the undersigned, the petitioners, humbly pray and call upon Parliament to denounce the Government for signing the Mulroney-Reagan trade agreement. Shame!

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, I also have the honour to present a petition pursuant to the Parliamentary Secretary's edict. It is from many Canadians who are stating essentially the same thing.

They state that Canada has given away far more than it has gained. It has given away jurisdiction over energy so that energy developments in the future will be much more difficult to undertake.

Also, they state that there will be areas in the country that will be impacted negatively by this without any support at all for training for workers who are dislocated.

The undersigned petitioners call upon Parliament to denounce the Government for signing this trade deal.

Mr. Rod Murphy (Churchill): Mr. Speaker, I also have the honour to present a petition pursuant to Standing Order 106. The petition is certified correct as to form and content. It was certified on January 25, 1988.

The people who have signed this petition are from all parts of Canada. They explain that they are against what the Prime Minister (Mr. Mulroney) is doing. They believe he has broken his promise in the course of the bilateral trade negotiations. They believe that Canadian sovereignty will be compromised by this act.

I am sure the people who have signed this petition want it presented in the House of Commons and to have it explained as fully as possible. Since the Parliamentary Secretary believes it is important to have their words brought forward to the House of Commons as soon as possible and in as much detail as possible, I think I should read on a bit in terms of some of the information that has been given.

The petitioners believe that the proposed trade agreement would deny Canada the policy freedom to determine its own economic future and undermine our ability to build a society distinct from that of the United States.

They believe that the proposed trade agreement not only denies Canadians secure access to the U.S. market that was the key objective in these negotiations but that it also threatens the loss of hundreds of thousands of Canadian jobs.

They believe that the Government did not have a mandate from the Canadian people to conclude a trade agreement with the United States.

They believe that the trade agreement negotiated by the Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to control effectively foreign ownership, to develop Canadian energy resources in the best interest of Canadians, or to equalize opportunities between the regions.

Therefore, the people who have signed this petition who want it presented to Parliament humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the free trade arrangement during a national general election.

I believe from the date here that most of the people signed the petition on January 14, 1988, and that they do represent a good cross-section of the people of Canada even though they only live in one or two communities.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the privilege and responsibility to table a petition signed by residents of Hamilton, Sarnia, Dundas, Thamesville, Ottawa, Orleans, Onaping Falls, Nepean, Sudbury, South Gillies, Chatham, Dresden, Tilbury, Blenheim, which are all in Ontario, as well as Winnipeg, Manitoba and Regina, Saskatchewan.

The petitioners in signing this petition clearly point out that the Government had no mandate to enter into the sell-out euphemistically known as the Canada-U.S. free trade agreement.

Furthermore, they state that that sell-out, that deal, in fact gave up Canada's sovereignty, that Canada's sovereignty has been compromised by this deal.

The petitioners have also said in signing these petitions that this sell-out would deny Canada the policy freedom to determine its own economic future and would undermine our ability to build a society that is distinct from that of the United States.

As a result of this sell-out the people are calling upon Parliament to dissolve and let the people of Canada decide, let them have the opportunity to accept or reject this proposed sell-out deal between the Prime Minister of Canada (Mr. Mulroney) and Ronald Reagan of the United States.

• (1130)

Mr. Don Boudria (Glengarry—Prescott—Russell): Pursuant to the Parliamentary Secretary's edict, I am proceeding with due dispatch to present a petition today signed by 25 Canadians who are protesting the Canada-U.S. so-called free trade deal of the Prime Minister (Mr. Mulroney). These petitioners are from the Brantford area of the fine Province of Ontario.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I have a petition duly certified. It is interesting to note that it was certified on January 26, 1988. The petitioners signed the petition on December 9, 1987. Obviously it takes some time for these things to work their way through the system.

The petitioners point out that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States. In the course of bilateral trade negotiations, the Prime Minister (Mr. Mulroney) promised that Canadian sovereignty would not be compromised.

The petitioners point out that the trade agreement negotiated by the Prime Minister threatens the very fabric of Canadian political and economic sovereignty. It removes the power of the Canadian Government to effectively control foreign ownership, to develop Canadian energy resources in the best

interests of Canadians, or to equalize opportunities between the regions.

Therefore, the petitioners call upon Parliament to dissolve—if we can only find the solvent—and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

I might say, Mr. Speaker, with the exception of the split infinitive, I agree whole-heartedly with the petition.

DESIGNATION REGARDING NORTHERN TAX ALLOWANCES

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I have the honour and privilege of presenting two petitions. These petitions are freshly minted, recently signed, and newly certified.

The petitioners call upon the Government to redress the inequitable situation which has been allowed to arise in the application of the northern residents tax allowance. This petition is signed by a majority of the adult residents of Nestor Falls, Ontario.

OPPOSITION TO BILL C-33—INDEXATION OF PENSIONS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, the second petition is also of commendable recency. It calls upon the Government to withdraw the provisions of Bill C-33 which would inequitably and unfairly deprive public servants of the indexation that they have for many years been paying for by way of their pension contributions.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, question No. 263 will be answered today.

[*Text*]

PROGRAM FOR OLDER WORKER ADJUSTMENT

Question No. 263—**Ms. Dewar:**

> Are there any negotiations in progress to establish the Program for Older Worker Adjustment (POWA) and, if so (*a*) what stage have they reached (*b*) by what date is this program expected to be in place?

Hon. Pierre H. Cadieux (Minister of Labour): In the 1986 Budget, the federal Government announced its intention to undertake negotiations with the provinces to develop the proposed Program for Older Worker Adjustment (POWA) and allocated $125 million to this new initiative.

Since the Budget announcement of POWA, the federal Government has been involved in continuous and constructive negotiations with all the provinces on the development of the proposed program.

The federal Government is continuing to have fruitful discussions with provincial Governments on how best to proceed with a program to help older workers affected by major lay-offs. Accordingly, the Government will be making an announcement with regard to the program for older workers' adjustment in the near future.

[*Translation*]

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

Mr. Deputy Speaker: The question enumerated by—

The Hon. Member for Ottawa—Vanier (Mr. Gauthier).

Mr. Gauthier: Mr. Speaker, I have a question, No. 209, dated October 15, 1987, which asks the Government for statistics, facts and figures on the National Arts Centre catering department. I think this is a question the Government could have answered within the forty-five days required by our Standing Orders. I may remind the House that Standing Order 64(3)(b) reads as follows:

> A Member may request that the Ministry respond to a specific question within forty-five days by so indicating when filing his or her question.

That is what I did on October 15 last year. This morning, the Parliamentary Secretary looked so pleased in the knowledge that he was being efficient and was answering questions as quickly as possible. Mr. Speaker, could he at least observe the Standing Orders of the House, before snapping his suspenders, and answer questions within the prescribed forty-five days and give me a good reason why the information I asked for in question No. 209 has not been given by the Government? Are they afraid of the answer? Are they afraid of answering serious questions put to them by the Opposition? There are four more questions that date back to September, October and November, which the Parliamentary Secretary has yet to answer, although an answer within forty-five days was required. Can't he at least do the easiest, the basic part of his job which is to observe the Standing Orders and answer questions within forty-five days? He can give us a lecture on parliamentary procedure some other time!

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the answer is ready. We had considerable difficulty with this question. The problem was the question itself, because we had to get in touch with every single Government department for one question.

[*English*]

The difficulty is that we had information from a number of departments of Government very early on following the question. Because of the form of the question, where every department of Government had to be contacted, it has taken some time. There are different record-keeping systems in different departments. It has been more difficult for some

departments than others. If Members have questions that could be dealt with in relation to one department, then I think they would find that our record is better. The more departments involved the more difficulty.

Probably this week the answer will be tabled in the House. I will have to ask for it to be an order for return because it is such a thick answer. It has taken a great deal of time and effort to come up with a response across every government department. Members might wish to do a series of questions, if they are anxious for the information. If Members narrow it down to single departments, they will receive quicker answers. But on something that is so broad and general it does take a great deal of time and effort.

[*Translation*]

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

LOBBYISTS REGISTRATION ACT

MEASURE TO ENACT

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs) moved that Bill C-82, an Act respecting the registration of lobbyists, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, when Bill C-82, an Act respecting the registration of lobbyists, was given first reading in the House of Commons on Tuesday, June 30, 1987, that event represented a benchmark in dealing with a subject that had commanded considerable attention over the years. More particularly, the Right Hon. Prime Minister (Mr. Mulroney), when introducing this Government's major initiative on public sector ethics in September, 1985, undertook to introduce legislation to monitor lobbying as one element of that package.

In order to ensure that the subject of lobbying was given a thorough airing, the previous Minister of Consumer and Corporate Affairs tabled a discussion paper entitled "Lobbying and the Registration of Paid Lobbyists" in December, 1985. This paper was referred to the Standing Committee on Elections, Privileges and Procedure under the chairmanship of the Hon. Member for Peace River (Mr. Cooper).

In due course, that committee made its report available to the House in January, 1987, unanimously endorsing the implementation of a registration system for paid lobbyists.

During debate in the House of Commons in February all Parties again supported the concept of a registration system. I had the privilege of participating and commenting on the committee's excellent work.

The standing committee recorded many of the complexities related to the issue in its report and recommendations. The proposed legislation fully endorses the concepts outlined by the parliamentary committee. I should like to stress that it minimizes the administrative burden on lobbyists and government and provides for fair and reasonable distinctions in treating different types of lobbyists. These distinctions are based on the need to clarify whom lobbyists represent.

"Lobbying" is defined as communicating with a public office holder in an attempt to influence making or amending federal legislation and regulations; developing or changing federal policies or programs; decisions on awarding grants, contributions; and federal appointments to public office. Also included is any attempt by third party paid lobbyists to influence public office holders regarding the awarding of contracts.

• (1140)

The definition of "lobbying" does not include appearances before boards, tribunals, commissions or committees, nor does it include communications with public office holders regarding day-to-day government business or information on government policies and programs.

[*Translation*]

The proposed registration system is based on four principles: transparency, clarity, access and simplicity.

Preference is given to a two-tier system in order to keep administrative procedures for the majority of individuals who deal with public office holders to a minimum.

[*English*]

At the same time it permits public scrutiny of those who approach the federal Government and on whose behalf they do so. Where it is clear who a lobbyist represents, for instance, in an employer-employee relationship, the reporting requirements will be simpler.

A professional lobbyist will report under Tier I. A Tier I lobbyist is anyone who under contract to third parties approaches public office holders, even for the purpose of arranging meetings for clients. Tier I lobbyists will be required to provide their name, firm's name and firm's address, the names and addresses of clients, including details of parent and subsidiary companies where applicable, and, for each client, the particular issues to which the lobbying activities relate. This information will be kept in a registry by the Assistant Deputy Registrar General of Canada. Registration must be done within 10 days of the commencement of any lobbying activity. When clients and/or issues change, an update of the information will be required.

Other lobbyists will be included under Tier II. A Tier II lobbyist includes employees and officers of trade organizations, labour federations, professional associations, boards of trade,

chambers of commerce, businesses, unions, and voluntary, charitable and interest groups which lobby for their employers as a significant part of their duties. Tier II lobbyists will also be required to register with the Assistant Deputy Registrar General.

However, the demands on them are less onerous. Since it is clear to the public office holder just who such lobbyists represent, they must register only their names and the names of the organizations employing them. The information must be updated and certified annually.

[*Translation*]

Mr. Speaker, I would like to draw your attention to the fact that the term lobbyist does not apply to private citizens who communicate with a public office holder on their own behalf, nor does it apply to volunteers who do not receive any remuneration or personal benefit from the agency they represent when lobbying public office holders.

[*English*]

This two tier registration system is based on the well established distinction between the often, perhaps, or possible hidden interests of the clients of third party paid lobbyists, Tier I, and the transparent and well understood interests of corporations, industry associations, public interest groups, and other such organizations whose staff lobby on their behalf, Tier II.

Even among paid employees there are distinctions worthy of recognition. Certain individuals may, on rare occasions, represent the views of their business or association but are not primarily engaged by the employer for the purpose of lobbying. By contrast, many groups and corporations retain full-time individuals on staff who are responsible for liaison with and communicating ideas and concerns to government. While the latter should be required to register as lobbyists, the former can hardly be considered paid lobbyists.

I should conclude by saying a few words about administration. The administrative responsibility for the registry will rest with the Assistant Deputy Registrar General, reporting annually to the Registrar General.

The Assistant Deputy Registrar General will be able to provide advisory interpretations where it may be unclear if a particular activity could be construed as lobbying subject to registration. All information contained in the registry will be available for public scrutiny. There will be no charge to lobbyists to register, and there will be only a nominal cost to cover photocopying and such, for people seeking information from the system.

Once the legislation is passed, it is expected that there will be a transition period before proclamation. This should allow sufficient time for public education and awareness programs, as well as preparation and gazetting of the necessary regulations and form.

Since this is the first time such legislation will have been implemented in Canada, the Registrar General will table a report to Parliament annually so that a review of the system's effectiveness can be undertaken. Provision has been made for a parliamentary review in three years. It is expected that this period will be required to uncover fully any administrative difficulties or questions of scope.

Since Bill C-82 was tabled I have been pleased to note that the proposed system of lobbyist registration received generally favourable comment from those people who will be expected to register. In fact, so enthusiastic were some groups, they attempted to register forthwith. I think that sort of reaction augurs well for a registry of lobbyists under the Lobbyists Registration Act.

Some of those commenting on Bill C-82 have offered pertinent questions and constructive criticism which have led to the identification of certain areas of the Bill that could be clarified. I am grateful for this input and, as a result, I will be making a number of recommendations in committee with a view to improving the Bill at that stage.

The amendments I have in mind are technical changes. The substantive policy of the Lobbyists Registration Act remain intact.

I sincerely hope that Parliament will give swift but considered passage to this legislation.

Some Hon. Members: Hear, hear!

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased today to participate on behalf of my Party in the debate on Bill C-82, an Act respecting the registration of lobbyists.

The idea of registering lobbyists is not a novel one. It is not a new one and, of course, it is not something invented by the present Government. Indeed, the United States of America has had lobbying legislation since 1946. In the United States, Table III of the Legislative Reorganization Act, 1946 is entitled "The Registration of Lobbying Act", which of course has essentially been the legislation governing the registration of lobbyists in the U.S.A. Several states of the union also have Bills governing the registration of lobbyists. For example, the State of California has quite stringent rules. As a matter of fact, they were so stringent that we in the parliamentary committee felt that they were too onerous and too costly to operate, notwithstanding the fact that they afforded a considerable amount of transparency.

In Canada the first Bill to register lobbyists was proposed in the House in 1969 by then Member of Parliament, Mr. Barry Mather. On February 26, 1969, Mr. Mather tabled the Bill. He was a member of the New Democratic Party at that time, or was it still the CCF? I am not sure; it was before my day.

Mr. Rodriguez: The NDP.

Mr. Manly: He goes back to both.

Mr. Boudria: He goes back to both, so I am told. In any case, he tabled that Bill in February, 1969. In October, 1969, at a different session of Parliament, Mr. Mather proposed a second Bill. A third, fourth, fifth, and sixth Bill were proposed by the same Member of Parliament.

In 1974, Ken Robinson, a very distinguished Member of Parliament, proposed a Bill to register lobbyists. Later in 1974, Mr. John Reynolds, a Member of Parliament from British Columbia, proposed a similar Bill in the House.

In 1976, the late, great Hon. Walter Baker from the riding of Nepean—Carleton proposed his Bill in the House of Commons. Mr. Baker, as we all know, proposed a number of such Bills and initiated considerable debate in the House on the issue of the registration of lobbyists.

• (1150)

A number of others were proposed in this House in 1976, 1977, 1978, 1979 and 1980. Finally in 1985 two Bills were proposed, one by the Hon. Member for Nickel Belt (Mr. Rodriguez) and one by the former Member for St. John's East, the Hon. James McGrath. Those Bills were basically all the same. In one form or other they would require that paid lobbyists be registered in Canada.

Apart from those legislative initiatives from opposition Members, I think it is important to bring to the attention of the House why we got into this business of talking about registering paid lobbyists. It is not because one Member of the Opposition introduced a private Members' Bill or anything like that.

After the election of 1984, some Canadians decided that they would get into the business of lobbying the Government, which is not abnormal in itself. Lobbying is a profession and it has existed for some time. However, these new people in Ottawa, because there was a new Government, decided to approach the issue of lobbying in a rather different way than had been the case in the past. They decided that they would be higher profile and that they would somehow bend the rules a trifle or bend the practice at least, if not the rules—because, of course there were no rules—in order to get their message across and attract publicity and to be what they considered effective lobbyists. I have a series of newspaper clippings. I just want to read to you, Mr. Speaker, the headlines of some of them:

'Political consultants' clad in Liberal red get left out in the cold.

Lobbyists say Moores won't play by rules.

That article was from *The Gazette* for July 20, 1985. On July 22, 1985 we find:

Ex-premier still controversial and private-sector incarnation.

This particular article is about one Frank Moores. Another article is headed:

Moores says consulting business is fun.

It sounds like a lot of fun, Mr. Speaker. Here is another headline:

Regulate lobbyists Moores urges.

Now we have this particular lobbyist saying that he would be in favour of a Bill registering lobbyists in Canada.

I want to read a portion of an article by Linda Diebel of *The Gazette* which reads:

Frank Moores, the former Conservative premier of Newfoundland, called yesterday for government regulation of the political lobbying business.

But he denied any conflict of interest in his own Ottawa lobbying.

"This work is my means of earning a livelihood . . . it is my profession and one of which I am proud,"

Moores said in a four page statement in response to a report in Saturday's *Gazette*.

The Gazette said two lobbying firms owned by Moores—recently appointed a director of Air Canada—act as consultants for two of the national airline's competitors.

Officials at Montreal-based Nordair Inc. and Wardair Ltd. of Edmonton confirmed that they have consulting agreements with Moores's companies, Government Consultants International Inc. (GCI) and Alta Nova Associates Inc.

Right from the beginning, this particular lobbyist was attracting considerable attention here in Ottawa because of his unusual ways in which he went about doing his business, to say the least.

On July 23, 1985, *The Gazette* had an editorial which was entitled:

Questions about Mr. Moores.

It reads in part:

If Prime Minister Mulroney is to regain credibility as a foe of patronage sleaze as he portrayed himself only a year ago in his first election debate, he will have to deal swiftly and convincingly with the matter of Frank Moores.

This editorial very clearly questioned the activity of that particular lobbyist.

I have another article by Canadian Press printed in *The Ottawa Citizen* for July 23, 1985 entitled:

Moores denies Air Canada conflict.

On August 24, 1985, again *The Gazette* had an editorial entitled:

Who pays the pipers?

It reads:

Brian Mulroney's latest promise to raise standards of political morality in Ottawa are essentially those he made in his successful election campaign, but has not kept in his first year as prime minister.

Nevertheless, they are good promises and the additional pledge of a law to govern the registration and conduct of foreign and Canadian lobbyists in the Canadian capital gives reason to hope the prime minister is finally ready to translate his words into action.

Notice the date on that article, Mr. Speaker, it is August 24, 1985 and the Prime Minister was ready at that particular point to have a law governing lobbying activities. The article

continues about the activities of a certain lobbyist by the name of Frank Moores.

I have another article dated March 8, 1986 which is entitled:

> Tory wary of contender tied to lobbyist Moores.

This is a Canadian Press article which reads:

> A candidate for president of the Conservative party's youth wing is a lobbyist in Ottawa associated with former Newfoundland premier Frank Moores and could have conflicting interests if elected, a senior member of the Tory youth branch says.
>
> Tory activist Alan Riddell said that Eric Dorion, 25, is seeking to represent the young Conservatives whose views could clash with the interests of his clients.
>
> The election for president will be held at a Party convention that begins Thursday in Montreal.

The article goes on to describe again the activities of this particular lobbying firm.

I could go on for several more minutes reading excerpts from various newspaper articles, columns and editorials concerning the issue of paid lobbyists and the controversy around some individuals involved in that profession. However, I want to move on to a promise which the Prime Minister made in this House.

[*Translation*]

Mr. Speaker, you will recall that on September 9, 1985, the Prime Minister (Mr. Mulroney) rose in the House of Commons to make a short statement to the effect that Parliament would have a new code of public sector ethics.

One of the components of the code tabled here in the House on September 9, 1985, was the following and I want to quote Section 5 of the new document on public sector ethics tabled in the House on September 9, 1985, which reads as follows:

> Lobbying legislation. The fifth component of this comprehensive approach to public sector ethics is the undertaking of this Government to introduce into the House of Commons, at an early date, legislation to monitor lobbying activity and to control the lobbying process by providing a reliable and accurate source of information on the activities of lobbyists.

Listen carefully, Mr. Speaker!

> We will require, among other things, paid lobbyists to register and identify their clients. This will enable persons who are approached by unions, and by agents on behalf of foreign governments and other foreign interests, to be clearly aware of who is behind the representation.
>
> I have accordingly asked my colleague, the Minister of Consumer and Corporate Affairs, to prepare, on an urgent basis, legislation to govern lobbying activity.

Mr. Speaker, you may have noticed that on September 9, 1985, the Prime Minister said: "On an urgent basis". It was an urgent and important document, and according to the Prime Minister, the Government had to take immediate action.

I would now like to go on with the Prime Minister's statement, and I quote:

> This initiative should not be misinterpreted to mean that this Government is aware of particular improprieties in the conduct of lobbyists or that it considers lobbying to be an inappropriate activity. On the contrary, the practice of lobbying plays an important role in ensuring that governments, in taking the decisions which affect the lives of all of us, are able to take properly into account the multitude of diverse interests involved. This Government is simply saying that something so important should not be shrouded in mystery.

That was the statement the Prime Minister made on September 9, 1985.

What has happened since then? First of all, we have already established that the Government considered the registration of lobbyists to be an urgent matter. Several months later, on December 19, 1985, when Members were still waiting for the Bill on the registration of lobbyists promised by the Prime Minister, on that day, instead of a Bill, a discussion paper entitled: "Lobbying and registration of paid lobbyists" was tabled in the House.

So no Bill on December 19. Instead of a Bill, we were given a discussion paper that was several pages long, plus copies of Bills that had already been tabled in the House, other copies of legislation tabled in the United States, and a paper, in which the author wondered whether Canada really needed a Bill on lobbyists, which identified a number of alternatives, which were either to do nothing at all, ask lobbyists to register themselves, or have the Government legislate their registration. So still no Bill on December 1985.

And then, Mr. Speaker, the discussion paper was shelved for nearly five months. On April 1986, following various scandals and precarious situations to which the Conservative Government had been exposed, the Government decided to order the Standing Committee on Elections, Privileges and Procedure to study the registration of lobbyists.

• (1200)

[*English*]

The committee was charged in April of 1986 with studying the possibility of registering lobbyists, using as background the discussion paper proposed by the Government some months prior.

The committee, under the able chairmanship of the Hon. Member for Peace River (Mr. Cooper) and having as its members the Hon. Member for Nickel Belt (Mr. Rodriguez), the Hon. Member for Okanagan—Similkameen (Mr. King), the Hon. Member for Prince George—Bulkley Valley (Mr. McCuish), myself and a few other members who changed around every now and then, started a series of hearings on this issue.

We then went to Washington and to Sacramento, California, to see what kind of legislation they had there. Indeed, we discovered that registering lobbyists was not impossible or pie in the sky, it was a logical thing to do for a Parliament that wanted to have some transparency when knowing who was doing what to whom and at what cost.

Many of the government members who were with us on the trip to Washington and Sacramento were not initially of the opinion that the registration of lobbyists was desirable or even feasible, but after going to Washington some government

members noticed that that great bastion of free enterprise, the United States of America, indeed had a system for registering lobbyists and that this system did not require thousands or even hundreds of civil servants to administer it. The United States Congress deals with some 8,000 lobbyists and the total staff assigned to registering lobbyists and access to that register is composed of some eight people. It is not beyond the reach of this House of Commons to install a system to register lobbyists in Canada.

How many lobbyists are there in Canada? It is difficult to say, because at this time they are not registered. All things being equal, given that there are some 8,000 registered lobbyists in the United States and given that Canada's population is one-tenth of that of the United States, I think it would be fair to say that there are probably 1,000 or so lobbyists in Canada.

The committee did its work, but unfortunately could not complete its agenda before the summer recess of 1986. Hon. Members will recall that in early September of 1986, the Prime Minister (Mr. Mulroney) wanted to wipe the slate clean and start afresh so he prorogued Parliament and started off with a new Session. The result of that, of course, was that all our committee work theoretically vanished into thin air because the House had been prorogued. However, the Government did reactivate the committee by a motion of the House on November 19, 1986, and the committee got back to work to finish what it had started.

I must say that at the stage the committee was at in November of 1986, there were still a number of differing views held by members of the committee, but everyone compromised a little and we were able to present a report to the House of Commons on January 27, 1987, not simply a majority report or a report proposed by government members but, indeed, a unanimous report recommending the registering of lobbyists in Canada. I have a copy of that report here and I would like to share very briefly some of its contents with Hon. Members.

First, our committee recommended that we adopt a system of registering paid lobbyists in Canada. We recommended further that lobbying be defined and that such definition should be stated as attempting to influence directly or indirectly governmental decisions, whether they be legislative or administrative.

We recommended that the act of lobbying Government be defined to include attempts to influence the making or amending of legislation or regulations, attempting to influence the making or changing of federal policies or programs, attempting to influence federal decisions on the awarding of grants, contracts, contributions or any other similar benefits and attempting to influence federal appointments to boards, commissions and any other public office.

We further recommended that in order to escape the problems which have plagued the United States federal lobbying Act, approaches to influence the executive Members of Parliament including both Members of the House of Commons and of the Senate and their staffs and the bureaucracy be considered to be activities within the definition of lobbying. The United States legislation is quite old. It was to have been amended at one particular point in the early 1980s, but I believe the Bill died at the conference stage. Unfortunately, that legislation is deficient because in the United States one is not a lobbyist unless one approaches a Member of Congress. The difficulty with that is that Members of Congress are probably very busy, as are Members of Parliament, and sometimes a lobbyist will meet with an executive assistant, a chief of staff or the number two person in the Congressman's office. That, of course, under American law as I understand it, is not considered to be lobbying.

We do not want that kind of deficiency in our legislation. The committee felt that if we are to register lobbyists, the registration should be done in such a way as to include everyone who lobbies the Government for a fee.

• (1210)

Our committee felt we should register only paid lobbyists. If you asked everyone else who lobbies to register, a case could be made that you were impinging upon the democratic rights of Canadians who wish to communicate with their Member of Parliament or Senator. After all, every Canadian lobbies in one way or other when they contact their Member of Parliament to express their view on an issue and to ask that Member to vote one way or other on any given Bill.

Our committee did not want to stop people communicating with their Members of Parliament or Senator from their provinces. Therefore, we felt restricting it to paid lobbyists was a fair compromise. We knew there would probably be some individual who would want to register but could not if they are not paid. However, it was a good a saw-off point at which to determine who was and who was not a lobbyist.

We have been talking briefly about the report presented to Parliament by the Standing Committee on Elections, Privileges and Procedure of January 20, 1987. Time again flew by and it was only on June 30, 1987 that the Government presented Bill C-82 in this House. On September 9, 1985, the Prime Minister said in this House that he would ask his Minister of Consumer and Corporate Affairs (Mr. Andre) to present the Bill forthwith. One can hardly describe June 30, 1987, as being forthwith. You would think that a Bill which enjoys the support of all Parties would have been proceeded with immediately at second reading stage. Not so. It took eight and a half months before the debate started. This is now March 8, 1988, and we are discussing a Bill promised on an urgent basis on September 9, 1985.

We have talked about the history of the Bill. Perhaps we should briefly discuss what it contains. Again, I want all Members of Parliament to understand that in my opinion this Bill does merit our support.

First, it would register lobbyists in such a way that we will have two tiers of lobbying activity. The Tier I lobbyist that the

Minister referred to will be a lobbyist on contract to a client; in other words, a consultant type of person such as Mr. Moores. I use his name because I have discussed him earlier, but there are of course many others who do the same kind of work.

This would also include a member of any profession when engaged in lobbying for pay. In other words, if a lawyer decides he wants to do some lobbying, he would have to register. If an engineer says, "I am not really a lobbyist, I am an engineer who does lobbying", that is not good enough. If he is an engineer, lawyer or doctor who does lobbying, he is a lobbyist as far as the Minister's Bill is concerned and I agree with that.

The registry for those people will have information in some detail. However, some detail will be missing. In my opinion, if we required that fees paid to lobbyists be registered as well as their expenses, the Bill would be better. However, perhaps three years from now, when we have a review of the legislation and we see that registering a lobbyist is not that onerous, we could then add that second component. I wish we would do it right now, but in keeping with the unanimous support of this legislation I am prepared to go along with a scheme that will not require registration of fees initially. Reluctantly, I might add, but nevertheless I will go along.

There will also be Tier II lobbyists. They are people who are sometimes the vice-president of communications working for a large corporate entity. In other words, in-house lobbyists. Unions have such people, as do trade organizations, business organizations, voluntary groups and others. They are in-house people who do nothing else but liaise with Government. Perhaps I should reword that and say they work at liaising with Government for a considerable portion of their time. The registry in that case will have very limited information and will not have the same requirements as those for Tier I lobbyists.

The Bill asks that the Assistant Deputy Registrar General be charged with administration of this Act. That is consistent with our committee's recommendation. However, since then we have seen a new initiative proposed by the Prime Minister with respect to conflict of interest. He is suggesting that an officer of this House be appointed as the ethics commissioner or something like that. In my view, the registration of lobbyists should be given to that commissioner, an officer of Parliament, as opposed to a civil servant.

The reason our committee did not recommend that is twofold. First, we did not have the ethics commissioner at the time. Second, we did not want to create a new position in order to register lobbyists. If we are now going to create that new position anyway, then in my opinion we should give the ethics commissioner other things to do besides registering conflict of interest regulations. We should ask that that officer be appointed by Parliament to look after the registration of lobbyists as well.

As I said previously, the Bill has a few weaknesses. It will not deal with fees. In other words, we will not know whether a consultant is, well, shall I say, buying a parliamentarian or a civil servant an expensive dinner at some real fancy place. Perhaps there is nothing wrong with that, but the public has a right to know who is doing what for whom and how much is being spent doing it.

The Bill also does not prohibit contingency fees. In my opinion that is a major weakness. Right now a lobbyist could go to an individual and say, "Mr. fisherman, if you want to get your fishing licence I will charge you $1,000 for my fee. However, if I am successful, you owe me another $10,000". A lobbyist could do that right now because there are no rules, but even under this Bill contingency fees could be charged. I do not think that is appropriate. In most provincial jurisdictions in Canada contingency fees by lawyers are not permitted. I do not think they should be permitted by lobbyists either.

• (1220)

The Bill does not require that there be a record of official contacts, so that we do not know who was being lobbied. For instance, when a budgetary document of the Government reveals that certain tax concessions have been given to a certain group, no one can go back to the registry to determine who was lobbied in order to effect that particular change. That is a weakness in the Bill.

Another weakness is that the Bill contains no provision to stop someone from registering after having been fined or jailed for making a false statement. Parliament would have no recourse to stop someone who has deliberately flaunted the law proposed by Parliament from registering in the future. The Bill should contain a provision which states that anyone who has committed a certain contravention of the legislation may not register for a certain period of time. It would be similar to disbarring someone who has proven he or she cannot live by the rules.

Some lobbyists stated publicly after the Bill was presented that they do not intend to register. In my opinion, simply allowing such people to register once they decide to do so does not provide enough incentive for people to observe the rules.

The Bill does not include the registration of mass mailings and publicity campaigns. While our committee considered this question and believed such registration would be advisable, it is rather difficult to identify how one would go about doing that. Needless to say, we feel there is a shortcoming in the Bill in this area but we are not sure how to address it.

There are no provisions in the Bill to create an agency to police the legislation in question. It seems little can be done to ensure compliance with the registration of lobbyists legislation. Presumably a person could be fined on summary conviction, but there is no means of policing in the legislation.

These deficiencies are not enough to prevent me from supporting this Bill. I do not want to unduly delay its passage at second reading, but a number of important points had to be made. I am sure that a Bill such as this, which so directly affects the parliamentary privileges of Members, will require

further debate. However, I ask my colleagues on all sides of the House to support this Bill and allow it to go to a parliamentary committee.

I have stated previously that the Bill should be dealt with by a standing committee of the House as opposed to a legislative committee. The Government now agrees with that opinion as well, but the difficulty is that the Standing Committee on Elections, Privileges and Procedure which dealt with this Bill in the past has changed its membership considerably. Since the Members who have expertise in the Bill are no longer members of that committee, I would ask that the Government consider striking a legislative committee.

Perhaps I am speaking out of turn on this particular topic, but I hope the Government asks the Hon. Member for Peace River to be chairman of that committee because he did a very good job as chairman of the Committee on Elections, Privileges and Procedure.

The Member for Peace River is very knowledgeable in the area of registration of lobbyists. He is also very adept at obtaining a consensus when probably no one else could. I did not believe he could get us on the same side of the issue but somehow managed to do so. I give him credit for that and hope the Government will consider my suggestion.

I hope to have the opportunity to participate on that committee, as well as the Member for Nickel Belt, because I believe that we put forward good suggestions to the House. The fact that the Government adopted a large number of the unanimous recommendations that we proposed in our report is proof that we had some valuable recommendations.

I am pleased that the Minister is finally proceeding with the Bill even though it is much too late. This was a promise the Prime Minister made in the summer of 1985 and reiterated on the floor of the House on September 9, 1985. Nevertheless, it is better late than never and I will be glad when the law is finally in place.

I will be anxiously waiting to see whether or not lobbyists will adhere to these new rules, as I hope and trust the majority of them will. Parliament will be a better place when there is legislation governing lobbyists and we know what kind of lobbying activity is taking place.

Lobbying is an honourable profession. However, transparency is required and should be achieved in some measure with this Bill. Hopefully, three years after its passage transparency will be augmented. In the meantime, let us support this legislation.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, we have certainly waited a long time for Bill C-82, which is better known in consulting circles as the Frank Moores bill. In fact, our Party, those on this side of the House, have no problem with the principle of Bill C-82, which is that lobbyists—those who are engaged for pay in persuading, influencing, making representations to elected politicians, the bureaucracy and their staffs—be registered. We support the principle of the Bill.

In fact, others have promoted that principle, including the Prime Minister (Mr. Mulroney) on August 12, 1984 when campaigning in Kingston, Ontario. He spoke on the question of open Government, saying, "If the Canadian people see fit to give us their trust, we will always give them ours. That means an end to the obsession with secrecy". In another part of the same speech, the man who is now Prime Minister said, "The present Government believes you have only limited rights to know. Conservatives believe you have every right to know". That was pre-September 4, 1984.

• (1230)

The Prime Minister came to power and we do not know what happened to the whole business of the right to know. Somehow it went into recession. It receded into the darkest parts of the Prime Minister's mind. It was completely forgotten, only to be dredged up like some Loch Ness monster from the bottom of the lake, by one Gerry Doucet, Gary Ouellet and Frank Moores, who established themselves as GCI, Government Consultants International. All of this came to light and focused the Prime Minister's mind on what he had said about openness in those pre-September 4 days in Kingston.

It is not a question that Government Ministers do not understand what is involved. The Minister of Energy, Mines and Resources (Mr. Masse) said that lobbying threatens Parties and that the danger inherent in lobbying is that it gives disproportionate weight to the opinions of the rich and powerful. "How do you explain that in the United States barely half the electorate exercises its right to vote?", the Minister asked.

The Prime Minister before he was elected recognized that the Government should be open and transparent, that it must not only be open and transparent, it must be seen to be open and transparent. But all of this knowledge receded to the back of his mind.

On September 9, 1985, the Prime Minister sent an open letter to Members of Parliament and Senators. He began by saying that it is a great principle of public administration, I could even say an imperative, that to function effectively, the Government and the Public Service of a democracy must have the trust and confidence of the public they serve. In order to reinforce that trust, the Government must be able to provide competent management and, above all, to be guided by the highest standards of conduct.

No one in this House would have refuted or argued with that. He outlined five steps in achieving that goal. Number 5 is entitled "Lobbying Legislation", about which the Prime Minister in his letter to his colleagues said the fifth component of this comprehensive approach to public sector ethics is the undertaking of the Government to introduce into the House of Commons at an early date legislation to monitor lobbying activity and to control the lobbying process by providing a

reliable and accurate source of information on the activities of lobbyists. He said that we will require, among other things, paid lobbyists to register and identify their clients.

This will enable persons who are approached by lobbyists for Canadian corporations, associations and unions, and by agents on behalf of foreign governments and other foreign interests, to be clearly aware of who is behind the representation.

No one would quarrel with that. That was on September 9, 1985. We all know that a lot of water has passed under the bridge since then. We had "Frankie baby", the Tory Member of Parliament, the former Premier of Newfoundland, joining GCI and for $2,000 got Mr. U. Snarby his appointment with the then Minister of Fisheries and Oceans so he could get a fishing licence.

We had the spectacle of Mr. Frank Moores sitting on the Board of Directors of Air Canada, appointed by the Prime Minister, and he is lobbying for other airline companies, Wardair and Nordair. He is also representing foreign airline companies, foreign manufacturers of airlines, with Air Canada for Air Canada's purchase of their equipment. That is what was happening.

We now have the spectacle of Mr. Bill Neville who has now formed his own consultant "lobbyist" business. These are the euphemisms we have to learn around here. Any time we see a card which says "GCI Consultants or Susan Murray Consultants", bells start to ring—read "lobbyist" for "consultants". We all know that Billy the kid Neville was close to the Prime Minister and we hear of the role he is playing with respect to Bill C-51 with the tobacco companies.

We know that the Tories have no lock on to this business of an easy movement from Government benches to the lobbyists' benches. The Tories have no monopoly on that. We all know the Liberals did it for years. There were the Sky Shop scandals, with lobbying in the other place for the Sky Shop monopolies at airports. Recently the former Member for Nickel Belt moved very cosily across to the Pharmaceutical Association, representing the multinational pharmaceutical companies for $100,000 a year. She is representing their interests, lobbying with former colleagues and with Ministers. Of course, she took that contract away from GCI, because the pharmaceutical companies had previously hired GCI to do the lobbying on Bill C-22.

We have the spectacle of the former Minister of Defence, the former Member for Nipissing, who is now a lobbyist for the French firm which is trying to sell nuclear submarines to the Tory Government. We have seen the spectacle of Francis Fox, the former Member of the Liberal Cabinet, becoming part of the Frank Moores gang. This is what goes on.

The people of Canada have a right to know who is doing what to whom, when, and for how much. They have a right to know that. If it is happening to them, they ought to at least know who is doing it. It ought to be open and above board.

Certainly a democratic system has more legitimacy when it is open and transparent to the public and when it gives equal access to Canadians. That is really what motivates the desire to register lobbyists.

• (1240)

We have other pieces of legislation which provide the public with information. For example, we have the access to information legislation which is a desire to provide Canadians with information about Government. There is also the Election Expenses Act, under which legislation we may be provided with information respecting who contributes how much to each of the political Parties. The legislation before us is the completion of that system of open and transparent Government.

Abraham Ribicoff, a former Senator of the United States, said the following with respect to registering lobbyists and the role and function which they play. I do not think anyone in the House could say it better than he said it. I want to put his words on the record because they are as true now as they were then. He said:

> To protect the democratic process itself and assure public confidence in it, the lobbyist must work in the open. His work must not be cloaked in secrecy. Secrecy inevitably spreads public suspicion. Secrecy helps disguise the voice of a single special interest as the voice of the general public. The stream of letters or mailgrams we all receive may be a spontaneous reflection of the public view, or it may only represent a secretly generated campaign by just one special interest. Congress and the public have a right to know which it is.

I would say that Parliament and Canadians also have a right to know which it is.

We have no difficulties with the principles behind this Bill, none whatsoever. We support the principles behind Bill C-82. We know that scandals and lobbying are not unknown in Canadian history. We are all well aware of that. In this respect we can go back to the Pacific scandal. We can go right back to John A. Macdonald. We can go back through all of the First World War and all the scandals that had to do with the rich and the powerful getting their way. We know that oftentimes the Income Tax Act is drafted in the way in which it is because of lobbying activities by the rich and the powerful.

However, in 1988 we can no longer treat this reality by turning a blind eye to it, as we did in previous years. The time has come to register lobbyists. It is time for lobbyists to come out of the lake. It is time for them to surface. They need air and they must surface. This Bill will go some way to achieving that end.

What does this Bill provide? It provides for the registering of lobbyists basically in two tiers or two levels. This was not the recommendation of the standing committee. The standing committee recommended that all paid lobbyists be registered. We did not simplify lobbyists into two tiers. The Bill before us does that. Lobbyists in the first tier will be those who, like the Frank Moores operation, represent clients directly.

What will lobbyists in the first tier have to divulge? They will have to divulge their name and address, the name and address of the company for which they are doing work, and the particular issue on which they are lobbying. They will not be required to divulge how much they are spending on the lobbying operation. That is the first shortcoming of the Bill.

I say to the Minister that that is an important piece of information that Canadians must know. It indicates the seriousness of this issue to the people involved. If considerable amounts of money are being spent by lobbyists with respect to Bill C-22, then it is a signal to the public of Canada that it is an important issue. The bells should go off in our heads. That is important.

Until Bill C-22 was tabled we did not know all the shenanigans that were going on behind the scenes. Nobody was talking. Even Frank Moores was close-mouthed on this one. They were all close-mouthed in spite of the fact that Gary Ouellet is a first-class magician. He has written 14 books. Did you know that, Mr. Speaker? He has written 14 books on magic. That guy is a lobbyist. This lobbyist has a coat with 14 pockets. It is not multi-coloured but it does have 14 pockets. One can imagine the tricks that one can play with such a coat, especially when one is visiting Parliament Hill. It ought to be required of all lobbyists that they be some sort of amateur magicians. This guy is an expert on the matter. I will come to him later because he is quite interesting.

Do you think that I am joking about the aggressiveness and the extent to which these lobbyists will go, Mr. Speaker? Last May the Deputy Prime Minister (Mr. Mazankowski) was invited down to Nova Scotia to receive an honorary doctorate degree. This example illustrates the resourcefulness of a good lobbyist. What did Gary Ouellet do? The minute he recognized that the Minister was going down he phoned up a couple who lived down there and asked them if he could use their big house. This couple did not know the Deputy Prime Minister. This guy Ouellet laid on the lobster. He laid on the champagne. He had painters' caps with the words "Doctor Maz" printed on them. He brought in special buddies of the Deputy Prime Minister. The guy who owns the house served the champagne. They ate the lobster. Word has it that the Tories in the local ridings were very upset because they were not invited to the party. The lobbying firm which threw the party is the same firm that represents transport companies and other companies which do business with the Government.

Mr. Andre: There is evil everywhere!

Mr. Rodriguez: We all know about the lobbying that went on around Bill C-22. I want to tell the Minister of Consumer and Corporate Affairs (Mr. Andre) that it was a neat little trick he turned when he got all the lobbyists to pressure the Government and to use their influence with it.

If we look at the lobbyists who are floating around such as Bill Neville, Gerry Doucet, and Gary Ouellet, one will see that they are all involved with consulting firms known as lobbyists. They all have their inner connections to Cabinet. They have brothers working in the Prime Minister's office. They themselves may have worked there. Some of them helped the Prime Minister become Prime Minister.

What do you expect Canadians to think, Mr. Speaker, when they see a wheel within a wheel? There is a dark empire, and not registering lobbyists and getting full disclosure encourages and reinforces in the minds of many Canadians, and I tell the Minister this, that something is rotten in the state of Denmark. Every time a contract is let the question would be there at the back of the mind. The only way that can be dealt with, Mr. Minister, is by full disclosure. The system has to be transparent.

• (1250)

Mr. Andre: Every contract is fully disclosed, as the Hon. Member knows.

Mr. Rodriguez: We want to know who are the lobbyists approaching civil servants and governments. That is the important part of this legislation. It is extremely important that we should have the information of how much is spent on the lobbying activity for that particular issue that they are lobbying on.

The other thing that we do not like about this Bill is that it sets up a Tier II. That Tier II is for those who are in the employ of a company. For example, INCO has one of its vice-presidents designated as the government relations officer. In other words, he is a consultant. He is a lobbyist on staff. He comes up to the Hill or goes to the bureaucrats to make representations. All he has to declare is his name, address, the name of his company, and its address. He does not have to identify the specific issue.

The same thing applies to associations. The Pharmaceutical Association, for which the former Member for Nickel Belt is now the lobbyist, does not have to declare the particular issue on which it is lobbying. Again, they do not have to disclose the specific issue and the amount of money being spent on that particular issue on which they are lobbying.

The other problem that I have with the Bill, and I speak directly to the Minister, is that it does not register indirect lobbying. In our offices, many of us receive considerable numbers of letters. Most of those letters are worded exactly the same. Who has organized that lobby? Who is spending a considerable amount of bucks in that particular effort? The public wants to know, and we want to know who is behind it. The United States recognized the danger to its open and democratic system, and so it has required registering of indirect lobbying such as I have described.

The other problem with the Bill, which is the one that Frankie baby and the boys at GCI are all on to, and one of the big differences, apart from Gerry Doucet, between GCI and the other consultants, is contingency fees. In other words they have introduced into the waters a white shark. For a fishing

licence, 2,000 bucks; access to this Minister, 3,000 bucks; I do this for you, then you pay me. There is a contingency fee now rather than a contract fee. Now the sharks have to be more aggressive. The danger here is that anything goes. To get the fee one has to deliver the contingent. If access to the Minister is not delivered, one does not get paid. Hence one does all sorts of things, like kiss the Minister's toes, his ankles, his knees, and I will stop right there, Mr. Speaker. That is when out comes the lobster, the wine, the champagne, and the painter hats with "Dr. Maz". It leads to and breeds that type of response. They become more aggressive because there is no prohibition against contingency fees in the Bill, none. I see that as a detriment to the Bill, and I would want to correct it.

The other thing that is not in the Bill, and which the standing committee recommended, was that the ADRG—the Assistant Deputy Registrar General—ought to be given some powers to verify information. With respect to verification, this Bill is a toothless rabbit. It has no ability to verify. It has no ability to check out information which has been put on the registry. It has no ability to investigate whether the information that is on the registry is in fact accurate.

It seems to me that this failing in the Bill is detrimental to the Bill. Someone can blow the whistle all he or she wants. Can you see it now, Mr. Speaker, the Member for Gander—Twillingate (Mr. Baker) can blow the whistle, go to the ARDG and say, "I know so and so is not registered and he is lobbying". The ARDG says, "So". I know that the Member would insist that something be done, as any Member would, but the ARDG says, "I have no power to do that. I can't do that". So who, in effect, brings action against the offenders of the Act? Who will do that? Who does that? That is a glaring shortcoming in the Bill. I have some difficulties with that, and I think it should be there.

I do not believe that there should be two tiers in the Bill. As the standing committee recommended, I think that there should be one tier. Everyone who for a fee tries to influence, or makes representation to, should register as a lobbyist. In fact, if I may be so bold as to define lobbyists as stated in my Private Member's Bill which was introduced in the House on February 19, 1987, it is:

> "lobbyist" means any person who, for payment, attempts to influence, directly or indirectly,
>
> (a) the introduction, passage, defeat or amendment of any legislation before either House of Parliament, or
>
> (b) a decision to be taken on any matter coming within the administrative jurisdiction of a Minister of the Crown, whether or not that matter has come or is likely to come before either House of Parliament for legislative action;

It seems to me that that is the definition of a lobbyist. One cannot dilute that definition by setting up Tier I and Tier II. In fact, it is very important that in respect of any lobbyist who comes to the Hill and approaches a Member of Parliament, or a member of the bureaucracy, or a staff member, the public has a right to know what is the issue that that person is after.

For example, in the case of INCO, people in the Sudbury basin were interested to know exactly why the vice-president responsible for government relations was approaching their Member of Parliament. What was the issue that the vice-president was trying to lobby the Member for Sudbury (Mr. Frith) about? Was it to get a break in the levels of SO2 emissions coming out of the stack? Was it from Falconbridge to get a permit to continue shipping out raw nickel to Norway for refining?

I see it is one o'clock, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. Member will have 10 minutes remaining in his speech after Question Period.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

RULING AGAINST REGULATION PROHIBITING UNPROCESSED FISH EXPORTS

Mr. George Henderson (Egmont): Mr. Speaker, the House will recall that the Prime Minister (Mr. Mulroney) declared that a free trade deal with the United States would create hundreds of thousands of new jobs. When Canadians refused to buy that line, the Prime Minister stated that a free trade deal would protect existing jobs from increasing trade protectionism in the United States.

This is simply not true. Ask the thousands of workers in the British Columbia fishing industry whose jobs are at risk because of the desperate efforts of the federal Government to get a trade deal with the Americans.

Last November the Americans won a decision before the GATT panel against B.C. regulations which prohibit the export of unprocessed fish. Since then the federal Government has done nothing to protect the thousands of jobs that would be lost if the ruling is approved by the full GATT Council. This would have a devastating impact on coastal communities which depend on the fishery.

Last Friday plant workers held work stoppages to protest the federal Government's bungling. This week a delegation of workers is here in Ottawa to express their concerns firsthand.

On behalf of my colleagues in the Liberal Party, I urge the Conservative Cabinet to get its act together and protect those jobs. Anything less is absolutely unacceptable.

S. O. 21

CELEBRATION '88

DEMONSTRATION OF THE OLYMPIC SPIRIT

Mr. W. C. Scott (Victoria—Haliburton): Mr. Speaker, thanks to the federal Government's Celebration '88 program, all Canadians had a chance to participate in the festivities which were part of the Calgary Olympics.

By virtue of the very hard work of hundreds of volunteers on Celebration '88 award selection committees all across Victoria—Haliburton, 15 communities submitted nominations for awards. It was my distinct pleasure to present medals and certificates at 18 different ceremonies to the most deserving citizens who demonstrated the Olympic spirit in their daily lives.

Even at the Olympic Games in Calgary, I did not see any function at which the pride in our nationhood shone through more brightly than on the faces of thousands of my constituents who came out to support the Olympics through Celebration '88.

On behalf of my constituents and many others who participated in Celebration '88 events, I commend the Government on a job well done.

In the same spirit of pride and accomplishment, I ask all my colleagues, on behalf of Canadians across the country, to welcome appreciatively a number of our finest Olympic athletes when they are introduced to the House in a very few minutes. Let's show them how we feel.

* * *

INTERNATIONAL WOMEN'S DAY

TRIBUTE TO OUTSTANDING WOMEN

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, today is a wonderful day of celebration for women around the world. For many decades women have made March 8 their day, that is, International Women's Day, a time to pay respect to the struggles of the past and to seek strength for the work ahead. It is particularly inspiring to remember our foremothers who made today's celebrations possible.

[*Translation*]

More especially I have in mind our native sisters who have shown great courage throughout history. Then there are the first immigrant women from Europe and those who are arriving today, quite prepared to begin a new life in Canada.

[*English*]

Women have made very positive contributions to world history. We have struggled for justice, equality, and peace. Today I like to think of Dr. Lise Meitner who, along with a male colleague, was the first to split the atom. A pacifist, she was horrified by the military implications of her discovery and refused to work on the atomic bomb. Not only was she a pioneer in her own non-traditional field, but she wanted to do things differently.

This is what women are asking for today—equality in a just and peaceful world.

* * *

[*Translation*]

INTERNATIONAL WOMEN'S DAY

WOMEN'S CONTRIBUTION TO SOCIETY

Mrs. Anne Blouin (Montmorency—Orléans): Mr. Speaker, today we are celebrating International Women's Day. Since 1910, March 8 has been a day of renewed involvement for Canadian women. In their homes and communities women are making an unmeasurable contribution to our society.

Mr. Speaker, women account for one half of the talents of the Canadian people. Thanks to the perseverance and determination of women, a number of questions are brought forward and gain political currency. Mr. Speaker, we have the full support of the Prime Minister (Mr. Mulroney).

The Meech Lake Accord and the free trade initiative again attest to the Government's will to make it easier for women to play an active and leading role in the economic and social life of our country.

Mr. Speaker, today we celebrate our past. Tomorrow we will continue to prepare our future.

* * *

[*English*]

GOVERNMENT EXPENDITURES

SIZE OF ENVIRONMENT CANADA'S BUDGET

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, this year's Estimates reveal that over-all government spending goes up over 8 per cent, but Environment Canada's budget goes up only 3.5 per cent, less than the rate of inflation. By contrast, the budget of Energy, Mines and Resources is up 30 per cent, Agriculture is up 24 per cent, Fisheries and Oceans is up 23 per cent, Finance is up 13.5 per cent, Indian and Northern Affairs is up 11.5 per cent, Communications is up 11 per cent, National Defence is up 8.3 per cent, and Transport is up 7.3 per cent.

Considering that in poll after poll Canadians say that environmental protection is the most important issue, the 3.5 per cent budget increase of the Minister of the Environment (Mr. McMillan) is pitiful.

Since 1984, Environment Canada's budget has lost $70 million to inflation. Compared to 1984, this year's budget of

Environment Canada is weaker by 17 per cent. The contrast between the Minister's rhetoric and his actions is appalling.

* * *

• (1405)

GENERAL AGREEMENT ON TARIFFS AND TRADE

PACIFIC FISHING INDUSTRY—CONCERN ABOUT RULING ON FISH EXPORTS

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, earlier today I met with four representatives of the Pacific fishing industry, John Malm, Janet Duplisse, Arnold Nagy and Judy Thompson.

These people are here in Ottawa as part of a delegation from British Columbia to express their concern with the impact of the GATT ruling on their industry. I share their concern, and so should all Members of this House. The commercial fishing and processing industries are the lifeblood of the economy of many of B.C.'s coastal communities.

To the many British Columbians who are dependent on the fishing industry, and their friends and families, I would like to say that our Government, particularly the Minister for International Trade (Miss Carney), the Secretary of State for External Affairs (Mr. Clark), and our Prime Minister (Mr. Mulroney) are doing everything possible, and I repeat everything possible, to bring about a positive solution to their problem. We will continue to work for you and with you as a fishing industry. Your jobs and your communities are priorities with this Government and we will continue the fight on your behalf.

* * *

[*Translation*]

INTERNATIONAL WOMEN'S DAY

FIGHT AGAINST RACISM THROUGHOUT THE WORLD

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, Montreal's black community can tell us that racism is not dead in Canada.

[*English*]

The National Congress of Black Women has stated that much must be done by Governments in Canada before the ideal of complete racial equality is achieved. The Congress delivered its message here in the precincts of a Parliament that represents all of the people of Canada equally. Its members were heard with respect, with interest, and with a willingness to pursue change.

What a difference has been dramatized on this International Women's Day between a civilized democracy, such as ours, and South Africa where white, black, and brown women found that being together merely to talk freedom, equality, and participation is a virtual crime against the state, to be exercised only through subtle strategies lest they place themselves at risk.

They are of the international sisterhood. We share their oppression, and their struggle is ours.

* * *

POLITICAL PARTIES

NEW DEMOCRATIC PARTY—ALLEGED POSITIONS ON BILL C-33

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, there are two sides to every issue, and Canada's socialist Party often agrees with both.

Last month a brown envelope under my door gave two responses prepared by the Hon. Member for Winnipeg North (Mr. Orlikow) on Bill C-33 for his NDP caucus colleagues.

First, for those who write who are opposed, say the following:

Dear friend, please be assured that I oppose this Bill. I cannot support legislation which will deindex superannuation of federal public servants.

Blah, blah, blah.

Second, for those who write and support this Bill, say the following:

Dear friend, thank you for your letter and your concern for inclusion of benefits in C-33. I and my Party are fully in support of these pension improvements which include survivor benefits, death benefits and equality provisions. We have urged the Government to bring these needed improvements forward as soon as possible.

Blah, blah, blah.

There will be no callouses on the NDP Members from sitting on the fence, just grease for sliding from one side of the issue to the other.

* * *

[*Translation*]

INTERNATIONAL WOMEN'S DAY

FUNDAMENTAL EQUALITY BETWEEN THE SEXES

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Today being International Women's Day, Mr. Speaker, I should like to emphasize that this year more than ever before, this day should provide us with an opportunity to reflect upon several basic issues which are currently debated in our country.

Whether in the area of abortion, daycare, equal opportunities on the labour market or equal pay for equal work, the Canadian society has more than ever to make choices.

After years of efforts trying to make Canadians aware of the great principles of basic equality between the sexes, we can observe undeniable progress.

We must now be twice as careful and make sure that the critical decisions which we will make collectively within the next year will adequately reflect the new realities.

* * *

[*English*]

THE DISABLED AND THE HANDICAPPED

FORUM SCHEDULED TO BE HELD ON PARLIAMENT HILL

Mr. Patrick Boyer (Etobicoke—Lakeshore): Mr. Speaker, there is another step in the long journey for social justice in Canada.

I would like to inform Members of this House that the Parliamentary Committee on Disabled Persons is going to organize a parliamentary forum that will take place here on May 30 on Parliament Hill. This forum will coincide with the first ever National Awareness Week for the Disabled in Canada.

To you personally, Mr. Speaker, I would like to say, in light of your strong personal interest and record of accomplishment in this area, what a pleasure it is for me as Chairman of the Committee to be co-hosting that event with you. There will be representation from all provinces and the territorial councils as well as this House.

• (1410)

The forum will be designed to increase awareness of the social and economic issues which affect disabled Canadians, particularly in terms of employment. It will be another example of institutional leadership to show that these matters of concern to all Canadians can be brought forward.

To conclude, I would like to express my personal hope that by the end of 1988 there will exist in provincial Legislatures and Councils committees similar to that which we have here in the House of Commons.

* * *

EXTERNAL AFFAIRS

ISRAEL—CONDEMNATION OF EXECUTION OF PASSENGERS IN HIJACKED BUS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, in the last few months, many of us in the House have had occasion to be severely critical of Israel for human rights violations in the occupied territories and for the brutal and often lethal way that Israeli troops have dealt with the Palestinian anger coming at them in the form of stones. Having said that, it now needs to be said that the execution of passengers on a hijacked bus is also morally reprehensible and certainly is not a milestone on the path to a peace conference, let alone peace.

Whether it was the PLO or a faction of the PLO, whether it was sanctioned by Arafat or designed to undermine him, whether it was designed to disable the peace process or mistakenly thought to be something that would help it along, this hijacking was wrong. I hope I speak for all Members of Parliament when I call on those responsible for this action to think again. A return to terrorism is not the answer.

* * *

[*Translation*]

MEECH LAKE ACCORD

POSITION OF OPPOSITION PARTIES

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, now that all Quebeckers are finally rallying around a more open and understanding Canada through the Meech Lake Accord, some wet blankets are still trying to undermine this historical agreement. Where do they come from? From the Liberal Party's lack of leadership? From the Socialist leader's lack of clarity and honesty? Is it a pure coincidence that all the wet blankets happen to be Liberals or Socialists?

Liberal Members from Quebec, you must send convincing and guiding messages to your Liberal colleagues from Prince Edward Island, New Brunswick and Ontario!

Liberal Members, do not destroy Canada!

* * *

INTERNATIONAL WOMEN'S DAY

FUTURE FOR THE ELDERLY

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, today is International Women's Day, but we have to deplore the unfortunate treatment which the Conservative Government has afforded needy senior citizens. It is a well known fact that according to statistics 50 per cent of senior citizens living alone are under the poverty line and that 82 per cent of them are women. Unfortunately, the Conservative Government has done nothing to help these people.

In addition, everyone knows that needy people aged between 60 and 64 still suffer because of the way in which the Conservative Government discriminates against 80 per cent of elderly women by denying them the spouse's allowance simply because they are single, separated or divorced.

Mr. Speaker, I know that there will be an election soon. Women will remember the Conservative Government and they will make sure that it will not be back after the next election.

SPORTS

SPECIAL OLYMPIC GAMES IN EDMUNSTON

Mr. Albert Girard (Restigouche): Mr. Speaker, the magnificent Calgary games are now over. I now wish to welcome everyone to the Special Olympics Games in the Madawaska—Victoria riding! Mrs. Mulroney will be inaugurating these games today in Edmundston.

I can predict, Mr. Speaker, that the Special Olympics will be a great success. These athletes, showing their extraordinary courage, tenacity and uncommon will, will prove to everyone that life is good and that nothing can stop someone who wants to reach new heights. We can only rejoice with them and applaud their performance.

On behalf of all Canadians, I congragulate all the organizers and wish good luck to all participants!

* * *

[*English*]

STATUS OF WOMEN

IMPORTANCE OF LANGUAGE TRAINING FOR IMMIGRANT WOMEN

Mr. Sergio Marchi (York West): Mr. Speaker, through today's recognition of International Women's Day it is hoped that all Canadians will celebrate the contributions of women. However, it should also inspire us to be aware of the unique problems which still prevent their fullest participation in and rewards from our Canadian system. Moreover, the difficulties encountered by immigrant visible minority women are vastly multiplied and their failure to obtain adequate language training is at the centre of their nightmares.

If Governments talk about improving the employment, educational and literacy skills of women, then it is absolutely crucial for the federal Government to reform its language training criteria so that immigrant women are not penalized because they happen to be women. We cannot afford to permit them to be ghettoized in their homes and to live isolated from the mainstream of our national life. Like their husbands working outside the home, or their children who attend primary or secondary schools, these women must also have the opportunity to become proficient in either English or French, the first important step toward being a contributing and integrated member of Canadian society. It is therefore urgent that the Government move to make this reality a right rather than a privilege.

• (1415)

HOUSE OF COMMONS

PRESENCE IN GALLERY OF CANADIAN OLYMPIC ATHLETES

Mr. Speaker: This will be somewhat unusual, but I am pleased to draw to Members' attention the presence in our gallery of a number of Canada's finest Olympic athletes. A number of our medal winning athletes are already back on the World Cup circuit and therefore cannot be with us.

[*Translation*]

Representing the women's short-track speed skating team, the winners of five olympic pins in demonstration sports: Sylvie Daigle, Nathalie Lambert, Maryse Perreault, Susan Auch, Eden Donatelli.

Representing the men's short-track speed skating team, also winners of five olympic pins in demonstration sports: Mario Vincent, Louis Grenier, Mark Lackie, Yves Nadeau.

[*English*]

The winners of the Gold Medal in women's curling are represented by Linda Moore, Lindsay Sparkes, Debbie Jones, Penny Ryan and Patti Vande.

Some Hon. Members: Hear, hear!

Mr. Speaker: The men's curling team, winners of a Bronze Medal in Calgary, are represented by Ed Lukowich, John Ferguson, Neil Houston, Brent Syme and Wayne Hart.

Some Hon. Members: Hear, hear!

Mr. Speaker: May I also draw Members' attention to some of the other athletes, coaches and officials from Canada's sports community who made the Calgary Olympics the best ever Winter Games in history.

Some Hon. Members: Hear, hear!

Mr. Speaker: Also with us today are the winners of the Bronze Medal in pairs figure skating, Tracy Wilson and Robert McCall.

Some Hon. Members: Hear, hear!

Mr. Speaker: The current world champion and winner of the Silver Medal for men's figure skating, Brian Orser.

Some Hon. Members: Hear, hear!

Mr. Speaker: And the winner of the Silver Medal in women's figure skating, Elizabeth Manley.

Some Hon. Members: Hear, hear!

Mr. Speaker: In the event that any Hon. Members want to rise and indicate that we have broken all the rules this afternoon, I just want to say that I think there is general accord for what has taken place in the Chamber, and it will be

a while before we again have the Olympics in our country. However, we are working on it!

Some Hon. Members: Hear, hear!

• (1420)

ORAL QUESTION PERIOD

[*English*]

STATUS OF WOMEN

POSSIBLE EFFECT OF CANADA-UNITED STATES FREE TRADE AGREEMENT ON WOMEN'S UNEMPLOYMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we are proud of them all.

My question is directed to the Minister responsible for the status of women. She knows that the industries facing the greatest threat under the proposed Canada-U.S. trade agreement will be the manufacturing and service industries. The Minister also knows that women make up 63 per cent of the labour force in manufacturing industries, indeed 78 per cent in the clothing industry alone, and 80 per cent of the labour force in the service industries.

Will the Minister tell us what action the Government intends to take to ensure that the jobs of these women are not jeopardized by the trade deal, and what new assistance the Government will propose in order to provide adjustment and assistance for the women whose jobs are being thrown at risk?

Hon. Barbara McDougall (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, since the premise of the question is totally wrong let me say what the free trade agreement will do for women. First, women are involved in industries such as the service industry. For the first time in the history of trade agreements there is an ability to have a bilateral agreement on services. It is one of the greatest opportunities for the Canadian service industry we have ever seen.

Women are full participants in that. They will benefit from that, as will other people in that industry. People in the manufacturing industry will benefit from that.

I do not agree with the Hon. Member's suggestion that Canadian women and Canadian industries are not competitive enough.

MONEY FOR JOB TRAINING PROGRAMS

Right Hon. John N. Turner (Leader of the Opposition): I can only say that the Minister cannot be serious. She is not for real.

[*Translation*]

Mr. Speaker, she must talk to her colleague, the Minister of Employment and Immigration who stated that, as a result of the signing of this agreement with the United States, the jobs of 500,000 people could be lost or put in jeopardy. And the Minister knows perfectly well that most of those jobs are held by women.

Considering those frightening statistics, could the Minister explain to the House why the Government drastically reduced the funding of on-the-job training programs since 1985, and why it did not bring forward new programs to help women who will lose their jobs because of that trade agreement with the United States?

[*English*]

Hon. Barbara McDougall (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, let me reflect for a few minutes on what the Government has done for women, compared to the Government with which the Hon. Member was intimately associated. First, over a 55-month period under the Liberals 467,000 jobs were created for women, while 611,000 jobs have been created for women since September, 1984. That average is double that of the previous Government.

Furthermore, 47 per cent of the jobs created for women under the Liberals were full-time, while 77 per cent of the jobs created for women under this Government were full-time.

The number of adult women living below the poverty line under the previous Government increased by 227,000. The number of adult women living below the poverty line has fallen by 178,000 since 1984.

• (1425)

Some Hon. Members: More!

Mrs. McDougall: In 1984 women accounted for 15 per cent of those serving on government boards and agencies.

Some Hon. Members: Order!

Mrs. McDougall: Today it is 30 per cent—

Some Hon. Members: Order!

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I think the House should recognize that the Minister in no way is dealing with the hundreds of thousands of women who are vulnerable under this trade agreement with the the United States. The selective recitation of those statistics will give no comfort at all to the thousands and hundreds of thousands of women who are concerned and reflecting about their own jobs in the future of this country.

PROTECTION OF SOCIAL PROGRAMS

Right Hon. John N. Turner (Leader of the Opposition): Given that Canadian companies, if this agreement, God forbid, goes through, will have to face competition with some American jurisdictions which have no minimum wage, no child care programs, no employment equity programs, and given that this

deal commits Canada to a five to seven year negotiating process toward the definition of subsidy and, more important, to harmonizing our social programs with those of the United States, how can the Minister guarantee that the social programs for which Canadian women have fought for generations will not be sacrificed and generate—hold on!

Some Hon. Members: Hold on! Hold on!

Mr. Guilbault (Saint Jacques): The question does not matter.

Mr. Gauthier: The question is irrelevant.

Some Hon. Members: Oh, oh!

Mr. Speaker: I do not know what the answer will be, but the Hon. Minister seems to have something to say. The Right Hon. Leader of the Opposition.

Mr. Turner (Vancouver Quadra): The Minister should wait for her cue or wait for the gun.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): What guarantee is she going to give to the hundreds of thousands of Canadian women whose social programs will be jeopardized by the harmonization program in this agreement with the United States?

Hon. Barbara McDougall (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, not only are our social programs not in any way threatened or violated by this agreement, what it means is there will be greater prosperity for Canadian women. There are 120,000 new jobs predicted in a conservative way by the Department of Finance, many of which will go to women.

Those social programs of which we are all so proud have to be paid for out of the prosperity of our country. With free trade, with additional prosperity, we will be able to do more and better things in this country for the people who need them, the people who were neglected by the former Government which did not know how to create prosperity.

* * *

[*Translation*]

DAY CARE

REQUEST THAT GOVERNMENT ACT QUICKLY

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. The Prime Minister stated in 1984 that daycare was key to equality for women. Four years later, Canadian women and children are still waiting for a fair solution to the problem of daycare centres.

In December last, the Government proposed a federal-provincial cost-sharing program for child care. The government has remained silent since December 3, 1987.

Can the Minister report on negotiations with the provinces? When will they be completed? And when will Canadian women see the number of spaces in daycare centres increased? When will the Government act quickly in that respect?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am pleased to reply to the Hon. Member on that question. She is right when she says that this Government came in with a child care program of $5.4 billion for a seven year boost period, which is bigger than anything that had ever happened before in child care in Canada, and bigger than anything that had ever been done by former Governments.

We said we would have negotiations with the provinces and I can report to the Hon. Member that these negotiations are going well. As she knows, as do possibly some of her own colleagues, the money is available as of April 1, 1988, for the completion of those negotiations. I look forward to making announcements very shortly. I hope the Hon. Member will be there to applaud inasmuch as the scope and breadth of the program are larger than anything her Government did before.

[*Translation*]

Mrs. Pépin: Mr. Speaker, I simply want to tell the Minister that is very good propaganda, but it in no way reflects that the situation. You have failed to respond to the problem of lack of spaces.

DEMAND THAT QUALITY OF SERVICES BE GUARANTEED

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I would also like the Minister to inform the House how he can guarantee quality daycare services, since his Government does not set any national standards for quality and negotiations with the provinces are getting nowhere fast.

• (1430)

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, since the Hon. Member was on the parliamentary committee she will know that in terms of spaces there are approximately 110,000 that are so-called non-profit spaces. There are approximately 225,000 spaces in total. Additionally, the seven-year boost will give an increase of 200,000 spaces on the non-profit side, which is an increase of over 200 per cent.

The Hon. Member talks about the numbers of spaces that they created as compared to the number of spaces that will be created under the new program. There is no relationship between what they did and what we are doing.

In the negotiations with respect to the number of spaces that the provinces want to take up, what is interesting is that we are

going to meet the number of spaces. In respect to the standards, the Hon. Member knows that we are going to have standards. The provinces with which we are negotiating want exactly those.

Some Hon. Members: Hear, hear!

* * *

ABORTION

BRITISH COLUMBIA SUPREME COURT DECISION—PROVISIONS OF CANADA HEALTH ACT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of National Health and Welfare. I am sure he will agree that the women of British Columbia have the same right to equality in the law as do women of other provinces. In that context I want to ask him this.

Considering that the Supreme Court of British Columbia yesterday declared that a provincial government regulation that prohibited medicare funding for abortions was *ultra vires*, and considering that the same regulation contravenes the Canada Health Act, in the interests of equality for the women of British Columbia has the Minister informed the Government of British Columbia that this regulation is in clear violation of the Canada Health Act?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the judgment came down yesterday. I want to be very careful in respect to the words of the judgment which I do not think were in relation to the Canada Health Act, although I think that that is an entirely valid debate, as I think the Hon. Member will agree.

As I understand it, the judgment noted that the Government could have been acting within its authority if it had enacted a regulation that declared abortions not to be an insured health service. In other words, we are talking about a provincial service in respect to the regulation.

I think the Hon. Member can see that, obviously, we are waiting to see what the reaction of the Government of B.C. will be. I think the court's position is very clear in terms of the process and the action that it should take.

REQUEST THAT MINISTER DECLARE PROVINCIAL REGULATION TO BE IN VIOLATION OF CANADA HEALTH ACT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I am sure the Minister knows that if the Government of British Columbia had chosen the other option to which he alluded then it would have been clearly in violation of the Charter of Rights. I see that the Minister is nodding his head in agreement with that. Both options, the one that has been chosen and the hypothetical one to which the Minister has just alluded, would have meant that the Government of B.C. would have been in violation of the Charter of Rights or the Canada Health Act.

I want to ask the Minister this. Since there are other provinces involved in this problem, to understate it a wee bit, and since the country is looking for some national leadership, will the Minister now make it clear that it is his view as the Minister responsible for the Canada Health Act that this type of regulation, whether it is in British Columbia or in any other province, which denies equality to Canadian women, is in violation of the Canada Health Act?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, as I mentioned to the Hon. Member, the ruling came down yesterday. As I have said, we do not know how the Government of B.C. will react to it or whether it will appeal it. As I have said to the Hon. Member before, I will hold that judgment or that opinion until my cabinet colleagues and I have consulted with respect to it.

[*Translation*]

REQUEST THAT MINISTER PROVIDE LEADERSHIP

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister has already indicated that the decision by the Supreme Court of British Columbia is not directly relevant to my question, but in any event, my question is relevant to the Canada Health Act because there are other provinces that now have the same regulations, more or less, as the Government of British Columbia. Does the Minister intend to show some leadership at the national level on this issue and tell the provinces that such action is not acceptable, especially in terms of equality for Canadian women?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I have nothing more to add in terms of how the Government will react to the decision of the Supreme Court of British Columbia. The answer stands for anyone who has looked at court decisions. A period of time will have to elapse in terms of any other action being taken by the federal Government.

People on both sides of this issue generally recognize both its complexity and its difficulty not only for Governments but for Canadian society in general. When the Government of Canada has made a decision I believe that it will be made in respect to those various issues and considerations by all parties concerned. Only then will I give the answers of the Government of Canada, as I have been asked to do, but I will not give a decision or an opinion on the Canada Health Act on the floor of the House of Commons.

[*Translation*]

HOUSING

THE HOMELESS—DEMAND FOR GOVERNMENT ACTION

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): In the absence of the Minister responsible for housing, my question is directed to the Deputy Prime Minister.

Last year, 27 per cent of the homeless in this country were women and 11 per cent were children under 15. Women living in inadequate and unsanitary accommodation are not included in these figures.

Two governments, the Government of Great Britain and the Australian Government, have passed federal legislation to protect the homeless. Canadians want to know where the Conservative Government's leadership is on this matter.

Could the Minister inform the House why the Government has failed to do anything for the homeless since the International Conference on Shelter for the Homeless in September 1987? And if it does intend to do something, what will it be?

[*English*]

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I will take notice of the question on behalf of my colleague who is responsible for Canada Mortgage and Housing Corporation.

I would also draw to the Hon. Member's attention that discussions were held previously between both municipal and provincial administrations and there is a responsibility on all levels of government. We have in the past, as the Hon. Member is aware, entered into agreements with the provinces. With respect to most social housing the provinces provide 25 per cent of the dollars needed and the Government of Canada provides 75 per cent of the dollars needed. We have entered into agreements that allow for efficiencies of administration between these two levels of government.

As always, we will be interested in the views of municipalities in supplying housing which may benefit those to whom the Hon. Member refers as homeless.

ELIGIBILITY FOR PROGRAMS—POSITION OF WOMEN WITHOUT HOME ADDRESSES

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, needless to say I am very disappointed in the answer. The problem will not just go away.

Since the problem is worse for women and their children, and since the Minister knows that in order to qualify for any government program one must have an address, and homeless Canadians do not have an address, will the Minister tell us if he has approached the Minister of National Health and Welfare and the Minister responsible for the status of women in order to find solutions to this problem?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, what the Hon. Member refers to is not something that is new. It is not something that she has just discovered. These problems have existed for many years.

In addressing social housing, in particular the co-op housing initiatives taken by the Co-operative Housing Foundation of Canada, to assure that there is a market efficient co-op housing program we have provided in that a component for social housing, which is administered by local co-ops, by local people.

In regard to the initiative discussed by the Hon. Member, we have as Ministers of the Crown discussed it amongst ourselves. But we are also asking the provinces and the municipalities to join with us in solving what we recognize to be a problem, as I am sure these jurisdictions do.

* * *

• (1440)

CANADA HEALTH ACT

EQUAL ACCESS—MINISTER'S POSITION

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. I find myself a little dismayed because it is my understanding the Minister stated that he did not want to give an opinion on the Canada Health Act.

As the Minister responsible, is he telling this House that he is not willing to stand up for the fundamental principles of the Canada Health Act which mean equal access?

Mr. Speaker: There is a difference between expressing his views as to whether or not the Canada Health Act is in place, but to ask for a legal opinion is, of course, out of order.

Ms. Dewar: I didn't ask for a legal opinion.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I have stated before, and I will repeat to the Hon. Member that I will not speculate on a legal opinion. In terms of any opinion with respect to whether a province is in contravention of the Canada Health Act, I said if that has been determined in any way, only at that time would I make a statement.

ADMINISTRATION OF ACT

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, the Canada Health Act guarantees access to health services in this country to Canadian citizens.

I would like to ask the Minister of National Health and Welfare is he reneging on his responsibility to administer the Canada Health Act to Canadian women.

Hon. Jake Epp (Minister of National Health and Welfare): No, Mr. Speaker, I am not reneging. The Hon. Member

should know that, in respect to the Canada Health Act, the interpretation that she is placing on it was an interpretation which many groups brought forward to it, but was not accepted in terms of the powers that could be exercised by the federal Government over delivery of health care in the provinces. That has been a fundamental difference of view right through the whole debate on the Canada Health Act.

In respect to the specific issue of abortion and those services, I have given an answer very clearly as to what I will do.

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REGIONAL INDUSTRIAL EXPANSION

MINING PROJECT IN PICTOU COUNTY—EFFECT ON CAPE BRETON DEVELOPMENT CORPORATION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, in the absence of the Minister responsible for regional industrial development, I direct my question to the Deputy Prime Minister. He will know that the future of the Cape Breton Development Corporation, owned and operated by the Government of Canada, has been put into serious question by the activities of senior members of the Department of Regional Industrial Expansion, as well as the senior officials of the Atlantic Canada Opportunities Agency.

Can the Deputy Prime Minister explain to the House why the Government of Canada, through ACOA, is in the process of providing funding to a private company with no proven mining track record, $75 million of taxpayers' money, to build a mine in Pictou County, the home of the Minister of National Revenue, which will be in direct conflict with the Cape Breton Development Corporation, throwing 275 men out of work in Cape Breton, and reducing the revenues of that Crown corporation by some $20 million?

I ask the Deputy Prime Minister, why is the Government of Canada part and parcel of this scheme?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, without accepting the premise of the Hon. Member's question, may I simply point out that this Government has been very supportive of Devco in many ways; it has been very supportive of Atlantic development through ACOA and through other regional industrial expansion programs.

I am surprised that the Hon. Member would take exception to any new initiatives that would be taken in the Atlantic region that would provide jobs and greater industrial and economic opportunities.

DOCUMENT PREPARED BY CROWN CORPORATION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I have to say, with great regret, that I have in my hands a confidential document—

Some Hon. Members: Oh, oh!

Mr. Dingwall: —prepared by the Government's own Crown corporation, the Cape Breton Development Corporation, which was submitted to the Government of Canada and the Government of Nova Scotia in December, 1987. This document of some 12 pages spells out very clearly that it will result in 275 jobs lost at the Lingan Colliery in Cape Breton.

I wish to ask the Minister, in view of these facts, and in view of this document which I will table at three o'clock, why are the Deputy Prime Minister and the Government of Canada playing worker against worker, community against community, and company against company? Why this action on behalf of the Government of Canada?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the Hon. Member still thinks that he is in government, because that was precisely the policy of the Liberal Party when it was in government. This Government does not do business that way.

I do not know what document the Hon. Member has, but if he wants to give me a copy I will look at it. I am sure that my interpretation and his would probably be different.

* * *

BANKS AND BANKING

CHARTERED BANKS—SERVICE CHARGES

Mr. Joe Reid (St. Catharines): Mr. Speaker, my question is directed to the Chairman of the Standing Committee on Finance and Economic Affairs, and it arises out of the changing bank policies under the guise of handling or service charges. Those charges are sometimes imposed without notice and sometimes without service, such as a charge of $1 per month on an inactive account under $100, or $2.50 a day for an overdrawn account, over and above an interest charge, and the list goes on.

May I ask the Chairman if the committee is prepared to conduct a survey or a review of those escalating charges for services that were once offered to get the ordinary person to use the banks in the first place?

Mr. Don Blenkarn (Mississauga South): I wish to thank the Hon. Member for St. Catharines for the question, and advise the House that the finance committee engaged its research staff in December of last year to do a comprehensive study on bank service charges, and indeed services charges of trust companies and credit unions, to determine the nature and type of those charges, whether constituents were receiving fair service for fair money, and whether the banks in particular had been complying with Section 201 of the Bank Act.

We hope to be able to have a paper on that matter available to the House well before Easter. It may be that the committee will then commence public hearings on the matter.

* * *

[*Translation*]

EMPLOYMENT

INNOVATION PROGRAM—REQUEST FOR APPROVAL OF PROJECT

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Minister of Employment and Immigration and has to do with a project to recuperate and recycle household garbage, an ecological project to create jobs at the same time.

Can the Minister now respond favourably to the Récupération Bois-Francs project launched a year ago and sponsored by neighbouring towns, labour unions and local churches? What is the response to this excellent project on which his department has been sitting for a year?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, my colleague did not specify exactly where this program is supposed to fit in. Perhaps it comes under the Innovation Program.

The Hon. Member probably knows as well that a national committee reporting on the Innovation Program is expected to recommend acceptance by the Minister, but admittedly the various phases may take up quite some time. But still some of the criteria are particularly strict. If the program is recommended to us we will give the matter every consideration.

[*English*]

REQUEST THAT PROJECT PROCEED

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my supplementary question is the following. This project has gone the rounds from the Prime Minister, to Environment, to other different Departments. Everyone agrees that it is a good idea, and technical evaluations are excellent.

I am now asking the Minister will he take it up with his colleagues, stop sending it around, and find some way of seeing that it is done? It is an excellent program, but it does not fit the criteria. Every Ministry that has dealt with it has said that it is a good idea, but it is not quite the right place. Will the Minister find a place for it and see that it happens?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, when we propose a project in the Department of Employment and Immigration, I have to remind the Hon. Member that first it is to create jobs. I am not the Minister of the Environment, I am the Minister of Employment. That is the reason we have to take a look at the project, see if it creates jobs, and fits into the criteria of the Department. I said that I would take a look but, once again, I am the Minister of Employment.

* * *

ABORTION

BRITISH COLUMBIA SUPREME COURT DECISION

Hon. Bob Kaplan (York Centre): Mr. Speaker, I wish to return to the Minister of Health and the subject of yesterday's British Columbia Supreme Court decision on payment for abortions. I would like to ask the Minister, given that the Government of British Columbia has indicated that it is going to try to get around this decision and find a lawful way to deny payment for abortions to some women, whether the Government is prepared to show some leadership, and whether the federal Government agrees with the position that women across Canada should be equally entitled to medical services.

• (1450)

Surely the federal Government, with British Columbia reconsidering its position, should take a position on equal treatment for all women in Canada.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I have said to other Members in the House today that I will not speculate on the judgment or on the actions which the B.C. Government might take. Those have not been brought to my attention or to the attention of the Government.

In respect of equal access for women, the answer to that is yes. That has always been the case and the underlying principle of the Canada Health Act.

What we are dealing with here is what the province will do in terms of the question of what is referred to in the Canada Health Act as medically necessary, and that is from where the divergence of views in B.C. comes.

EQUAL ACCESS TO MEDICAL SERVICES

Hon. Bob Kaplan (York Centre): Mr. Speaker, if the Minister has indicated, as he has, that it is the federal position—and I think it is important for the British Columbia Government to hear this—that women in Canada should have equal access across the country to medical services, my next question to the Minister is this. What will the federal Government do about it?

Is it prepared to act under the Canada Health Act? Is it prepared, besides consulting provinces, to notify them that it is the position of the Government of Canada, and indeed of Parliament, that equal access should be available to all women?

Why is he waffling on this important subject?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the federal Government expects that British

Columbia will respect the ruling of the court. That is our position, and we expect that.

Till there has been other action, on which I cannot speculate, I do not think it is appropriate for me or the Hon. Member to go down those trails of speculation.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

RULING AFFECTING BRITISH COLUMBIA FISHING INDUSTRY

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Right Hon. Secretary of State for External Affairs regarding consistency and honesty.

Yesterday the Minister revealed that he is unaware that the GATT ruling against the B.C. fishing industry is contrary to the Law of the Sea, is contrary to the Canada-U.S. Salmon Treaty, and is a fishing issue, not a trade issue.

Since the Government understood the sovereign right to protect processing and conservation and protected the fishing industries in Quebec, New Brunswick, Prince Edward Island, Nova Scotia, and Newfoundland from U.S. interference, why is the Government planning to support a proposal tomorrow in Washington which will gut the B.C. industry and place the entire Atlantic fishing industry at risk?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member speaks of consistency and honesty. I practise those virtues. If he follows a practice different from that, that is his to decide.

I made clear yesterday that there have been extensive negotiations and discussions with the industry and with the provinces, and that Canada went to the other nations involved in the GATT panel and made our case. We did not succeed in that case, so we are now meeting again, tomorrow, to see if there are other ways in which we could proceed to resolve this very serious question.

Of course the other matter that arises is that the New Democratic Party on GATT issues speaks out of both sides of its mouth. It supports GATT in principle, it claims, yet in practice it wants us to get out of the GATT.

REQUEST FOR PROTECTION OF WORKERS

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is for the same Minister and is on the point of consistency.

We have a $750 million industry in British Columbia, principally employing women in high-paying, unionized jobs. They are not ghettoized as they are in many areas of the Canadian economy. There are 7,500 jobs at risk.

When the Americans find GATT rulings that they do not like on Canadian oil, on Spanish soybeans, and on trade embargoes with Nicaragua, they do not implement them. The Minister of Fisheries says that he opposes the GATT ruling, but he has been muzzled by Cabinet.

I want to ask the Secretary of State for External Affairs whether he is going to stand up and show consistency. You protected the five Atlantic provinces. You forgot about British Columbia. What is going on? Why not protect the workers of B.C.?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, on the question of consistency, when the United States rejected the decision of the International Court on Nicaragua, this Government opposed that decision by the United States and upheld an international regime.

The New Democratic Party said that we should do that. Now the New Democratic Party is quoting as a precedent to Canada the very action by the United States which it condemned in the House.

The New Democratic Party is talking out of both sides of its mouth, and it should stop doing that in the interest of consistency and in the interest of honesty.

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[*Translation*]

SOCIAL SECURITY

OPPORTUNITY FOR WOMEN HOMEMAKERS TO SECURE RIGHT TO PUBLIC PENSION PLAN BENEFITS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. During the last election campaign, the Conservative Government made a commitment to allow homemakers to contribute to the Canada Pension Plan and the Quebec Pension Plan. We all know there are now an estimated three million homemakers who are not entitled to contribute to the Canada Pension Plan or Quebec Pension Plan, and the Minister knows perfectly well that if nothing is done on an urgent basis, these people are doomed to be either dependent on their spouse or to live in poverty.

Could the Minister inform the House why his Government has failed to keep this promise after nearly four years in power?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am pleased the Hon. Member asked that question. The Government has brought in changes to the Canada Pension Plan which brought it parallel to some changes that had already taken place in the Quebec Pension Plan and which have helped women, especially under the Canada Pension Plan. For example, there is the matter of credit splitting and the matter of earlier vesting.

On the question of a homemaker's pension, when we ran for office in 1984 the Government said very clearly that we favoured a homemaker's pension. The general vehicle at which we were looking was the Canada Pension Plan.

It is for that reason that coming out of Bill C-116 there were two studies further commissioned with the federal and provincial Governments. One was on survivors' benefits and the other was on homemakers. I have not yet had that report.

Mr. Malépart: Mr. Speaker, 3 million women at home do not benefit from the Canada Pension Plan or the Quebec Pension Plan.

[*Translation*]

Mr. Speaker, I believe this is urgent because these people need an answer, not a study. Could the Minister inform the House what kind of strategy he has in mind for solving this problem before an election is called?

[*English*]

What is your strategy to help these women?

Mr. Epp (Provencher): Mr. Speaker, I am pleased that the Hon. Member is endorsing the platform of the Conservative Party, something which he opposed during the election. I take it that now he has had a conversion on that issue, and I am glad that he has come to our side.

In respect of what actions we will take, I am sure he will wait with anticipation and bated breath to see what steps we will take and that he can endorse those, as well, in the next election campaign.

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TAX REFORM

EFFECT ON WOMEN WAGE EARNERS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the Minister responsible for the status of women. The National Council on Welfare has shown that the Government's tax reform is giving $1 in every $5 of tax savings to the 2 per cent of Canadian families with incomes over $100,000, while the average full-time employed Canadian woman earns approximately $18,000. Could the Minister explain why the Government has chosen to give the wealthy tax cuts of around $1,700 per annum apiece, when the average Canadian working woman will get a tax cut of only $100 per annum, according to the National Council's figures?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I reject the figures. They are not consistent with the figures in the document entitled "A Summary for Taxpayers", which sets out a range of income groups, a range of income earners, and types of family situations.

If the Hon. Member wishes to review the numbers in this booklet, I believe he will find that they are accurate. They have been reviewed by tax accountants and have been commented on in the media as being accurate.

There may be some specific situation that is being used to make a general point of view. As a statement of the general effects of tax reform this document stands on its own. Eighty-five per cent of Canadians will be better off with tax reform. One of the ways that we would be paying for those tax reductions is by reducing some of the tax preferences that are primarily available to those in upper income brackets.

• (1500)

BENEFITS FOR FAMILIES HEADED BY WOMEN

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, if the Hon. Minister who is answering for the Minister responsible for the status of women wants other figures, he will be aware that the average wealthy family earning over $100,000 gets a cut of about $4,300 per annum whereas single parent women earning the average for full-time women get a cut of maybe $100 or $200 a year. The Minister seems to think that is okay.

Can the Minister explain to the women of Canada who head most single parent families why the Government has cut almost $400 in benefits going to the average family with children since 1984, and why it seems to have targeted reductions in child tax benefits when that is particularly damaging for single parent families headed by women?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is forgetting the fact that we have increased the child tax credit two or three times since September, 1984. We have advanced the payment of the child tax credit so that people do not have to make use of tax discounters. We also introduced the refundable sales tax credit which is directed at the very people the Hon. Member is talking about, so that in many ways we have recognized the problem that is in existence when we inherited the Government. Now we are addressing these things and will address them further in tax reform.

As I indicated, the figures set out in the government document on tax reform are accurate. They are directed at the general impact, not a very specific impact, which I think the Member is trying to draw out.

Mr. Cassidy: Single parents.

Mr. Wilson (Etobicoke Centre): No, Mr. Speaker. That is not the point I was making. The point I am making is that the figures I have quoted here in this document are general, according to various categories of earners, not very specific figures which may apply to a very limited number of people.

Mr. Cassidy: Single parent families headed by women. Shame on you, Mr. Minister.

EXTERNAL AFFAIRS

ISRAEL—EXPULSION OF PALESTINIANS FROM OCCUPIED TERRITORIES

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, my question is for the Secretary of State for External Affairs. Does the Minister accept or condone the policy of Israel of expelling Palestinians from the occupied territories, or does the Minister reject and condemn these actions by Israel which appear to violate international conventions?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it is our judgment that those actions by Israel do, in fact, violate the fourth Geneva Convention which applies to the West Bank. I have expressed that view, and I have instructed our officials at the United Nations to support the Security Council resolution which opposes that action by Israel.

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CANADIAN NATIONAL RAILWAYS

SALE OF HOTELS TO CANADIAN PACIFIC—EFFECT ON JOBS IN MONTREAL

Mr. David Berger (Laurier): Mr. Speaker, in the absence of the Minister of Transport I would direct my question to the Deputy Prime Minister.

In late January, Ron Lawless, the chief executive officer of Canadian National, in announcing the sale of CN hotels to Canadian Pacific stated that Canadian Pacific had agreed to "maintain all existing labour contracts and pension benefits and to absorb all existing employees".

We have since learned that most of the 63 national sales and head office jobs in Montreal will be lost. They will not be protected as had been said by the President of CN. How can the Minister justify the sale to CP which will result in the loss of many jobs in Montreal that were supposed to be protected, according to the President of Canadian National?

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am simply unable to answer the question because the information that has come up is not information that I have seen and differs quite substantially from the information that is available. Therefore, if my friend would be kind enough to give us that information, we will dig into it and provide him with an appropriate answer.

Mr. Speaker: I regret that, given the hour, this will be the end of Question Period. Perhaps the Hon. Member could pursue this matter and perhaps the Hon. Parliamentary Secretary might be able to give some kind of an answer tomorrow.

I have a question of privilege from the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly).

PRIVILEGE

PROVISION OF INFORMATION TO MPS—DIFFERENCE IN TIMING

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, yesterday in Question Period the Hon. Member for Nanaimo—Alberni (Mr. Schellenberger) raised an issue relating to announcements made by the Ministry of Fisheries and Oceans regarding Chinook salmon, including a major announcement of new enhancement on the Cowichan River which is in my constituency. When my office phoned the Vancouver Department of Fisheries and Oceans to ask for information on this, my assistant was told that DFO communications had been instructed to send five Progressive Conservative Members of Parliament the information at nine o'clock in the morning on Monday, Eastern Standard Time, which was prior to the Minister's press conference at which he announced these proposals.

There was a second list of other MPs who were to receive the information at 1 p.m., Eastern Standard Time. We did not receive this information, vital to my constituency, until 4 p.m. yesterday afternoon.

I submit that this constitutes blatant discrimination against opposition MPs. It is the use of Department of Fisheries offices for partisan political purposes. I submit that it constitutes a question of privilege, and if you find that there is a prima facie case of privilege I am prepared to move the requisite motion.

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Member brings to the attention of the House some interesting information from his perspective. It is the first time that we have heard of it on this side of the House.

The Minister of Fisheries and Oceans (Mr. Siddon) is not here. I think the House would be best served if we took a little time to give us a chance to look into the situation and report back to the House at a later point.

Mr. Speaker: The Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) has raised a matter which comes down to this, that some Members have received some information from a department earlier and under different circumstances than other Members. The Hon. Parliamentary Secretary, I think, has made a very useful suggestion. I would ask that he take it up with the Minister of Fisheries and Oceans (Mr. Siddon) and, as soon as possible, perhaps indicate to the Chair when the Chair might hear him. Would that be acceptable to the Hon. Member for Cowichan—Malahat—The Islands?

Mr. Manly: Yes, Mr. Speaker.

POINT OF ORDER

PRESENCE IN THE HOUSE OF MEMBER

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, I notice that today's *Hansard* shows no record of my abstention from yesterday's NATO support motion. As a matter of fact, there is no indication of my presence in the Chamber during the vote. Could you let the record show that I was present in the Chamber and abstained from voting on the motion.

Mr. Speaker: I thank the Hon. Member for Parkdale—High Park (Mr. Witer) for his representation and the Chair will ensure that the record is properly adjusted.

GOVERNMENT ORDERS

[*English*]

LOBBYISTS REGISTRATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Andre, that Bill C-82, an Act respecting the registration of lobbyists, be read the second time and referred to a legislative committee.

Mr. Speaker: When the House rose at 1 o'clock p.m. the Hon. Member for Nickel Belt (Mr. Rodriguez) had the floor.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, as I was saying before the lunch hour interrupted me, and if my memory trusts me well, we have no problem with the principle of Bill C-82. We support the principle, but there are issues in the Bill, things that we would like to see tightened up. In brief, we mention the provision of a two tier system. There is no need for a two tier system of registry of lobbyists. We ought to have one tier of registry of lobbyists.

Second, the Bill does not provide for a prohibition of contingency lobbying. We believe that this is a shortcoming in the Bill. The fact is that attaching a fee by a lobbyist for the accomplishment of the lobbying objectives is, in our view, contrary to the kinds of presentations which lobbyists make to bureaucrats and to Members of Parliament.

Third, we believe that the Bill ought to have prohibited the indirect lobbying by mass mailings which, in our discovery in the jurisdiction of the United States, are covered by U.S. lobbying legislation. In fact, that could be one method used to circumvent the intent of this Bill.

• (1510)

There is no doubt in my mind, and recent surveys reflect this, that Canadians have lost confidence in the ability of their political leaders when it comes to honesty, ethics and a whole host of other issues that are very important to the democratic process. I think that is what the Prime Minister sensed when, in 1985, in a letter to Members of Parliament, he recognized that lobbyists had to be registered. Subsequently, events have shown that there are questionable activities by lobbyists at this time, activities that can only serve to reinforce in the minds of Canadians the notion that politicians deal with ethical matters and matters of state in questionable ways.

I said earlier today that registering lobbyists is the completion of a process of open Government. We have the freedom of information legislation and the election expenses legislation. These pieces of legislation were all implemented to create a greater transparency in Government, to provide Canadians with more information about the manner in which they are governed. If contributions are made to Parties or to individuals, they are on the record. The public has access to that information. That can only serve to buttress democracy in a system such as ours. This piece of legislation which provides for the registering of lobbyists is indeed extremely important to the process.

It is unfortunate that the Bill is lacking in what I would call teeth. There is no provision in the Bill for the Assistant Deputy Registrar General to verify the information which lobbyists will put in the registry. There is no way of initiating any investigation—

Mr. Dingwall: Mr. Speaker, I rise on a point of order. I am sorry to interrupt my colleague, but with the unanimous consent of the House, I would ask to table the document that I referred to during Question Period.

Mr. Deputy Speaker: The only way that could be done, of course, is with the unanimous consent of the House. Is there such unanimous consent?

Some Hon. Members: Agreed.

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POINT OF ORDER

TABLING OF SUBMISSION OF CAPE BRETON DEVELOPMENT CORPORATION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I was asked during Question Period if I would table a document to which I had made reference in my question. I would now like to table the document to which I referred.

GOVERNMENT ORDERS

[*English*]

LOBBYISTS REGISTRATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Andre that Bill C-82, an Act respecting the registration of

lobbyists, be read the second time and referred to a legislative committee.

Mr. Deputy Speaker: The Hon. Member for Nickel Belt (Mr. Rodriguez) has the floor.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, as I was saying, one of the shortcomings of the Bill is that it gives the Assistant Deputy Registrar General no power to verify the information which lobbyists will put on the registry. The ADRG has no power to conduct investigations. The Bill does not even say who can initiate an action.

If a Member of Parliament or a civil servant brings to the attention of the ADRG a lobbyist who is not acting within the parameters of the Bill, who initiates the action? Who verifies it, who collects the information, who starts the process? Nothing in the Bill ascribes that particular function to the ADRG.

We think the Bill must be improved. While we agree with the Bill in principle, we believe that in committee we will use every opportunity to amend the Bill in order to strengthen it. We hope that the Government will see that our amendments are useful and helpful and will provide the kind of transparency and openness which I believe Canadians demand and would welcome.

I must point out that the Standing Committee on Elections, Privileges and Procedure, on which I served, studied the question of a lobbying registry and visited the closest jurisdiction which has a registry of lobbyists. Within the group, there were those who really did not feel the need for such registration. When we went to the United States to look into this matter. There were those who were convinced that there was no need for a registry of lobbyists and that in fact we ought to leave the lobbyists to regulate themselves.

When we met with lobbyists in the United States, one of the questions we put to them was what would be the main thrust of their proposals if they were in our spot and had to draft registry rules for lobbyists. They all said, almost with one voice, that they would make it tough. This blew the minds of the Conservative members of the committee who were not wedded to that idea. They were absolutely shocked that lobbyists would demand that lobbying legislation be tough.

When the lobbyists explained the reasons for saying that, we found that their argument was quite reasonable. They said they wanted to ensure that a code be established for them within the legal framework because that is how they convince clients that they operate under a very strict legal code and under the laws of the country. That is the best guarantee that the client will be getting professional services.

The lobbyists to whom we spoke were proud to run off computer lists of their clients and their charges to show to the committee. It was interesting to note that well-known multinationals and other corporations were on that list as well as the issues they were lobbying for and the amounts of money charged. That is what we will be promoting in our amendments when we get to committee. We will be looking for that kind of openness in the legislation.

It seems to me that people who want to do business with the Government ought to be doing so, but Canadians ought to be able to know who they are and what they are charging. That is a system that is accountable as well as transparent.

The other question with which we dealt as a committee was foreign lobbyists from foreign Governments. In our report we recognized that foreign Governments have embassies here in Ottawa and they have government-to-government relations. They consult with Departments, and we have excluded them from our recommendations on lobbying. I notice that they are not included in the Bill.

In conclusion, I want to say that Bill C-82 is a small step, but it is a step in the right direction. We have to move this Bill forward as quickly as possible into committee. I support the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) who made a wise suggestion. While we originally recommended that the Bill should be sent to the committee that studied the lobbying question, he said it should go to a legislative committee, hopefully made up of members of the Standing Committee on Elections, Privileges and Procedure, for study. I hope the Government will follow that suggestion.

• (1520)

We hope the Minister has listened attentively to the points we have raised and recognizes that we are not trying to destroy the Bill. We want to make it better, more effective, and make Government more open and accountable. Therefore we hope the suggestions we have made will find their way into the Bill as amendments.

Mr. George Baker (Gander—Twillingate): Mr. Speaker, I have just a few words on this Bill. I think some of the suggestions made by the Hon. Member who just spoke should be taken into account by the Minister when this Bill gets to committee stage. Some of the points raised are very important. Perhaps I can just review those points.

Keep in mind that since 1984 we have seen a great proliferation of lobbying firms throughout the country. They are engaged in various activities for the benefit of certain clients; not that there is anything wrong with that. Yet some of those clients who received favourable attention from the Government might have gotten it anyway without hiring the lobbying firm. In fact, I would say in a great many cases it is a tremendous waste of money to hire one of these lobbying outfits when the client could perhaps see hers or his own local Member of Parliament or make representations directly to the Government.

The Bill defines professional lobbyists as:

> Every individual who, for payment, on behalf of any person or organization—undertakes to arrange a meeting with a public office holder or to communicate with a public office holder in an attempt to influence

(a) the development of a legislative proposal by the Government of Canada—

That means someone who was hired to arrange for the presentation of a Bill before the House of Commons. It then goes on to say someone who attempts to influence:

(b) the introduction, passage, defeat or amendment of any Bill—

In other words, any individual, organization or group interested in amending a Bill.

Then it says:

(c) the making of any regulation, order or other instrument—

Which, as you know, are made by the Government of Canada. Then it talks about the development of any policy by the Government. That is a general enough clause in the Bill which would probably cover anything having to do with public policy.

Then it talks about the appointment of individuals to any body or office. I suppose, for example, if someone wanted to be appointed to the Senate or some board and hired a lobbying firm to do that, they would be covered by that part. Then it refers to the awarding of any grant, contribution or similar benefit, or a contract by the Government.

What must that person or group do? They must register with the registrar not later than 10 days after entering into the undertaking. If they do not, what happens? Under the offences part it says:

Every individual who contravenes or fails to comply with any provision of this Act is guilty of an offence—

What will happen to them if they are brought before a court? There is a fine of not more than $25,000 or a trip to prison for a term not to exceed six months. Then it says in Clause 13(b):

—on proceedings by way of indictment, to a fine not exceeding one hundred thousand dollars and to imprisonment for a term not exceeding two years—

In other words, the value of someone's time outside of a prison is seen by this Act to be about $50,000 a year. If you can pay $50,000 you do not have to go to jail for a year. If you cannot pay it, then off you go. It is very interesting to look at some of these Acts and see how much time adds up to $1,000 in the view of our legal system. It means if you have lots of money, you do not have to serve any of these jail terms.

I suppose the Bill sounds pretty conclusive. It is fairly thorough. There is a problem, though, as some speakers have pointed out. You do not really have to register if you call yourself a public relations firm, I suppose. You do not have to say how much money you are getting for your lobbying activities. There are several lobbying firms here in Ottawa and in provincial capitals, and under this Act they are not going to have to say how much money they receive, whether it is $1,000 or $100,000 or $1 million. They should have to. What was the value of their input to the Government of Canada?

I would like to suggest to the Minister another area which is perhaps not covered at all under this legislation but which should be. Perhaps he can address this in committee or at third reading. The problem is this. If you examine all of the sales by agencies of the federal Government this year and last you will see something interesting, for example, the sale of the hotels owned by Canadian National just recently. What was the procedure used? The bids on those hotels had to be received by someone from someone. In other words, there were people in Canada interested in bidding on the Château Laurier and the Hotel Newfoundland and every other CN hotel right across Canada. Someone had to receive those bids. The Cabinet approved the sale, as was brought out in Question Period today.

Who determined which was the best bid or who would get those hotels for that particular amount of money? It said in the bidding process that not necessarily the highest bid would be accepted. It got into the hands of the Cabinet because the people involved who wanted to buy those hotels had hired lobbying firms. Canadian National hired a consulting firm in New York to arrange the bids, to seek out the prospective bidders and then prepare a document for the board of Canadian National, who looked at the recommendation of the consulting firm from New York and either accepted or rejected it. It then sent its recommendation to the federal Cabinet for approval or rejection.

• (1530)

The lobbying firms that were hired by those bidders did not lobby a government official, a cabinet Minister or any of the people named in this Bill.

Some of the lobbying firms that were mentioned in the House today by the two Members who spoke previously are being hired today to lobby on behalf of certain interests to buy two telephone companies in Canada. Northwest Tel, which covers all the Northwest Territories, is up for sale by the Government of Canada. That telephone company is very profitable. It made between $8 million and $10 million in net profits last year and pumped millions of dollars in capital expenditures. One could likely get a profit of $20 million from Northwest Tel.

Another telephone company in the eastern part of Canada, Terra Nova Telecommunications, is also owned by the federal Government. It made a profit of approximately $5 million and pumped $11 million into its capital expansion. Some of the consulting firms named in the House today have been hired by interests who want to purchase those profitable telephone companies. Telephone companies are licensed to make money because their profits are guaranteed.

The consumers must pay and the telephone companies will make the profits. We even have public bodies that are appointed to ensure these companies make a reasonable profit, one that is not too much or too little.

In this situation a consulting firm is hired in Ottawa to lobby on behalf of another telephone company that wishes to purchase Terra Nova Telecommunications and a telephone

company on the West Coast that wishes to purchase Northwest Telephone. These consulting firms are being paid enormous amounts of money through their offices in Ottawa, Vancouver, Toronto and St. John's, Newfoundland, to work on these proposals on behalf of big business interests in Canada.

These lobbying firms are of quite some prominence in Canada. Indeed, I noticed that one of the lobbying firms is headed by a former prominent Conservative Member of Parliament from Newfoundland. He was hired by a telephone company in Newfoundland to prepare a bid for the purchase of Terra Nova Telecommunications.

One must question whether these consulting firms, which are being paid substantial amounts of money, are covered under this Bill. I am willing to bet that the successful bidder on the stock exchange for Terra Nova Telecommunications will be Newfoundland Telephone. I believe it will be successful because not only can it offer a large amount of money, it certainly has a foot in the door. I suggest that even the other bidders who will be putting forward their bids for the purchase of that extremely profitable telephone company realize that fact.

The same thing is happening with Northwest Telephone in northern Canada. Consulting firms are being hired at varying costs. Certainly, the lobbying firms are making a bundle of money.

My objection is that I do not believe these procedures are covered under this legislation. In other words, the lobbying firm hired by Newfoundland Telephone in Newfoundland should have to register under this legislation and indicate that it is hired for the express purpose of trying to get a successful bid for the purchase of Terra Nova Telecommunications. There should then be a requirement on the part of the lobbying firms hired by telephone companies in western Canada for the purchase of Northwest Telephone.

The current arrangement is that an accounting firm has been designated by Canadian National to handle the sale of Northwest Telephone. In the case of Terra Nova Telecommunications, the bids are submitted to the consulting firm of Canada Capital Corporation, which I understand is a very competent company in downtown Toronto. It does all the research, prepares the bids, and accepts them on behalf of Canadian National. The bids then go to the board of Canadian National who make their judgment and send that to the federal Cabinet for its decision.

I would like the Minister to address this complicated procedure when he addresses the Bill either in committee stage or at third reading.

If the lobbying firms are to assume control over what happens, when, where and how in all of these decisions in Canada, we should certainly know the identity of these lobbying firms and how much they are being paid. They should not be allowed to hide behind a consulting firm from New York State, as in the case of Canadian National hotels where the bid can go back to the board of CN and then to Cabinet for final approval. Who is trying to fool whom?

We now have the case of the telephone companies and the lobbying firms. I know personally the lobbyists who have been hired. They know the system intimately. They know what to do, and when, to make sure their clients meet with success.

• (1540)

I do hope the Minister will take that into account because that is one of the big loopholes. The other, as I mentioned, is the salary. For goodness' sake, we should know how much these fellows are raking in when they are successful in purchasing a telephone company for $180 million, or $200 million in the case of Northwest Telephone. How much are the consulting firms being paid? Is it 5 per cent? Is it 10 per cent? We are into big money here and we should know how much they are being paid. We all know who they are, but I would love to know how much these fellows are being paid for performing the job.

I have one word of caution, however, for these companies. I think in a lot of cases it is a waste of money. I think probably if the right bid was submitted, if it was the highest bid, they should not have to worry. There should be some procedure whereby they can appeal, certainly to the federal Cabinet, if they are not treated fairly. Perhaps they are wasting their money by going to these lobbying firms.

As you know, Mr. Speaker, I have made a prediction that a particular company will be successful in its bid to purchase Terra Nova Telecommunications very shortly. I have made the prediction and it is on the official record. Watch for it, Mr. Speaker, because that is what is going to happen.

Mr. Kindy: Mr. Speaker, I am looking at this lobbyist legislation and I would like to make some comments and ask a question. In the interpretation, "public office holder" is defined as a member of the Senate or the House of Commons and an individual who is appointed by the Governor in Council, an officer, director or employee of any federal board, a member of the Canadian Armed Forces and a member of the Royal Canadian Mounted Police. I wonder if the mandarins were forgotten. I mean the upper echelon bureaucrats, the deputy ministers, the assistant deputy ministers and the program officers. The lobbyist tries to influence in order to get a contract and, naturally, at one point he is going to see the deputy minister, the assistant deputy minister or the person who develops the program. I wonder if they should not be included in this Bill. Could the Hon. Member give me an opinion on whether he believes that the mandarins, who really run this country, the permanent Government of Canada, should be included in the Bill? I do not see why a member of the RCMP should be included. He does not give any favours. But why are the mandarins not in the definition of "public office holder"?

Mr. Baker: Mr. Speaker, looking at the section to which the Hon. Member is referring I would have to say right off the bat

that I agree that certainly they should be included. However, under the interpretation section, Clause 2(1), it states that "public office holder" means any officer or employee of Her Majesty in right of Canada and includes a member of the Senate or the House of Commons, an individual appointed to any office or body with the approval of the Governor in Council, which is the Cabinet, or a Minister of the Crown, an officer, or director of any federal board or commission, a member of the Canadian Armed Forces and a member of the Royal Canadian Mounted Police.

Perhaps the Hon. Member could inform me as to whether he believes that that clause excludes certain public servants. The normal way of drafting that definition, I believe, would be the way it is done. In other words, it says "public office holder' means any officer or employee of Her Majesty in right of Canada, and it includes a specific list under the general definition. As a former Law Clerk of a legislature, I would say that this would cover all the public servants to which the hon. gentleman referred, but perhaps he has additional information or an interpretation from the drafter of the legislation that is to the contrary.

Mr. Kindy: I appreciate the comments of the Hon. Member. Naturally, as he indicates, these persons are defined under "public office holder". I wonder whether it would be better to have another section saying that this includes as well all civil servants in the employ of a Minister, so it would be more specific and precise and not left to the interpretation of a judge or the bureaucrats.

Mr. Baker: Perhaps, for clarity, you will notice, Mr. Speaker, in certain definitions when it makes a broad statement as to interpretation and definition, the hon. gentleman is partially correct, because sometimes it gives the general meaning, and in this particular case it means any officer or employee of Her Majesty in right of Canada, which means everyone that the federal Government pays. Then, as the hon. gentleman points out, there could be a period there and it could say: "This definition includes", and it could list whatever should be listed, but then it could be repeated in the first section what is said in the preamble. It could be reiterated in that way.

I would suggest that the Hon. Member make that point to the Minister as a matter of clarity. We have some of the finest drafters of legislation in the world employed by the federal Government in the Department of Justice. We have the same quality of drafters in the provincial administration. They are some of the finest in the world. A great many of them have come over from Scotland and Great Britain and they are very fine drafters of legislation. The problem is not with the drafters of the legislation. The problem is with the Government because it gives them things which cannot really be drafted properly by anyone.

Mr. Boudria: Mr. Speaker, I just have a couple of brief points. First, on the question of the definition of "public office holder", it is quite clear in my mind that this covers everyone who is an employee of the federal Government. The reason the committee in its report recommended that everyone be covered lies in the fact that in the United States of America the law states that lobbying activity only occurs when a lobbyist meets an elected person. That, of course, is not good enough. We wanted to include everyone. In my opinion, the Minister has done that. If it can be further clarified, that is all right with me, as long as it covers everyone.

I want to direct a question on a slightly different topic to my colleague, the Hon. Member for Gander—Twillingate (Mr. Baker). I want to congratulate him, by the way, for his excellent speech. I am sure you would want me to do that, Mr. Speaker. I am of the opinion that the Bill should include a provision to disallow such a thing as contingency fees. I think it is an acceptable practice in the legal profession, at least in some provinces, that one cannot charge a contingency fee. In other words one cannot say, "Mr. So-and-so, I will get you an appointment with the Minister to get you a fishing licence, and that will cost you $2,000. However, if you are successful in your application you owe me another $8,000". In the unlikely event that a lobbyist would want to do something like that, I think it should be disallowed, not that any lobbyist would ever want to do anything like that.

• (1550)

I want to ask my colleague whether or not he agrees that that type of a contingency fee would or should be unacceptable since it is not accepted in the legal profession, at least in most provinces. As a matter of fact, it would be disallowed in most of the states of the United States.

Mr. Baker: Mr. Speaker, of course the point is that we will never know if there is a contingency fee or if there is a sliding fee, a flat fee, an advance fee, an after-thought fee, or any other kind of fee. We will never know because under the legislation nothing has to be declared. The Hon. Member's point is very well taken.

What has happened in a great many of these cases today in which lobbying firms represent companies to try to get something out of the Government is that some of these firms have formed other lobbying firms and the same people might be lobbying both sides of the same issue. In that case there is an almost assured contingency fee no matter who gets it. What has happened is that they have become quite prominent in Canada. All of the big bidders, such as the telephone companies which are now bidding for these two particular telephone companies which are up for sale in Canada, Northwest Tel and Terra Nova Telecommunications, are putting up big bids. Bids of some $150 million and $200,000 are coming in today. Those great telephone companies have guaranteed profits. I believe they have all hired the same firms, which are all interconnected in the bidding.

If we were to boil it down we should at least know who these companies are. There should be a referee somewhere. One of them has to have the successful bid. But it should be advertised

as to how much profit is being made out of it as well as how much money they are charging. Some of these lobbyists are becoming multimillionaires.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Papineau (Mr. Ouellet)—External Affairs—Dispatch of Parliamentary mission to Haiti—Conditions/Query whether arrangements made to hold truly democratic elections in Haiti; the Hon. Member for York East (Mr. Redway)—Criminal Code—Gun control—Amendment of provisions; The Hon. Member for Kenora—Rainy River (Mr. Parry)—National Revenue—Northern tax allowances—Request that regulations be amended/ Application of amendments.

GOVERNMENT ORDERS

[*English*]

LOBBYISTS REGISTRATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Andre that Bill C-82, an Act respecting the registration of lobbyists, be read the second time and referred to a legislative committee.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, to put it mildly the Bill we are discussing today is long overdue. It was on September 9, 1985, that the Prime Minister (Mr. Mulroney) in an open letter to all Members of Parliament and Senators stated:

> It is a great principle of public administration—I could even say an 'imperative'—that to function effectively the government and the public service of a democracy must have the trust and confidence of the public they serve. In order to reinforce that trust, the government must be able to provide constant management and, above all, to be guided by the highest standards of conduct.

He then went on to outline a number of measures he proposed to bring forward to achieve the aims which he outlined in the paragraph from which I have just quoted, including a new conflict of interest post-employment code for public office holders; instructions to Ministers imposing specific and strict limitations on the hiring of family members; and letters to the Leaders of the Opposition on the subject of ethical standards for MPs and Senators. Later on in the same letter he referred to the conflict of interest code and said:

> Among my first actions upon assuming office was to give the Deputy Prime Minister a mandate to: review existing conflict of interest and post-employment guidelines—

The fifth item on this list was with respect to lobbying legislation. He stated:

> The fifth component of this comprehensive approach to public sector ethics is the undertaking of this Government to introduce into the House of Commons, at an early date, legislation to monitor lobbying activity and to control the lobbying process by providing a reliable and accurate source of information on the activities of lobbyists.

If two and a half years from the time that that letter was written is an early date, then I would hate to think of what a late date would be.

This Bill is not just one to register lobbyists but a response to the very serious problems concerning the activities of many people in public life and their subsequent or related activities. Perhaps the most singular thing about this thirty-third Parliament is that the beginning of 1984 marked the first opportunity for a major change in patronage appointments since 1963.

Those of us who watched the debate held between the leaders of the three political Parties just before the election of 1984 saw the present Prime Minister say to the former Prime Minister, now the Leader of the Official Opposition (Mr. Turner), that he had an option. When he agreed to appoint to the Senate and to other positions Liberals recommended by former Prime Minister Trudeau the Prime Minister said at the time that the Leader of the Official Opposition had an option. He said that he did not have to make those appointments.

The present Prime Minister had an option. He could have brought this legislation and other legislation forward a long time ago. But he did not.

There are two pictures of this Prime Minister. The first version is of him as the Leader of the Opposition going around to Conservative Party meetings entertaining those gatherings by listing the patronage appointments made by the Liberal Governments and saying that the Government he headed would appoint Senators, judges, and we would probably have to wait about a hundred years until anybody but a Conservative received an appointment. Then there was the version that I spoke about a few minutes ago when he said to the present Leader of the Official Opposition that he had an option, he could have done things differently.

This Prime Minister has continued and probably accelerated the rate at which he and his Government have made patronage appointments. He and his Government have handed out patronage appointments and contracts to people without very much concern about whether they are the best, the cheapest or anything else.

I would now like to say something about the comments made by my friend from Newfoundland who spoke before I did. Those of us who are here who were here during the Liberal years remember how Liberal Governments awarded contracts for the building of huge office buildings to various

people, including Mr. Teron and Mr. Campeau, without calling for bids. They did extremely well. The Government is now rewarding its friends and some of its former friends with the type of ability given to the new public relations organizations, the new lobby organizations which have grown so quickly under this Conservative Government.

• (1600)

Some of those operators have to be given credit because they have been wise enough not to restrict the membership and the benefits of lobbying organizations only to Conservatives. We see the establishment of the organization headed by a former Conservative Member of Parliament from Newfoundland, later the Premier of Newfoundland, who established Government Consultants International. This organization includes not only Mr. Moores, but Gerry Doucet, former Liberal cabinet Minister, Francis Fox, and others. They have grown. One has to ask, what do they do that permits them to be so successful? How is it that they are able to get the type of clients that they have in such a short period of time?

I wish to put on the record some of their clients. Mercedes-Benz; Saint John Shipbuilding Ltd., which was awarded a $3.5 billion contract to build the six navy frigates; Iron Ore Co. of Canada, which was headed by the present Prime Minister before he entered Parliament; American Express Canada; Nabisco Brands Canada. The President of this company in the United States, Ross Johnson, is a Manitoba native who is a very close friend of the Prime Minister. Until recently American Express Canada was represented by a different company, Public Affairs International, and one has to ask why.

Another client is the Pharmaceutical Manufacturers Association of Canada. Those of us who were involved, as I was, in opposing the introduction and passage of Bill C-22, which will cost the people of Canada hundreds of millions of dollars over the next few years, know the major efforts done by the lobbyists to line up support for the Government's legislation and to oppose the views expressed by organizations representing consumers, seniors, labour, and some of the farm organizations. We know the lobbying that went on. We know that this company was paid at least $100,000 for its work for the Pharmaceutical Manufacturers Association of Canada.

Gulf and Western, the U.S. based entertainment conglomerate, hired GCI to push for its takeover of the publisher Prentice-Hall Canada. Huang and Danczkay hired this company when it went after and won the contract for a new terminal at the Pearson International Airport. Microtel, the B.C. Telephone subsidiary, along with a subsidiary of CNR called CANAC, is part of a joint venture that won a $255 million contract to provide a new electronic defence system against air attacks. This group hired Mr. Moores as their lobbyist. Bombardier Inc., Messerschmidt-Bolkow-Blohm, and Honeywell Ltd. are only a few illustrations of what this company has been able to do.

One has to ask, what does this company do for its clients? How much does this company cost the Canadian people in excess costs for projects which the Canadian Government funds as a result of its work? It has now opened offices in Montreal and in Toronto. It is associated with firms in Calgary, Paris, and Washington. Canadians need to be concerned about this. It is not the only lobbying firm.

There is Bill Neville who was a consultant and worked for the former Prime Minister, now the Secretary of State for External Affairs, and for the present Government. He was and still is the President of William Neville and Associates. Recently, he accepted a lucrative appointment as President of the Canadian Tobacco Manufacturers Council. We know what his mandate is. He has to try to save the embattled tobacco industry from the advertising ban that the present Minister of National Health and Welfare (Mr. Epp) has been pushing. He is supposed to try to persuade the present Finance Minister to stop penalizing smokers in every Budget and to design a long-term strategy for the industry at a time of declining tobacco consumption and increasing public hostility.

Why did he get that appointment? Obviously he got the appointment because the tobacco industry knew the very close relationship between Mr. Neville and members of the Government. Therefore, we have the situation of former Members of Parliament and people close to the Prime Minister who are doing this.

As I have indicated, they are not all Conservatives. There is the former Minister of National Defence in the Liberal Government, Mr. Jean-Jacques Blais, who is now acting on behalf of the nuclear sub makers in France. As I indicated, Francis Fox is now a member of GCI.

We have to be very concerned about the activities of former senior public servants who start acting as lobbyists. I refer to that well known spokesperson and negotiator for this Government on free trade, Mr. Reisman, and his partner James Grandy who are doing extremely well acting as lobbyists for some of the biggest companies in this country. The former Deputy Minister of National Defence, Ramsey Withers, was the Deputy Minister of Transport since 1983. When he leaves the Government he will become GCI's chief operating officer.

These are some of the concerns that we have. We have to wonder why it has taken the Government so long to take action, and how serious it is, given what we have seen happen in recent times.

This legislation goes only a very short distance to meet the problems which we have experienced in recent years, both under the present Conservative Government and in previous years when the Liberal Government was in office. We have had a parliamentary committee look at those questions. It made a very comprehensive study of lobbying, and it proposed a model for lobby registration. The report made in 1987 was unanimous. The committee studied the issue carefully for almost a year, visited lobbying registries in Washington and in Sacramento, California. The committee recommended a lobby

registry which would force all paid lobbyists to register and disclose important aspects of their activity, and it would impose severe sanctions on those who did not comply, yet would minimize the bureaucratic paper burden on legitimate interest groups.

• (1610)

We must ask ourselves whether Canadians can trust the Government to provide leadership in the areas of public sector ethics and open government. The track record of the Government suggests that Canadians really have no reason to expect that kind of leadership from the Government.

Does the Bill address the problems I have noted and meet the criteria set by the committee? We do not believe that it does. We believe that it is a start, but it is severely lacking in several respects.

In committee we intend to deal with some of its shortcomings. The first shortcoming concerns the information which Tier I and Tier II lobbyists are supposed to register. If government is to be truly transparent, lobbyists should report not only the subject of their lobbying but their contacts. One possible way to do it was suggested by Paul Cross in his November policy options article. He suggested that lobbyists should be required to report each time the amount of the lobbying campaign, disclosing the objectives of the campaign and the categories of officials to be approached.

We believe that the definition of lobbying should be broadened to include those who initiate and those who are paid to organize mass mailings or advertising campaigns to disseminate material designed to influence government through public opinion.

I am sure I am not alone in a recent experience I had on two questions which Parliament is in the process of discussing. I have received letters, as have other Members, opposing the legislation with regard to prohibiting tobacco advertising. Thousands of letters have come to parliamentarians. Obviously they were not all self-starters. Obviously they were orchestrated, planned, and developed by the tobacco industry and its lobbyists. It was a similar situation for the proposed taxation on life insurance; we received hundreds of letters. We know that these letters were not spontaneous. They were designed, promoted, and pushed by the insurance industry and its lobbyists. These are the kinds of things with which this Bill and similar ones need to deal.

Another problem is the two tier system. We accept that Tier I lobbyists, government relations consultants such as PAI and GCI, disclose their clients and the purpose of their meeting with the Government. However, why should Tier II special interest groups with paid lobbyists on staff be exempt from disclosing such information?

I want to close by simply saying that members of the New Democratic Party intend to give this question critical and careful study when the Bill is sent to committee.

Ms. Copps: Mr. Speaker, I should like to ask the Hon. Member whether he has an alternative package on the registration of lobbyists and how his package would differ from that put forward by the Government.

Mr. Orlikow: Mr. Speaker, I have to say to the Hon. Member that I do not have the package because I am not the member of the New Democratic Party who worked on it.

However, I can assure the Hon. Member that in committee our Member or Members will have some very specific proposals to improve this legislation.

Ms. Copps: Mr. Speaker, I wonder whether the Hon. Member has any views on the fact that contingency fees have not been specifically mentioned as being prohibited in this particular piece of legislation. What is his view on the collection of contingency fees for lobbying firms?

Mr. Orlikow: Mr. Speaker, if by contingency fees the Hon. Member for Hamilton East (Ms. Copps) means that firms get a retainer, again I cannot claim detailed knowledge of all aspects of the proposed legislation. However, if it means that a lobbyist or a lobbying firm would receive a retainer from a company, I do not suppose that it is any worse than many other areas in which there are contingency fees.

We would want to look at it in more detail when the committee meets for clause by clause study of the Bill.

Ms. Copps: I wonder if the Hon. Member could tell us whether he believes that once lobbyists register it would be important for them to provide a client list.

Mr. Orlikow: Yes, I think it is pretty obvious that the public needs to know for whom the lobbyists are acting, for which company, companies, or individuals the lobbyists are working, what they are required to do in that arrangement, and what kind of payment they are receiving. These are obvious needs. Without that kind of information, there is not much purpose in passing the legislation.

Ms. Copps: Mr. Speaker, in relation to the client list, could the Hon. Member tell us whether he feels that fees paid to lobbyists should be recorded and whether they should be updated quarterly or annually?

Mr. Orlikow: As I indicated earlier, Mr. Speaker, I think that they should be recorded. How often they should be recorded is a detail to which I have not given much consideration.

It is one of the questions which I think should be worked out during clause by clause discussion of the Bill in committee.

Mr. Parry: Mr. Speaker, I wonder whether the Hon. Member for Winnipeg North (Mr. Orlikow) would like to comment on the question of the cooling off period for people who have been active at a senior bureaucratic level, or even as in the case of the former Hon. Member for Nickel Belt, at the ministerial level, and have gone to a lobbying firm or lobbying

organization to deal on the basis of lobbyists, for profit of course, with the Department for which they previously worked or even supervised.

Does he think that the cooling off period should be graduated the same in all cases? How wide would he cast the net in terms of framing legislation to provide for cooling off periods?

Mr. Orlikow: Mr. Speaker, I think my colleague has raised a very important and interesting question. Thousands of Canadians who were opposed to the passage of Bill C-22—and as I indicated a few moments ago, it will cost Canadians hundreds of millions of dollars in the next few years through increased prescription drug prices—were, to say the least, flabbergasted when they saw the former Minister of Consumer and Corporate Affairs in the Liberal Government, the former Hon. Member for Nickel Belt, Mrs. Erola, take on the job as head of the Pharmaceutical Association of Canada at a salary of $100,000 per year.

I would hope that the committee would look at American legislation which prohibits people who hold important policy influencing positions in the federal Government of the United States from becoming lobbyists for—and I am speaking from memory—a period of at least a year.

In the last couple of months, as a result of court cases at least two senior officials in the Reagan administration, Michael Deaver and Lyn Nofziger, have been found guilty of violating their laws and have either been sentenced or are awaiting sentence. That is a section of their law to which I think the committee should give very careful consideration.

• (1620)

Mr. Rompkey: Mr. Speaker, I have a short question. Did the Hon. Member feel it was wrong for Tommy Douglas to take the position as adviser to Husky Oil or wrong for Ian Deans to take the position offered by the Government as Chairman of the Public Service Staff Relations Board?

Mr. Orlikow: Mr. Speaker, as a director of Husky Oil I am sure Mr. Douglas was in no position to influence government policy.

Some Hon. Members: Oh, oh!

Mr. Orlikow: As far as Mr. Deans is concerned, I would hope that Members would give some thought to the position which he has taken as head of the Public Service Staff Relations Board which is not political. It is a position that is important because the chairman of that body obviously needs to have the confidence of both the employer, which is the federal Government, and the employees who are members of the various unions which represent federal public servants. Since I believe the Government obviously believed that he could fill that position, I do not see that there is any conflict of interest at all in the appointment or in the proposal that he be appointed or in his acceptance of the appointment.

Mr. Parry: Mr. Speaker, I would like to get away from some of the diversionary irrelevancies introduced by our Liberal colleagues.

Some Hon. Members: Oh, oh!

Mr. Parry: I would like the Hon. Member's opinion on substantive matters relating to former successful lobbying, particularly of Liberal Governments, which of course have been notoriously vulnerable to lobbying of any sort, particularly when it was associated with money.

Thinking particularly and quoting from an article by Linda Diebel of *The Gazette* Ottawa bureau, I think this is from 1985 or 1986, it reads in part:

> Hyundai Auto Canada Inc.'s President Park Sung Hak, won the elimination of planned tariff restrictions on South Korean cars from the 1984 Liberal budget, according to Roy MacLaren, former Minister of State for Finance.

When the Hon. Member is confronted with this sort of effective lobbying of a weak and vacillating Government, could he suggest anything that could be incorporated in the Bill that might control this sort of lobbying from outside the country, which is, as we have seen, something that can be amazingly effective and perhaps even more effective than lobbying from inside the country?

Mr. Orlikow: Mr. Speaker, I think all of us should be concerned about the way in which federal Governments have encouraged the offshore automobile companies from Japan and South Korea to open plants in Canada. It is obvious that in a few years from now we will have a tremendous surplus capacity. Some plants will close. The plants that will close are not the offshore companies which are only establishing assembly plants but plants from the big three auto makers which have integrated their operations and produced cars and most of the parts but do not just assemble them. We should look at the kind of lobbying which was done on behalf of offshore companies.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the bold-faced hypocrisy of the NDP is unfortunately just too much for even me to stomach.

Some Hon. Members: Oh, oh!

Ms. Copps: Do you believe your ears, Mr. Speaker? First, we have the fed question by the Hon. Member for Kenora—Rainy River (Mr. Parry). He suggests that the former Minister from Sudbury, Judy Erola, got a job with a Canadian drug company, working for a multinational concern, but it was after the specified period during which she was restricted by her employment as a cabinet Minister. The Member does not mind taking a cheap shot at her, somebody who needed a job. Believe me, after the next election the Hon. Members in the NDP may find themselves in the same situation so they should not be so critical of people needing work. However, when the selfsame Party is confronted with the fact that the ultimate socialist takes a $96,000 a year job to work for the Prime

Minister (Mr. Mulroney) for the Public Service Staff Relations Board, somehow that is all right. It is all right that the selfsame Member, only two weeks prior to his hasty exit to collect and cash in on his Loto 6/49, said that he was leaving politics forever because he could not stand the face of the Prime Minister. But when the Prime Minister offered him a job, he grabbed it quicker than you can say "I am not a socialist anymore".

Some Hon. Members: Oh, oh!

Ms. Copps: Frankly, I was not intending to respond to that kind of partisan jibe but I could not let that particular cheap shot go unchallenged.

I think we have to return to the question at hand.

An Hon. Member: Who got us away from it?

Ms. Copps: The person who got us away from it was the person who raised the questions concerning the former Member for Sudbury.

We are here today to talk about the infamous Bill C-82. It is an Act respecting the registration of lobbyists. We have to hearken back for a moment and remember on what infamous day was this particular piece of legislation first spoken about in the House of Commons.

[*Translation*]

Mr. Speaker, on September 9, 1985, the Prime Minister published an open letter to all Members and all Senators.

[*English*]

You will remember, Mr. Speaker, that in September, 1985 the Prime Minister came into the House with his new ethics package. He introduced an open letter to all Members and Senators in which he outlined his attack and how he was going to clean up the ethics in government. We had a very hefty document. It was actually englobed in a blue ribbon. In a very proud way the Prime Minister stood up in the House and said "Mr. Speaker, these are the toughest conflict of interest guidelines in the western world. Coupled with those guidelines, I am going to be moving on a law to seek the registration of lobbyists. That was in 1985 before the situation with the Hon. Member for York—Peel (Mr. Stevens), and before the litany of scandals which have plagued this Government and after the Prime Minister said that he had already introduced the toughest guidelines in the western world.

What can we draw from that, Mr. Speaker? You can have the toughest criminal code in the world, but it does not stop people from robbing banks. If people want to rob banks or if they want to be dishonest either in government or in the application of their government contacts, they will do so and it will be so. There is no way that any law, however well meaning, can actually legislate the ethical standards of people who are in political life and people who seek to serve the political process in the form of lobbying.

Let us not be bound by the mistaken impression that a Bill, whether it be Bill C-82 or the new conflict of interest guidelines or the old conflict of interest guidelines, which were supposedly the toughest in the western world, can solve the problem. The guidelines are the laws that will lay out the law of the land, but if people want to get around that law they will find ways of doing so. It is our job by way of this particular legislation to make it as difficult as possible for anybody who intends to subvert or to break the intent of the registration of lobbyists. I am not optimistic that the mere introduction of an Act, which we have not yet seen come to fruition—I am glad the Government has finally brought it forward—will solve the problem of lobbyists. In 1985 the Prime Minister said he was going to bring a Bill forward in this regard at the earliest possible opportunity, that speed was of the essence. Here we are in 1988 and we are only now debating the second reading of the said subject.

Let us look at examples where we do have fairly strict regulations governing the registration of lobbyists, namely, in the United States. In the United States, those who represent foreign Governments or lobbying interests are required to register as either a foreign or a paid domestic lobbyist. The current system in the United States consists of political action committees funded in very large measure by either large corporations or large unions which want to promote specific philosophies or policies. No one would want to see the type of political indebtedness that we see in the United States come to Canada. Unfortunately, the new development in lobbying is that Canadian politicians are becoming more and more subject to the artful measures taken by paid lobbyists to get their companies through to a Minister. That is an attempt to subvert the democratic process. It is not an attempt just to provide information but in fact it is an attempt to get a contract through a bureaucrat or a Minister.

• (1630)

An article most recently published in *The Globe and Mail's Report on Business* by Stevie Cameron entitled "Like Magic" outlines the new direction Canadian lobbying firms are taking. It is a new direction which does not bode well for the democratic and political process in Canada. The author takes some time to examine in the article the work of Government Consultants International and writes:

> What is plain to anyone, however, is that GCI has come a long way very fast. Set up by former Newfoundland premier Frank Moores and former Nova Scotia cabinet minister Gerald Doucet shortly after the Mulroney Conservatives won a landslide victory in 1984, GCI has grown into the country's second-largest lobbying firm with billings in 1986 of $4.5 million.

That in and of itself is not news. What is news is the fact that this newcomer to the lobbying game has brought with it practices that have changed the nature of lobbying in Canada. The article continues:

> Nevertheless, GCI is better known for flouting the traditional rules than for bringing in any of its own.

The article states that previous lobbying firms provided their clients with research, with intelligence and with a sort of users'

guide so they could then go to Government and try to get action through the democratic process. The article goes on:

> But where the older companies drew the line at actually pushing the buttons with direct lobbying, GCI has taken off the white gloves and waded right in.
>
> "We pride ourselves on results," says Ouellet. "The other firms just push a lot of paper at clients, tell them to go away and read it and make their own decisions and appointments." Not GCI.

Unfortunately, in the past few years, we have seen a number of examples of this. Fishermen who wanted to put forward their perspective on an issue with a particular Minister tried and tried through the normal democratic process to get through, but it was not until a phone call came from Mr. Moores that finally action came forward. That says to me that lobbying firms in Canada are going in a new direction.

Instead of telling their clients that since they live in a democracy, they have the same right as every other Canadian to have access to their politicians and Ministers, and instead of advising their clients on how best to get through to their Ministers by contacting local Members of Parliament in their constituencies, by coming to Ottawa and by meeting with bureaucrats, lobbyists are being paid to make the contacts. They use their clubby former political contacts with Ministers to open doors that are not open to the average citizen of Canada.

Frankly, the legislation that is being proposed will do nothing to subvert that very dangerous trend in lobbying. Unfortunately, lobbying in Canada is moving in the direction of the establishment of the political action committees which have been established in the United States. Any of us who have studied the American system will know that once a politician is hostage to a political action committee, he or she no longer has the right to speak out on issues about which he or she feels very strongly because he or she will have to check first with the PAC. Political Parties or individual politicians cannot take independent stands because someone in the background is footing the bills. Unfortunately, we are seeing that kind of thing with lobbying in Canada.

This particular Bill does not deal with the issue of contingency fees. It does not deal with who makes the contacts and who is being contacted. It is fine to tell GCI to register. Of course GCI will register like every other lobby firm will, and the Tier I firms will register in one way and Tier II firms will register in another way. Unless we have access to more information about the very special relationship that is established between a Minister and an employee of GCI, for example, there is no way that the public can have confidence that GCI is not simply selling its political connections to secure contracts and financial and monetary benefits for its clients.

One of the ways to solve that problem would be full disclosure. We might broaden this legislation to provide not only that companies register but that they provide quarterly statements which include their client base, fees paid, and a chronology of when a Minister or the Government is contacted for the purpose of lobbying. Without knowing that the fishermen's union cannot get through to the Minister of Fisheries and Oceans (Mr. Siddon) but a phone call from Frank Moores will rectify that, there is no way we can stop that kind of abuse. We must call for fuller disclosure.

We certainly support the move to regulate lobbyists. It is a move that has been made necessary as a result of a series of questions that have been raised about the activities of the Government and the way it does business. *De facto* we need to have the registration of lobbyists. However, the registration of lobbyists in and of itself will not solve the problem, which is that we are travelling down a very slippery slope. The ultimate result of that will be a country that is controlled not by Parliament, not by members of all three political Parties who reach a consensus or at least have an honest and open vote in the House of Commons on the issues, but by people behind the scenes who can pay to have access to Ministers in a way that no ordinary Canadian could ever expect.

We have to be realistic about this. We know that both formally and informally, constituents, businesses, unions and voluntary organizations all seek to improve their own communications with Government. Far be it from us to say that there is no role to be played by lobbying firms. There is a role. It is to educate the customer, the consumer and the constituent as to how he or she may best get his or her particular viewpoint expressed in Parliament.

The lobbyist's role is to say, for example, to the Registered Nurses' Association of Ontario or the Canadian Nurses' Association that if it wants to effect change, if it wants to see its profession represented nationally in a way that it is not currently represented, these are the steps that should be followed. It only makes common sense to make these tools available to voluntary organizations as well as paid businesses. However, there is a quantum leap between that kind of initiative and the kind which provides that if a company wants to get a contract, it has to go to Frank Moores because Frank Moores can deliver the Government's dollars. That is not lobbying, that is trading on a political connection which is not available to the public.

• (1640)

The skeleton of a Lobbyists Registration Act is here but it has not been fleshed out. John and Jane Q. public cannot go to the registrar and see: "GCI. Contact: Minister of Fisheries; paid $3,000. Contact: Minister of Agriculture; paid $10,000 re: contract related to tile drainage in southwestern Ontario."

Those are the full disclosures which must be available if we are to have a lobbying Bill worth the paper it is printed on. If it is merely a system which says GCI is a paid lobbying firm, well, we know that already. We do not have to have a registrar, we just have to pick up the *Report on Business* or *The Financial Post*, or even *The Ottawa Citizen*, I believe. Last week *The Toronto Star* had a very extensive article about connections in Government.

An Hon. Member: Who pays for it?

Ms. Copps: Pardon me? I think the question is: Who pays for it? The answer is, if we do not have it, we pay for it. Without it, the Frank Moores of this country are permitted to go to the Minister and say: "Hey, you did not grant that licence. We have a little problem. We will straighten it out and get the licence." In the long run the people will pay far more dearly if we have a system subject to the pressures of private influence trading than if we have full disclosure through beefed-up legislation on the registration of lobbyists.

[*Translation*]

Mr. Speaker, we have a good Criminal Code in Canada, but this does not prevent bank robbers from taking what they want from the banks. The same is true about any legislation which deals with conflicts of interests, the integrity of politicians and the integrity of companies competing for Government contracts.

We only have the bare bones, without any skin or flesh when we ask companies to register. This is all very well, but what will be the point if we cannot get more information, for instance, how much was paid for a specific contract or which contacts were made in such or such a department or with such or such a minister or public servant?

We know that, in the case of many of the decisions which are made, public servants are quite influential when its comes to the promotion of such or such a project. If we introduce a Bill which simply says that lobbyists will be registered without revealing the related information, we shall only have a shell.

What we are asking and what was proposed by my colleague, the able and hardworking Member for Glengarry—Prescott—Russell (Mr. Boudria), who is not here now, but I saw his colleague who . . . I thought that they were both here.

He did a good job himself, and I believe that the Government should include in this Bill the Hon. Member's suggestions about providing more information in relation with the registration of lobbyists because, while we do want to have a Bill, we want it to reflect the fact that, if we do not provide more information, we shall only have the shell of a legislation which would not prevent companies wishing to take advantage of the federal Government and politicians from doing so. We do not want to follow the same path as the United States, because their system does not work that well. American politicians are manipulated by political action committees. We do not want the same to happen in Canada. This is why we ask for amendments which will improve this Bill and develop a new procedure for lobbying in Canada.

[*English*]

The Acting Speaker (Mr. Kempling): Questions or comments.

Mr. Orlikow: Mr. Speaker, I could very easily ignore the allegation by the Hon. Member that I was less than fair. I am sure Mr. Deans, now Chairman of the Public Service Staff Relations Board, would give the same kind of consideration to the remarks made about him by the Hon. Member. I rise because what the Hon. Member did was not a disservice to me or to Mr. Deans. If she thinks about it she will know it was a disservice to the whole process of collective bargaining that we have established.

Surely the Hon. Member knows she was talking nonsense when she said Mr. Deans works for the Prime Minister (Mr. Mulroney). I think those are her words.

Ms. Copps: He was appointed by the Prime Minister.

Mr. Nunziata: Sold his soul.

Mr. Orlikow: Mr. Deans does not work for the Prime Minister. He is the chairman of a quasi-judicial board established by an Act of Parliament with all the independence—

Mr. Epp (Provencher): Appointed by the Prime Minister. And Ray Hnatyshyn!

Mr. Hnatyshyn: No, no, I had nothing to do with it.

Mr. Orlikow: As I was saying, he has all the independence that any chairman of such boards has. Is the Hon. Member suggesting that the Prime Minister or any other member of the Government is trying, has tried or will try to tell the Chairman of the PSSRB what kind of decisions he should make? Of course they have not.

Let us keep in mind that the Parliament of Canada gave to the public servants employed by the Government of Canada the right to bargain collectively. To administer that process, the PSSRB was set up. It is the function of that board, and the Chairman is one of its members, to interpret difficulties and make decisions on questions which arise when there are differences of opinion as to what the Act provides for between the employer, in this case the Treasury Board, and the employees' organizations, whether it be the PSAC or the Professional Institute.

Obviously it is important that the Chairman have the confidence of both the employer and the employees. It is obvious that both parties have confidence in Mr. Deans. Members interested in collective bargaining and the welfare of the people who work for the federal Government will know that the board, with Mr. Deans as chairman, made a number of very important rulings. Those rulings have not been challenged by either the employee or the employer. I say that the attack made on Mr. Deans by the Hon. Member for Hamilton East (Ms. Copps) was entirely unwarranted.

The Acting Speaker (Mr. Kempling): Order, please. I would like to caution Hon. Members that Mr. Deans is not the subject of the debate. He is not here to defend himself either. Therefore, I ask Hon. Members to stick to the substance of the Bill before us.

Ms. Copps: Mr. Speaker, I would not like to see the NDP rewrite history. I guess the reason I was provoked is that while this is a political forum and we are all engaged in political

battle, the one thing about the NDP that drives me crazy is that, boy, they can dish it out but they sure cannot take it.

Mr. Orlikow: I can take anything you can dish out.

Ms. Copps: I did not raise the name of a former Member. It was the NDP who started berating the former Hon. Member for Nickel Belt because she needed a job and went to work for a private company. Frankly, when you leave public life, the job offers are not always flying in fast and furious. I know members of provincial legislatures who have ended up as school janitors.

The NDP raised in this House the issue of the former Minister and I am saying to them: Please do not be so holier than thou and judge the former Hon. Member for Nickel Belt when your own colleague turned around and took an appointment from the Prime Minister not two weeks after he said he was leaving politics because he could not stand the Prime Minister.

• (1650)

We are not talking about the substance of the job. The issue of Members taking jobs was raised by the New Democratic Party. Frankly, if you are prepared to dish it out, you should also be prepared to take it and stop being so sanctimoniously holier than thou.

Mr. Boudria: Mr. Speaker, I want to congratulate the Member for Hamilton East (Ms. Copps) for her excellent speech and the excellent way in which she responded, particularly to the NDP.

This Bill does not contain any provision which could preclude contingency fees. For example, a lobbyist could charge someone seeking a fishing licence, for example, a fee of $2,000 and also apply a contingency fee, which means the lobbyist could charge an extra $8,000 or $10,000 for successfully gaining that licence. As far as I am concerned, the possibility of charging a contingency fee is wrong.

Mr. Nunziata: It is not allowed in the legal profession.

Mr. Boudria: My distinguished colleague, the Member for York South—Weston (Mr. Nunziata), says that it is not allowed in the legal profession in Ontario, nor should it be.

Does the Hon. Member agree that lobbyists should not be allowed to charge contingency fees, and the type of procedure to which I just referred should be disallowed?

Ms. Copps: The Hon. Member makes a good point. The law should discourage the notion that one should receive a bigger reward for securing a contract. The intention of a prohibition on such a contingency fee is that the services of a lobbying firm should be costed on the basis of what they include, not on the basis of how much money a contract secures from the Government.

By permitting contingency fees, it sets the stage for companies to ask for 10 per cent of what a company may get, or kicking in on the basis of how much they succeed in getting from the Government in the way of a contract. I think that is a bad precedent and certainly one which the legal profession in Canada has successfully discouraged. It has led to a situation in Canada where our legal bills in that regard tend to be somewhat less than those in the United States.

Mr. Nunziata: Mr. Speaker, in putting my question to the distinguished Member for Hamilton East (Ms. Copps), I want to get back to the NDP.

I have been patiently listening to members of the New Democratic Party speak through both sides of their mouths. As all Members know, in this hallowed Chamber, members of the New Democratic Party have mastered the art of speaking out of both sides of their mouths.

Did not the people of Hamilton Mountain put their trust in Mr. Deans to represent them for a term of office? In 1984, the people of Hamilton Mountain voted for Ian Deans as their federal representative in Ottawa. A couple of years later the member breached that trust with them, causing a costly by-election in Hamilton Mountain.

As well, several weeks before, when resigning his seat, he indicated that he was leaving politics because of his disillusionment with the Prime Minister (Mr. Mulroney) and the Conservative Government.

Will the Member explain why he left after serving six years in this place? As she knows, a Member becomes eligible for a pension after serving for six years. In her view, did that have anything to do with his decision to leave this honourable place?

Ms. Copps: Mr. Speaker, I think I agree with the Member who spoke previously and said that we are really not here to talk about individual Members. As one who worked closely with the former member for Hamilton Mountain, I think he was a good member. I believe he served his constituents well.

I disagreed with my colleagues in the NDP this afternoon when they attacked a former Liberal who was defeated in an election and was without a job. Some three years later she took a job with a company. They were criticizing her for taking such a job, yet remained silent about the fact that their former member took a very lucrative job at $96,000 a year, topped off by several pensions. That is why I attack him. I do not intend to attack him on his record as a Member because I believe he was a good Member for the area.

With respect to his decision to leave, there are many times in life that we have to make difficult decisions. Presumably the voters will be the judge of that in the next election.

Mr. Deputy Speaker: The period for questions and comments has expired. Does the House wish to call it five o'clock or does it wish to continue questions and comments for two minutes, on the understanding that the Member for Kenora—

Rainy River (Mr. Parry) will have the floor the next time the matter is debated?

Some Hon. Members: Agreed.

Mr. Holtmann: Mr. Speaker, it was a pleasure to listen to the Hon. Member for Hamilton East (Ms. Copps). I would like her to comment on some events that have occurred in the wonderful Province of Manitoba under the New Democratic Government and which deal with the very area we are discussing today.

Before the former Minister of National Health and Welfare resigned, he was appointed as an executive director of the Manitoba Health Association to lobby his own Government. How does she envision that the new Bill on conflict of interest would guide this individual?

Let me give another example. The New Democratic Party of Manitoba uses a polling firm, with untendered contracts, which is made up of former NDP MLA's. Talk about a conflict of interest. Will the Hon. Member comment on that situation under an NDP regime? Would she also comment on the access to information, which is not even allowed in Manitoba?

Ms. Copps: Mr. Speaker, I could say that it proves that the NDP are no better than the Tories, but I do not want to be provocative.

This Bill does not deal with the issue of former cabinet Ministers. I believe the current federal legislation prohibits Ministers from being involved in areas that relate to their Department for two years. The conflict of interest code prevents federal Ministers from being involved with their Departments for two years. Therefore, if this person were a Minister subject to federal conflict of interest guidelines, that person could not be appointed to an organization that would be dealing directly with the Government. One assumes they need a code in Manitoba.

[*Translation*]

Mr. Deputy Speaker: It being 5 p.m. the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

THE ENVIRONMENT

ADVISABILITY OF INTENSIFYING RESEARCH FOR ALTERNATIVES TO REFRIGERANTS

The House resumed from Thursday, January 21, consideration of the motion of Mr. Caccia that, in the opinion of this House, the Government should consider the advisability of intensifying research for alternatives to refrigerants, such as freon, which contain chlorofluorocarbons (CFCs) that erode the earth's ozone layer.

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, it is a pleasure for me to participate in this debate on the motion of the Liberal Member for Davenport (Mr. Caccia). I would like to state at the outset, and emphasize, as has been done in previous debates on this very motion, the importance the Government places on the issue of ozone depletion. I want Hon. Members to know that this has been exemplified in the role Canada has played in the development of the Vienna Convention for the Protection of the Ozone Layer. Canada was the first nation to ratify this in June of 1986 and continues to play a role in the implementation of the Montreal protocol on substances that deplete the ozone layer, which Canada signed with 23 other nations and the European Economic Community in September of last year. Canada, hopefully, will be among the first nations to ratify, under authority of the new Canadian Environmental Protection Act currently before a legislative committee.

What is really important is that the Government and this House did not really require the Hon. Member to bring forward such a resolution because of the actions initiated by the Government, actions which are light years ahead of the previous administration in recognizing and dealing with a problem of grave importance to all countries. We recognize that the ozone layer is a shared responsibility. Governments, industries, environmental groups and consumer groups all have important roles to play in addressing this serious problem and in our endeavour to correct it.

For example, consumers can play an important role by expressing their preference for products which do not destroy the ozone layer. I believe everyone in the House will recognize that if these products are identified in such a way it will be a beginning. This was clearly demonstrated through consumer groups' involvement in the Government's announcement to ban CFCs and certain aerosol products back in the mid 1970s.

Industry also has accepted its role in the development of environmentally safe products and technologies. At a conference on substitutes and alternatives to CFCs and halons in Washington in January of this year, which Environment Canada co-sponsored with the United States Environmental Protection Agency and the Conservation Foundation, over 700 representatives of industry, environmental groups and Governments from over 20 countries expressed a consensus viewpoint that action is needed now.

Industry described new programs and initiatives to reduce emissions and to find environmentally acceptable substitutes for CFCs and halons. For example, the major producers of these chemicals announced a joint toxicity program costing some $8 million to facilitate information transfer and thereby speed up the process of bringing environmentally acceptable substitutes to the market. I think this also demonstrates that through the actions of this Government and through the actions of private industry, the assimilation of knowledge by

everyone interested in doing something about this problem has increased significantly.

What about Government itself? The Hon. Member stated in his motion that Government should consider the advisability of intensifying research for alternatives to CFCs and refrigerants. Certainly, research is fundamental to getting environmentally safe substitutes to market. But given the potential profits, is this not an activity that would be best left to the private sector? For its part, the international community has created a glowing market opportunity for envirnomentally acceptable substitute chemicals and products by setting consumption reduction targets in the Montreal protocol, and industry has responded by beefing up its research into alternatives.

What is significant about those activities is that the private sector has taken up the challenge. It has in fact very quickly moved because it can see this as being profitable to itself. As consumers have a better understanding of some of the harmful uses of certain chemicals, they would preferably want to purchase something that would not harm the environment.

I would submit that Government can be much more effective in dealing with ozone layer depletion by putting in place a control strategy which will decrease industrial and consumer demand and hence decrease consumption of ozone depleting chemicals. The Government in fact has begun to put together the elements of such a strategy. I would like to describe this briefly in general terms to give an idea of the general direction we are presently considering. Before I do that, let me emphasize once again that Canada is fully committed to ratifying the Montreal protocol and to meeting the reductions set out therein. The Government has had a lot of meaningful discussions in this particular area and it is abundantly clear that we are about to move on this in a very forthright manner.

In order to develop the necessary regulatory controls to accomplish this, we will need the legislative authorities contained in the new Canadian Environmental Protection Act which is currently before a parliamentary committee. I had the privilege of sitting on that committee and listening to the Hon. Member who proposed the motion argue and debate the good and bad points of changing the Bill or making it stronger. I think his interjection is welcomed. It is fair and it is useful, although it is a little out of time now to be debating such a motion. However, the Hon. Member has taken a keen interest in the subject. And I am sure he will continue to do so in that interest.

In order to carry out this analysis, we must gather information from industry concerning the amounts of CFCs and halons produced, consumed and traded. We must also consider the impact on industry and the numbers of jobs that may be affected by any regulatory decision we may take. Members of the oppositions Parties from time to time criticize the Government because an industry may have lay-offs. Let us be honest enough to say that actions taken by this Government and other Governments and businesses in this field around the world may affect someone's job. I think the Government has realized that and has in fact set forth areas of assistance. In return for a greater environmental control of our globe, we are prepared to accept the fact that some jobs may be jeopardized and, if so, I am sure this Government will take the appropriate action to compensate those affected or retrain them.

These activities are well under way and we intend to have a control options report available later this summer or early this fall. This report will be the starting point for our multi-stakeholder consultative process. We will be seeking the views of all concerned parties on the pros and cons of these options.

This is a tremendous step forward for the Government on the environment. I think it is appropriate from time to time for the opposition critics to ask the Government what it is doing. I think, though, in this short 10 minutes, I have been able to demonstrate that we have done a tremendous amount. We are not shirking our responsibility. We are taking the environment, the ozone layer, as a very serious matter. We will continue to do so.

• (1710)

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I begin by saying that I do not know what the Hon. Member for Davenport (Mr. Caccia) said when he first spoke to this Bill. However, I think that the Hon. Member for Selkirk—Interlake (Mr. Holtmann) should see Private Members' Business for what it is. It is not intended to be either an attack on the Government, or an opportunity to get up to be overly defensive about the Government's record or, for that matter, to proclaim the Government's record as one tremendous step after another in the defence of the environment. If you like, Mr. Speaker, the tone of the Hon. Member's remarks was inappropriate to what this hour is about.

He mentioned the Montreal protocol. Certainly we were all glad of the Montreal protocol. Although, according to the judgment of those who are concerned about the ozone layer, it fell short of what we would have liked to see. However, at the time, and still, one has to remark that it was a significant achievement, not just with respect to the ozone layer but with respect to the fact of having an international protocol at all. There are many other matters with respect to which we would love to have an international protocol, whether it be on acid rain or a variety of other environmental problems. We do not have them. So in so far as the Montreal protocol, given its limits, sets a precedent, we hope that it will be precedent-setting and that we will see other global protocols with respect to global environmental problems.

The Hon. Member for Selkirk—Interlake derided the notion that the Government should be involved in the intensification of research with respect to finding substitutes for freon and other substances that release the chlorofluorocarbons that eventually erode the ozone layer. I do not think that it is an inappropriate suggestion on the part of the Hon. Member for Davenport at all. I think that what the Hon. Member for

Selkirk—Interlake does not realize is the urgency with which this problem should be viewed.

We have an eroding ozone layer. We have that eroding ozone layer on the basis of what ozone-eroding substances have already made their way up into the atmosphere. That does not count all the CFCs, or chlorofluorocarbons, that are already on the earth's surface at this point in the form of discarded styrofoam cups, discarded or still in use refrigerators, foam cushions, waste solvents, or whatever, and which have yet to make their way up to the point where they pose a threat to the ozone layer. Even if we were to stop the production of these substances today, we would still have a much more serious problem than we have today with ozone layer erosion because, whether we like it or not, all these substances which have not yet made their way to the ozone layer will in fact make their way to the ozone layer eventually.

I think it becomes a matter of not just a technological but a moral urgency. These are the type of questions that test whether or not we have any sense of what I would call intergenerational morality, whether or not for short term, practical or, as in the case of the Hon. Member for Selkirk—Interlake, ideological goals we will put off, retard or not promote as much as we should urgent activity with respect to finding a solution to this problem.

Every time we use one of these substances in whatever way that we use them, we are in fact, to the extent that it could be avoided, putting our own personal material convenience ahead of the welfare of people who will come after us, particularly those who may be more vulnerable than most to diseases such as skin cancer. The primary worry is about increased levels of skin cancer. This is what one thinks about when one thinks about the erosion of the ozone layer and the health problems associated with it.

I just wanted to get those points across, especially with respect to the sense of urgency, because it does not appear urgent and, yet it is. It is extremely hard to get people excited about the fact that over the Antarctic there is a hole developing in the ozone layer. But the fact is that the ozone layer problem is not just with respect to the hole in the ozone layer over the Antarctic but it also has to do with the thinning of the ozone everywhere. It is countries such as Canada and people such as Canadians in the northern hemisphere who are most vulnerable to the effects of a thinned ozone layer. It is precisely for that reason that Canada should not only be showing the leadership that it has been but should be showing even more leadership. That will mean making some tough decisions with respect to what I would call environmental substance abuse.

I have mentioned in the House before that we continue to contribute to the problem here ourselves by virtue of the fact that we churn out every day I do not know how many styrofoam cups in this place, in committees and in the House. Everyone is guilty of it. At some of the churches that I have been at one would think that the styrofoam cup is a sacramental object. One cannot escape it. Yet the styrofoam cups which are needlessly being produced and used are not disappearing. They are going somewhere. Somewhere there could be a mountain of styrofoam cups, if we could get them all together. That would be offensive enough in terms of producing useless garbage. But the fact of the matter is that when this useless garbage finally breaks down it releases these CFCs which eventually accumulate at the level of the ozone layer and have the effect of destroying the ozone.

I say to you, Mr. Speaker, and I say it as one who, when I need a cup of coffee around here, uses one of those styrofoam cups myself, so I do not say this self-righteously, that it is a perfect example of how we cannot rely on individual decisions if we want to be environmentally responsible. We have to change the structures. We have to change the products. We have to change the things which are available to people and the choices which are available to them, even if that means restricting choices that are available.

I think we should start right here in the House of Commons with respect to some of these issues. Styrofoam cups is a good place to start. I am sorry for having to bring this in but it is a pet peeve of mine and has been for some 10 years now. It just goes to show how difficult it is to make just one little change in the habits of people.

Because I see you indicating my time is soon to come to an end, Mr. Speaker, at least with respect to my speech, I wish to make a final comment with respect to the question of the environment and jobs. The Hon. Member for Selkirk—Interlake referred to this, and I am glad he did. One of the things that has always puzzled me is that in our society it is okay—I do not mean to say that I think it is okay, but it is generally accepted as being okay—that people should lose their jobs because the quarterly profit margin of some corporation is down and it needs to improve its cash flow, its credit rating, or whatever the case may be, so it has to lay off a lot of people. Or someone has bought another plant, bought out a competitor, and the most rational and efficient thing to do is to shut the plant down because it is too old.

I refer to all these excuses that are given all the time by the corporate world, and by Government for that matter, for shutting down plants and laying off people and getting rid of jobs, because by contrast if one suggests for a moment that jobs should be lost, that substantial adjustments should be made in the economy or in any particular sector in order to save the planet, then one is told to forget it. It can be done for the quarterly profit margin of CNR or INCO. To meet the fiscal objectives of the Government all types of people can lose their jobs. But, by God, do not threaten jobs to save the planet Earth, or to ensure sure that there is not an epidemic of skin cancer in the future, or various other things. That would not be a good reason. That would be a lousy reason, according to the conventional wisdom.

• (1720)

I say that it is about time that we stopped putting as much priority as we do on the short-term economic goals and put more priority on long-term environmental goals. If that means that we come into conflict with employment, we have to take that conflict seriously and put the environment first and be prepared to provide the necessary adjustment programs for workers who are affected by those environmental decisions, but we have to start making those environmental decisions or future generations will come to revile us for not taking them into account.

Mr. David Berger (Laurier): Mr. Speaker, I too take pleasure in rising in this debate in support of the motion put forward by my colleague, the Hon. Member for Davenport (Mr. Caccia). The motion states:

> That, in the opinion of this House, the government should consider the advisability of intensifying research for alternatives to refrigerants, such as freon, which contain chlorofluorocarbons (CFCs) that erode the earth's ozone layer.

Chlorofluorocarbons or CFCs, as we all know by now, are used as a coolant in refrigerators, freezers, and air-conditioning units. They are also used in foam, including rigid insulation foam, flexible foam for cushions, and foam for packaging foods. The use of CFCs in aerosols, such as hair spray, was banned in 1980, but CFCs are used extensively in various consumer goods.

The threat posed by CFCs is that they erode the ozone layer in the stratosphere some 20 to 40 kilometres above the earth. Once released into the atmosphere they can last some 60 to 300 years.

As many as Canadians now know, the ozone layer acts as earth's sun screen. It blocks some of the sun's ultraviolet radiation from reaching the surface of the earth and from reaching the bodies of human beings and other animals. If ultraviolet radiation were to be increased, the health of the human species and other species would be seriously affected, as well as the environment in which we live.

As many Members who have spoken in this debate have mentioned, in September, 1987, the UNEP, the United Nations Environment Program sponsored a protocol on substances that deplete the ozone layers. This was signed in Montreal by some 24 nations and the European Economic Community. If ratified and implemented, it would reduce the global consumption of CFCs to 50 per cent of the 1986 level by 1998.

Is this reduction the limit? Certainly this reduction is important, but let us try to put it in perspective. It will partially solve the problem, but how effective will it be in solving the problem which is the depletion of the ozone layer?

Environment Canada has taken as its position that, because of the long life of CFCs in the stratosphere, some 60 to 300 years, a reduction of 85 per cent is required. The 50 per cent reduction that was agreed to in Montreal in September, 1987 is not sufficient. A reduction of 85 per cent would be required to stabilize the levels of ozone in the atmosphere, that is, to ensure that there would be no increase above the levels that are currently present. This view is endorsed by many environmental groups and organizations that advocate the complete elimination as soon as possible.

My colleague, the Hon. Member for Davenport, in his remarks in the House emphasized that there is a role for Government, for industry, and for consumers in fighting this question and in trying to seek a reduction and an elimination of the release of CFCs into the atmosphere. Consumers can reduce consumption of products which contain CFCs. There has been considerable public concern for this issue.

Recently, Provigo, a leading grocery chain in Quebec, announced that it would be eliminating the use of packaging which contains CFCs or which release CFCs into the atmosphere. That is an indication that industry will respond to consumer demand and that it is prepared to play a role in this question. The Government could help the consumer make an informed choice by introducing labelling requirements to identify products that contain CFCs.

In addition to that, my colleague, the Hon. Member for Davenport, asked the Government to go beyond the protocol that was signed last September. He asked the Government to ratify the protocol immediately, but also to develop a strategy to reduce the consumption of CFCs to zero, and to launch a global initiative with like-minded Governments to eliminate completely ozone depleting CFCs.

With respect to the particular motion before us, you will recall, Mr. Speaker, that the Member urged or asked that the Government consider the advisability of intensifying research for alternatives to refrigerants that contain CFCs. This motion was selected by a committee of this House for debate over a five-hour period.

I found it quite remarkable that the Hon. Member for Selkirk-Interlake (Mr. Holtmann) who spoke earlier this afternoon questioned why the Member for Davenport even brought forward this motion. He stated that the Government was doing all it can and there is really no need to debate this issue. In reply to the Member for Selkirk—Interlake, I would remind him that this motion was selected by a committee of our peers in this House for debate, because they considered it important enough to merit the attention of all Members of this House. They considered it important enough to be debated during Private Members' hour for a five-hour period, at which point there will be a vote on this motion.

• (1730)

In his comments in the House the Hon. Member for Davenport urged that the Government intensify research for non-CFC solutions in a number of areas. Without repeating his suggestions, I urge other Members who participate in the debate to read those suggestions and to try to engage in some kind of constructive debate on his various proposals.

It would seem that this is an ideal opportunity for Hon. Members to make themselves aware of the kind of research which is being conducted in this field. Perhaps they could request the Library of Parliament or the Minister of the Environment (Mr. McMillan) to provide us with some kind of status report so that we can see what is happening in industry and in government labs and what kind of money is being spent in Canada on researching this issue. Then we could try to compare what we are doing in Canada with what is being done in other countries. I think we all know that a major challenge which we face in Canada is the need to increase our capacity for research.

In conclusion let me indicate that we lack an industrial research base. Very little research and development is conducted in Canada. If there were one area in which Canadians could make a contribution, certainly it would be in ensuring that our industry develops a capacity for producing manufacturing equipment and products which respect our northern environment. Certainly there is an increasing demand in the world for environmentally sound products and manufacturing processes.

The motion of the Hon. Member for Davenport provides opportunity for Members of Parliament to inquire about the state of industrial and governmental research on this subject. Hopefully it will add impetus, as the Hon. Member suggested, to a search for solutions to a problem of great concern to the earth and its inhabitants, human and otherwise.

[*Translation*]

Mr. Maurice Tremblay (Lotbinière): As someone pointed out earlier, Mr. Speaker, the Hon. Member for Davenport (Mr. Caccia) is urging the Government to consider the advisability of intensifying research for alternatives to substances which harm the ozone layer. Substitute products and technologies play an important role in any effort designed to reduce our dependency on chemicals which adversely affect the ozone layer. The solution to the international problem created by such chemicals depends on these products and technologies.

Mr. Speaker, the Government is fully aware of these facts. After all, if there were no substitute products which are harmless to the environment our society would have to make a decision: to protect the ozone layer, or to go on using a number of products which are absolutely essential to the health and well-being of mankind. Were we forced to make this kind of decision, Mr. Speaker, our efforts to implement programs to protect the ozone layer against the harmful effects of chemical products would be severely curtailed. Indeed it would be tantamount to an unfortunate backward step after the progress recorded in Montreal last September.

Adoption of the Montreal protocol concerning substances which are harmful to the ozone layer is an unmistakable reminder to industry that time has come to find substitutes for chlorofluorocarbons and halons. Fully aware of the trade benefits which will flow from the development of substitute products which are harmless to the environment, the industrial sector will live up to the challenge. Extensive research and development projects are already under way concerning major uses for such products as plastic foams, cooling fluids, substances used in portable air conditioning units and fire extinguishers, sterilizers and cleaning solvents. The public sector has been involved in many aspects of these projects. Mr. Speaker, I would simply give a few examples to the House.

First of all, as mentioned earlier, the Federal Government, together with the Environmental Protection Agency and the Conservation Foundation of the United States, sponsored in Washington, from January 13 to 15, a technical conference on alternative substances. On this occasion, producers and users of these substances, as well as scientists and representatives of regulatory agencies, shared the most recent technical developments on these substances and their marketing.

Also, we continue to promote the use, whenever possible, of alternative substances and technologies which are not detrimental to the environment, in order to reduce the demand for the CFCs and halons, hence their consumption. Moreover, Mr. Speaker, the Federal Government intends also to show leadership in making sure not to indirectly create obstacles to the marketing of alternative products and technologies. We intend therefore to reduce as much as possible in our codes and standards the requirements for CFCs and specific halons.

Having said that, Mr. Speaker, I wish to emphasize that the development and marketing of alternative subtances and technologies are only one element in our fight to protect the ozone layer from harmful effects. The Government is determined to assume the responsibilities described in the Montreal Protocol towards future generations and the international community. In this connection, in Canada we have initiated a series of activities. I should like to describe briefly some of these activities.

First of all, we have started to determine the various ways to reduce CFCs and halons consumption. Later on, we shall examine each of the options from the view point of cost and benefits to our society. Meanwhile, we shall consult the interested parties, the so-called interests. Clearly, Mr. Speaker, the result of cost-benefit analysis will vary greatly depending on whether there are alternatives to the substances which harm the earth's ozone layer.

Also, we have initiated a major study in the industry in order to determine the levels of production, use and sale of the CFCs, halons and substances containing them. By repeating this study each year, we will be able to monitor market development, the effectiveness of regulatory legislation, as well as determine the effects of alternative substances and technologies available on the market.

Finally, we should not overlook the fact that science should greatly contribute to the solution of the thinning of the ozone layer problem. Mr. Speaker, by allowing the implementation of stringent regulatory measures at the international level, should it become necessary on the basis of scientific data to

prevent further depletion of the ozone layer the Montreal Protocol provides that solution.

As to the ozone layer itself, control and research activities, which of necessity are international in scope, are coordinated by the World Meteorological Organization, the United Nations Environment Program, and the International Commission on Ozone, which comes under the International Council of Scientific Unions. In Canada, there are ozone layer control stations in Toronto, Edmonton, Churchill, Goose Bay and Resolute Bay. Measurements are taken every week from these stations, except the one in Toronto. We are thus making a substantial contribution to the world network for monitoring the ozone layer, which consists of 94 stations, 21 of whom are measuring regularly. The network's activities are coordinated by the WMO. Canada also operates the World Ozone Data Centre for the WMO, and we are responsible for archiving and publishing ozone data from all parts of the world.

Although measuring is now done by satellite, data collected by land-based stations provide a set of basic historical data that are essential in determining how the ozone layer evolves. For more than forty years measurements were taken with a Dobson spectrophotometer, but laboratories at Environment Canada have now developed a new instrument, the Brewer spectrophotometer, which can measure ozone and sulphur dioxide concentrations automatically and also more accurately than was the case before. The Brewer instruments are manufactured by Sci-Tec in Saskatoon, which has sold orders in Sweden, Germany, Belgium and Greece.

On the space shuttle's 41-G Mission, Marc Garneau, the first Canadian astronaut, took along equipment to measure the ozone layer with the help of a solar photometer. The data collected by Mr. Garneau are now being analyzed to establish profiles of ozone, water vapour and aerosol concentrations and to compare these with measurements taken by instruments on board satellites, instruments that cannot be calibrated directly.

Canadian scientists regularly participate in NASA experiments concerning the stratosphere. Many of these experiments involve measuring trace-constituents from large stratospheric balloons that go up to altitudes of 30 to 35 kilometres and from rockets that go up as far as 50 kilometres.

In short, Mr. Speaker, Canadians can be proud of their scientists who are making an important contribution to world research on the ozone layer.

Mr. Speaker, I hope I have been able to shed some light on the very substantial efforts being deployed in the public and private sectors to develop substitutes for CFCs and halons and to make these available as soon as possible. In concluding, I would like to mention that Environment Canada will continue to work very closely with the research and development sector, and that if certain aspects require additional support, the Government will do everything in its power to provide that support.

• (1740)

[*English*]

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, I am pleased to be able to join in the debate today. I want to emphasize the importance this Government places on the acute problem of ozone depletion now before us, and the longer term, more chronic problem of man-induced climate change.

I find it interesting to hear today that the Canadian Government has outlined several activities it has embarked upon and some of the support it has had. It is important that we recognize the issues and recognize that the private sector has been involved. Self-interest and concern about the environment are prompting chemical companies to develop compounds as commercial alternatives to chlorofluorocarbons. An article in *The Financial Post* outlined that in the private sector there is a great deal of involvement by chemical companies which realize the days of widespread use of CFCs are numbered. There are two choices. Either lose a relatively small but lucrative market, or come up with a safer chemical. Clearly companies are coming up with safer chemicals. This approach will help us all. If the market-driven forces can come up with new approaches and give safety to Canadians, then we will all be in a much better shape.

We have to ask ourselves a series of questions in order to form an opinion on this motion. For example, what needs to be done globally to design and implement comprehensive remedial measures to address this issue? What role should Canada continue or start to play internationally that is consistent with our resource capabilities and expertise? What should Canada do domestically to meet the requirements of the Montreal protocol? What can we do domestically in a regulatory sense to go beyond the protocol in order to serve as a role model? How do we facilitate the orderly transition away from these ozone depleting substances so as to avoid any unnecessary unemployment or other social upheavals? How can we work constructively with industry and environmental groups to achieve the previous point? What role can the Canadian Government play domestically and internationally to facilitate the required technology transfer? What research is currently ongoing in what areas? Is it enough? Can it be better co-ordinated or focused? What role can or should the Canadian Government play in the global research effort, taking into account our contributions to the previous points?

In the introduction to my speech I said that the Canadian Government has taken this into account and has provided an environment in our country where private sector companies, as mentioned in *The Financial Post* report of February 12, 1988, would come forward. I believe that 12 companies now, Canadian companies in the main, have come forward and spoken about sales in the CFC area of $50 million. These sales would provide jobs for Canadians and the forefront of the research and development would help future generations of Canadians. In fact, we feel that over $10 million would be put into research alone in one group for this effort. There is no

other sharing of information because the companies are still competing, trying to be the first with the appropriate alternatives and with commercializing them.

This is a very important issue to which the private sector is responding and which we think will be in the best interests of Canadians. The Government has not shirked its responsibility. In fact, Environment Canada officials have just returned from an informal meeting in Paris where strategic discussions took place on the various ways and means of encouraging the earliest possible entry into force date for both the Vienna Convention and the Montreal protocol. To date, 16 countries have ratified the Vienna Convention and three more are expected to ratify it very shortly. The Vienna Convention must enter into force before the Montreal protocol can be brought into being.

There is another reason that the entry into force of this convention is important, notably, the convention's subsidiary requirement to adopt programs for research, systematic observations, scientific and technological co-operation, exchange of information and technological transfer. The entry into force of the convention should create an enhanced focus on a global scale on the research activities into these substitutes.

The Montreal protocol requires 11 ratifications. We expect that these criteria will be met sometime this year, 1988. However, our concern is that we must have all of the world's major producers and consumers ratified to feel secure in the knowledge that the problem has been truly harnessed and a meaningful solution is clearly in the process of implementation.

Let us focus on what role Canada should play in the ongoing research efforts to find environmentally acceptable alternatives for the ozone-depleting substances. Since the early 1970s when concern was first raised about CFCs, the producers of CFCs have been searching for environmentally acceptable alternatives. I have spoken about the growth of research and development in the private sector in this industry by Canadian firms. They have been eager, worked ahead and are truly finding substitutes and alternatives. They have produced some new chemicals that have appeared to be more environmentally acceptable. At this stage they are working on their commercial viability.

This spark of industrial research interest seemed to go through stages where it was on a downturn between 1980 and 1985. With the Vienna Convention and the Montreal protocol this has encouraged research to such an extent that it is now carrying on at an unprecedented rate. We recognize that the same expensive toxicity testing will be required globally. Many of the world's CFC producers have joined in a co-operative research program worth about $8 million. The work will focus predominantly on HCFC 123 and HCFC 134A. These are promising candidates to replace CFCs in refrigeration and other major applications. These chemicals contain a hydrogen atom, are therefore less stable and consequently have little or no ozone layer-depleting potential. The industry expects that this testing program will take about five years, but we are hopeful that it can be completed sooner.

• (1750)

The depth of the research and development of new products and materials shows that the Government is interested in co-operating not just with the Canadian industry but globally with all the companies of the world. We are focusing on this problem and we think that research and development will bode well for the future of Canadians. All the citizens of the world can rest a little easier tonight knowing that this Government, the people of Canada and the top young researchers of Canada are eagerly working within the private sector as well as through government initiatives to ensure that we can work together to defeat this problem which affects our future.

It is good to see Canada in a leadership role in this scientific research and development. We are playing our part and paying our dues. Because we are one of the most scientifically educated nations in the world, our young people have the ideas, the foresight and, above all, the drive and desire to participate in the solving of the world's problems. The ozone problem is clearly one of the major scientific problems that must be addressed. I am very proud that young Canadians have come forward to show the Canadian flag to the world. We indeed will be part of the solution. These new substitutes will enhance our viability and we are just delighted to be involved with that.

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, it is a pleasure to be involved in this debate today. I would like to thank my colleagues who have spoken before me for the number of points they have made on this private Member's motion.

The motion is certainly one that, at first blush, all Hon. Members would find generally supportable. Upon further examination, however, I fear that the motion only covers one very small part of what is a major issue facing not only the environmental community but indeed all Canadians.

The motion calls for the Government to consider the advisability of intensifying research for alternatives to refrigerants such as freon which contain chlorofluorocarbons, CFCs, that erode the earth's ozone layer. Indeed, we have heard a number of Hon. Members speak, not only today but in past debates on this motion, and I think they have touched on many good points.

Obviously, whenever one jumps in or out of an air-conditioned vehicle or building, one does not stop to try to understand the way refrigerant coolants work. Certainly few people give serious enough consideration to the impact on the ozone layer and indeed the environment generally of the generically-named chlorofluorocarbons or CFCs.

In closing off this hour of debate tonight, I would like to paraphrase briefly a number of points my colleagues have

made. We heard of many of the major events that led up to the Vienna Convention for the protection of the ozone layer and the Montreal protocol. My colleague from London just now spoke eloquently of the role Canada has played in the development of these conventions and protocols and how we are working on international institutional mechanisms that will be in place on a global scale, as well as dealt with the domestic treatment of CFCs.

It has also been pointed out tonight that the need for scientific research is imperative. This need is probably exceeded only by the need for not only Canada but many of the countries of the world to recognize that shortsightedness and narrow self-interest will imperil all of us. The matter should be dealt with appropriately.

We recall the highlights of the conference co-sponsored by Environment Canada held in Washington in January. This conference was important because it identified concretely that there is a tremendous level of activity in the private sector to share research information and to initiate joint programs. As well, there is a sharing of information on current technologies designed to reduce CFCs and halons. Some of these initiatives include substitute chemicals, recycling, recovery and destruction.

The conference showed that producers, researchers, regulators, environmental groups and even the media are discussing the status of the development of product substitutes and alternative processes. Things are moving forward. A platform was also provided at the Washington conference for industry to report on its progress to date, a key element which goes to the heart of the motion that is before us today.

In debate, Hon. Members have talked about the unprecedented level of research that has been done. Research is moving forward on several fronts. We are clearly faced with an environmental problem caused by our ever-growing dependence on so-called halons and CFCs which are currently used in what many consider to be essential uses.

We have identified in a general way the Government's intention to address the obligations in the protocol arising from the Vienna Conference. Our Government has spoken very directly about continuing research efforts to find suitable alternative chemicals. We have pointed out that there are many hurdles remaining. We have discussed the products and the services, the technologies we now need to ensure that there is an orderly transition to more environmentally suitable products.

The Government has attempted to provide Hon. Members in this debate with a sense of our action plan and our timetable for meeting the mandated global reduction requirements for CFCs and halons. We have indicated that we are now doing several things. We are preparing for ratification of the Montreal protocol. We are preparing a comprehensive control options report. As well, we are collecting data to determine the cost benefits and the potential dislocations associated with each of the options to which I have referred. We have stated on numerous occasions that we need the Canadian environmental protection Act, not just to ratify the Montreal protocol but also to implement many of the control actions that will be taken.

In respect of the motion moved by the Hon. Member for Davenport (Mr. Caccia), the message of this Government is clear. There are many things that Government, industry, consumers and indeed all Canadians can and should be doing to remedy the ozone-depletion problem. Every participant in this issue should play a role to some extent.

Industry has an important responsibility, and I have mentioned thus far many of the actions internationally and domestically that the Government has taken. I want to end off this evening by touching briefly on the role of industry.

Because of the market-driven nature of this issue, we have seen the industry has what could only be called a foot race. This foot race involves the development and the technological advancement of alternatives to CFCs. In *The Globe and Mail* of February, just over a month ago, there was an article entitled "CFC replacement produced". It was a short piece which talked about the work of the Dupont chemical company in developing research in CFC alternatives at its New Jersey plant as well as in Canada.

While it is important that Government continue the work we are undertaking, I think this motion does not go far enough in saying what industry and indeed all Canadians can do.

Mr. Scott (Hamilton—Wentworth): Mr. Speaker, I rise on a point of order. On an issue as tremendously important as this one, one which affects virtually every human being on this planet, it is interesting to note that not only is the mover of the motion not in the House but there is one opposition Member present for this debate.

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

• (1800)

Mr. Deputy Speaker: First, I do not believe that it is a point of order. If it is the same point of order, I do not know what argument can be made, but I do not think it is a point of order. Members know of course that Members from all Parties have many duties to attend to. For one thing, we have a number of committees sitting at this time. In any case, it is 6 p.m.

• (1805)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

Adjournment Debate

EXTERNAL AFFAIRS—DISPATCH OF PARLIAMENTARY MISSION TO HAÏTI—CONDITIONS/QUERY WHETHER ARRANGEMENTS MADE TO HOLD TRULY DEMOCRATIC ELECTIONS IN HAÏTI

Hon. André Ouellet (Papineau): Mr. Speaker, on February 2 last, I asked the Government whether it was judicious to send a delegation of Canadian parliamentarians to Haïti.

I received then rather vague answers that, I must say, resemble the position of the Canadian Government towards a country that unfortunately has been through very tragic events.

However, I would like now, a month later, to report on behalf of the Liberal Party of Canada on the work of the Group of parliamentarians responsible for examining Canada's relations with Haïti. I wish first to thank the officials of the Department of External Affairs and the Canadian International Development Agency for the very useful information they provided us at the briefing meetings we had in Ottawa, which I found not only instructive but quite thorough. We greatly appreciated their willingness to help and most of all their candour.

I would also like to congratulate the Parliamentary Secretary of the Minister for the way he chaired the public hearings in Montreal, on February 16, 17 and 18 last. I was very happy with the calibre and diversity of the submissions we received. I am convinced we should take them into consideration when we draft our report to the Minister.

Earlier this week, the Government published a statement confirming the visit of the Group of paliamentarians to Haïti next week.

The fourth paragraph of the statement says the following:

> During their visit to Haïti, Canadian parliamentarians will have an opportunity to meet with representatives of the new Haïtian Government, unions, business communities, members of organizations for the protection of human rights. They will also have the opportunity to visit aid projects in and outside the capital of Port-au-Prince and to discuss with the beneficiaries of those programs.
>
> They will also contact members of the Canadian community in Haïti, as well as representatives of international organizations and other countries maintaining relations with Haïti.

It is on the strenght of that program that we think our visit to Haïti will be useful. I will therefore be happy to join that delegation where I will represent the Liberal Party of Canada.

We fully realize that we cannot rewrite recent Haïtian history. We believe that the Haïtian people were ready for democracy but that bloody events have clouded the issue. While recognizing that Mr. Leslie Manigat has come to power in rather special circumstances, we cannot in all fairness hold him responsible for the incidents that happened at the end of 87.

As a witness was saying in Montreal last month, and I quote,

> The record of new President Leslie Manigat speaks in his favor and gives the people some hope as to his competence. However, we must be aware of the political and economic context in which the new President will assume his duties.

I must also say that the electoral program of Mr. Manigat's political organization, which was sent to us and which I reviewed very carefully, is very impressive. And surely if Haïti can implement that program, the Haïtian people will benefit substantially.

Therefore, I hope to hold frank discussions with both government and opposition representatives during my stay in Port-au-Prince. However, I would be greatly disappointed if our parliamentry delegation was unable to meet with the President himself to discuss frankly and informally with him his intentions concerning the enforcement of the Constitution which has been readily and massively supported by the Haïtian people. That new Constitution prescribes some duties to the government and we hope that the new President will comply with them.

Secondly, we will have to inquire directly to the president, the prime minister and senior ministers about Canadian aid. We have been advised by party representatives that the new President disapproved of the proliferation of non-governmental organizations. Yet, a very high percentage is not vitually all of the Canadian aid to Haïti goes through non-governmental organizations and surely if this type of aid is not welcomed, the nature of Canadian aid in that country could be substantially altered.

Finally, in closing I should like to ask this government what are its intentions concerning the enforcement of human rights. Unquestionably, the bloody events of last year were absolutely unfortunate, those responsible of such incidents must be brought before the courts and justice must be done. And it would be interesting and even important to learn from the President himself what he intends to do about that.

Mr. Roger Clinch (Parliamentary Secretary to Minister of Communications): Mr. Speaker, as announced yesterday by the Secretary of State for External Affairs, the parliamentary group responsible for looking at relations between Canada and Haïti will visit Haïti from March 13 to 18, 1988.

After the installation of the new Haïti Government on February 12, our Embassy had an opportunity to discuss with the authorities in charge the details of the group's visit. The Haïtian authorities have requested a slight postponement, to have more time to ready themselves and to sift through their outstanding business. In turn, the Embassy will arrange meetings of parliamentarians with various non-governmental groups, such as representatives of the opposition, churches, labour unions, business groups, human rights organizations. Members of the group also will have an opportunity to visit aid projects, to meet members of the Canadian community and representatives of international organizations and other countries active in Haïti.

This is therefore a major program that should allow the group to proceed with the completion of their mandate. The latter essentially is to observe the situation in Haïti on the aftermath of the January 17 elections, as well as the mechanics of Canadian co-operation, in order to determine how Canada's relations with Haïti can best be organized to meet the Haïtian needs and aspirations, including their desire for a better democratic life.

In fulfilling its mandate, the group will be careful to respect Haïti's internal sovereignty and resist pressures that might lead it to launch into investigations beyond its terms of reference.

In conclusion, I would like to point out there is every appearance that the parliamentary group will visit Haïti in a period of significant calm, after two years of political turmoil in that country. The new Haïtian Government seems to be enjoying favourable conditions to put in place the elements that will allow it to implement its political agenda, but considering the challenges of economic development and prevailing social divisions in Haïti it presumably will not enjoy a long respite. In that context, the comments and recommendations the parliamentary group may want to share with us will rapidly face the test of reality.

• (1810)

[*English*]

CRIMINAL CODE—GUN CONTROL—AMENDMENT OF PROVISIONS

Mr. Alan Redway (York East): Over the last few months and years, Mr. Speaker, I have told you a number of stories. I wonder if I have ever told you the story of the Canadian who went to visit the United States. He travelled to Windsor, drove across the border and up to the U.S. Immigration Customs official. The official, of course, asked him the standard question: "Where were you born?". His answer was: "Toronna". That is the way we refer to Toronto in our city. The next question was: "Where are you going?" He said he was going to Detroit. The officer then asked: "Are you carrying a gun?" This particular person was taken aback but he said, no, of course not. The officer reached in his pocket and said: "Here, take mine, because if you are going to Detroit, you will need it".

I do know whether or not you thought that was a humorous story, Mr. Speaker. It was intended to be a little humorous, but it is an illustration of a tragic fact. It is tragic that someone might even consider that one should need a gun if one went to visit Detroit or, indeed, many other places in the United States. I think there are a number of Canadians and other people who feel that that in fact is the case, that it would be essential. They feel that because, after all, some of the crime statistics in the United States are frightening.

For instance, in 1985 in the City of Chicago, which is somewhat comparable in size to the City of Toronto, there were 666 murders as compared to only 61 murders in Toronto. In 1985 in the City of Houston, which is comparable to your city, Mr. Speaker, Montreal, there were 457 murders compared to only 81 in Montreal.

In Washington, D.C. which is comparable to the City of Calgary, there were 147 murders as compared to 16 in Calgary. Milwaukee is roughly about the same size as Winnipeg. It had 68 murders as compared to 16 in Winnipeg. Jacksonville, Florida, is roughly the same size as Edmonton, Alberta. It had some 90 murders in 1985 compared to only 19 in Edmonton.

When I mention Jacksonville, Florida, immediately comes to my mind the fact that last year the State of Florida passed some new gun laws. It passed something called the Concealed Weapons Licensing Act. That particular Act did not in any way restrict the use of or the carrying of hand guns. In fact, it did not control hand guns in any way. What it did was allow all the citizens of Florida to carry hand guns. That is exactly the opposite to some sort of gun-control law. Now everyone in the State of Florida can carry a hand gun, the taxi driver, the local butcher, the baker or candlestick maker. Any of them under this legislation can carry a hand gun, a colt, a magnum, a barretta, you name it, Mr. Speaker, they are all quite legal now in the State of Florida.

I know that the United States Rifle Association thinks that is probably a good idea. After all, it is consistent with the American Constitutional right to bear arms and it is consistent with the concept of fighting crime, I suppose. I suspect at the same time there are many Canadians who would agree with that and who feel that the Florida gun law was probably quite appropriate. Perhaps you do, Mr. Speaker, although I hope not. I am glad to see you shaking your head, Mr. Speaker.

• (1815)

However, there are as you know, Mr. Speaker, rural Canadians, hunters, those in gun clubs—perhaps even the Parliamentary Secretary is a hunter, I do not know, although we will be hearing from him in a minute—who feel that we do not need stricter gun control laws. I was speaking to the Hon. Member for Malpeque (Mr. Gass) yesterday and when he heard the mention of gun control laws, his hair stood on end. He was shocked by the very thought.

However, my constituents, at least most of them, being urban constituents feel very strongly that we need some stricter gun control laws in Canada. They feel that way because they know that the police say that there is actually a direct link between the availability of guns and the number of people who get killed or injured each year. They recall and in fact become jittery when they think of the fact that last August Canada Customs seized a shipment of more than 900—more than 900—fully automatic light and heavy machine guns that were bound for Calgary.

These things disturb me, and they disturb my constituents. That is why back on October 14, 1986—not 1987 but 1986—I asked the Minister if he intended to further tighten up our gun

control laws and when we could expect this. The Minister's answer at that time, back in October of 1986, was that we could expect those new gun control laws "shortly".

Time passed and in November of 1987, over one year later, I again asked the Minister in the House when was "shortly". What was the Minister's reply? The Minister replied that shortly is soon.

A little later than that, in October of last year, Mr. Nick Austin, who is one of the chief bureaucrats in charge of gun control legislation, was quoted in the newspapers as saying that we could expect gun control legislation to come in before the end of the year. That was 1987. However, he said that more likely it would be "early" in the new year. That was 1988. We are now into March, getting close to being a little later than early.

Tonight I want to ask the Parliamentary Secretary if he can tell my constituents, and Canadians, how shortly is shortly? How soon is soon? How early is early? I hope that we will get a response from the Government to indicate that we will get some action on this matter, and get some action quickly. I would hate to have the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) have to return to the House as a Minister in order to get some action on gun control laws.

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I would like to assure my colleague, the Hon. Member for York East (Mr. Redway), that I do not even own a pellet gun. So, he can rest assured in that respect.

Gun control has a long history in Canada. It has been supported by successive Governments. In fact, the first nation-wide permit system respecting hand guns was introduced in the 1892 Criminal Code. The strict control of hand guns has been a fundamental principle of Canada's gun control program.

As the Minister of Justice (Mr. Hnatyshyn) assured the House in a statement on November 3, 1987, the Government does not intend to emulate the State of Florida by relaxing the control of hand guns.

[*Translation*]

Mr. Speaker, Parliament made major changes to the firearm legislative provisions in its 1977 legislation amending the Criminal Code. Following the implementation of these provisions in 1979, an independant assessment carried out over a three year period brought to light positive changes in the use of firearms and the sentences imposed in criminal matters. For instance, murders committed with firearms as a percentage of all murders are considerably down. The 1986 statistics on homicides published recently by Statistics Canada also demonstrate that Canada's legislative provisions have a positive effect since the proportion of homicides committed with firearms went down from nearly 40 per cent in 1976 to 30,8 per cent in 1986.

The Statistics Canada report also indicates that in 1986, the number of offenses committed with handguns was considerably down compared to the total number of offenses committed with firearms. It went down from an average of 29.3 per cent over the past ten years to 21.7 per cent. In 1986, 39 homicides were committed with handguns in Canada compared with 10,000 in the United States. In other words, the number of murders committed with handguns is 25 times greater in the United States than in Canada, taking into account our respective populations.

• (1820)

[*English*]

As the Minister of Justice has previously indicated, a process of ongoing review and extensive consultations are continuing to identify where amendments to the firearms legislation might be appropriate. However, substantial shifts in the direction of Canada's gun laws are not contemplated.

The Government favours a balanced approach which recognizes the legitimate interests of firearms users and the needs of public safety. In seeking to strike an appropriate balance, the Government has welcomed representations from all those groups and individuals affected by the legislation, and federal and provincial officials have maintained a close collaboration.

At this moment, Mr. Speaker, available evidence suggests that there is no need for changes to Canada's firearms legislation.

In closing, if at any time the Hon. Member for York East has the intention of looking at the application and supervision of the law in Florida, and if he wishes to visit Miami, I will fully support and offer my service to join with him in his visit and to see that in Miami there is not only vice but there is something nice too.

NATIONAL REVENUE—NORTHERN TAX ALLOWANCES—REQUEST THAT REGULATIONS BE AMENDED/APPLICATION OF AMENDMENTS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I am glad to have the opportunity today to interrogate the Parliamentary Secretary to the Deputy Prime Minister (Mr. Grisé) on the northern tax allowance. I am also a little regretful in that the answer given to me on February 23 when I raised this matter in the House was not that far from satisfactory, and certainly better to receive than some that loosely pass for answers in this place.

Yet it is a matter I have no alternative but to pursue, because the way in which the regulations for the northern residents tax allowance have been framed set up major inequities between neighbouring communities in many parts of the country, although most of the examples that I use will be from my riding.

On a seemingly arbitrary basis some communities which are as isolated and remote, or more isolated and more remote than

some of their neighbours, appear to be excluded, while others have been accepted for a tax provision that I think I can say in a non-partisan way is a relatively generous recognition of some of the problems faced in day-to-day living by residents who live in remote and northern areas of our great country.

The Minister did indeed acknowledge in his response that there are some anomalies in the legislation. He noted that the Minister of Finance (Mr. Wilson) will soon be appointing a committee to explore some of the difficulties that may exist. Last Friday, the Minister of Finance again used the word "soon", which brings up a theme that my colleague, the Hon. Member for York East (Mr. Redway), was expounding on to very good effect. We now have a movement in northwestern Ontario to ask the Government to introduce some equity into this whole situation. Mr. Michael Powers, Mayor of Geraldton and President of Northern Ontario Municipal Association, has asked the Minister for a meeting, as have the presidents of the Thunder Bay Municipal Association and the Kenora District Municipal Association, Wendy Bell and Sandra Walkey respectively, as well as Dick Lyons, Mayor of Fort Frances, and George Boissenault, Mayor of Dryden. These community leaders are concerned about not only the equity of the situation but the effect on their tax base when, by the operation of these distinctions, essentially their residents are being offered a premium of up to $60 per week, in some cases, to move just outside the boundaries of their communities and thus undercut the tax base of the community providing the services.

• (1825)

I should like to refer to some brief examples. Kenora, a principal town in my riding, is too close to Winnipeg to qualify. Vermilion Bay, a much smaller town of some 700 people, 90 kilometres from Kenora, is judged too close to Kenora. Dryden, 140 kilometres from Kenora, is judged too close to Kenora. Yet, when we get to Wabigoon, just 15 kilometres from Dryden, it is judged to be an isolated community. Dinorwic, just 6 kilometres down the road from Wabigoon, does not appear on the list of excluded or included communities. Borups Corners, a hamlet of some 30 people, is absent from either list. Ignace, surely one of the most isolated towns in northwestern Ontario although it is on the Trans-Canada Highway, is judged to be too close to Thunder Bay.

Similarly down in Rainy River, Fort Frances, the major community, is excluded but communities to the west, to the east, and to the north of Fort Frances are all judged to be eligible. Nestor Falls, whose students face the longest bus ride anywhere in North America to get to high school, is also excluded, as is its neighbour, Sioux Narrows, another community which falls to about 300 people in the winter-time. Both these communities have the majority of their adult residents—and I think it is somewhere in the 80 per cent range—signing petitions against this inequitable application.

My constituents and many other Canadians in remote communities want to know if the operations of the Minister's committee will be open to the public, if the conclusions will be retroactive, and primarily, of course, if the communities I have listed, as the Minister asked me to, in letters to him last Monday and Tuesday will be admitted to the operation of the northern residents' tax allowance.

[*Translation*]

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, this is a very serious question on a very serious issue to which I will try to reply in the few minutes I have left, because the Sergeant-at-Arms is on a very strict schedule.

For several years before 1986, some fortunate people benefitted from special tax privileges granted to the residents of isolated areas. They had the good fortune of working for corporations or businesses that were able to give their employees generous tax-exempt benefits under income tax remission orders.

When the Government introduced northern tax allowances in 1986, it marked the beginning of a new era of tax fairness for people residing in remore regions. Now not only employees but also retired people, independent workers and all taxpayers living in remote regions may ask for tax deductions to offset the high cost of living in these regions.

It is a sizeable deduction, Mr. Speaker, but more important still, it is much fairer. This legislative measure ensures that nobody becomes entitled to unduly generous tax benefits related to employment conditions in remote regions while others do not. This legislation ensures equitable tax treatment for everyone as all residents of a community designated by regulation can claim a deduction on the basis of their place of residence.

Mr. Speaker, I believe that we all agree with the concept of tax equity for the residents of remote areas. However, the Hon. Member for Kenora—Rainy River (Mr. Parry) has raised the issue of tax inequity. He has vigorously stated that the list of remote communities whose residents are eligible to the deduction does not include certain communities which could be considered remote and which do not receive such tax benefits. He demands that changes be made to the list.

• (1830)

[*English*]

The Minister of National Revenue (Mr. MacKay) has already conceded that the legislation creates anomalies in some areas. In addition, the Minister of Finance (Mr. Wilson) will soon be appointing Members to a committee that will explore these anomalies with a view to fine tuning the legislation. In the interim, Mr. Speaker, you have the commitment of the Government that it will exercise compassion, sound judgment and administrative accommodation wherever possible. Across this country, employees of the tax department are routinely checking and rechecking the designation of communities to ensure fair treatment for all taxpayers.

The Government is on the right track. We are confident that the premises of the legislation are on target. Any review of their intent will serve to show that, indeed, this Government has succeeded in bringing far greater equity to the tax system than existed previously.

[*Translation*]

I have every sympathy for people in communities adjacent to eligible communities, who may feel they are being treated unfairly. That certainly is not our intention.

You may rest assured, Mr. Speaker, that when members of Mr. Wilson's task force have completed their study and made their conclusions known to the Government, all Canadians will be convinced we took note of their concerns and responded to their expectancies, which has always been the basic feature of this Conservative Government's policy.

[*English*]

Mr. Deputy Speaker: The motion to adjourn the House is deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow afternoon at 2 p.m.

The House adjourned at 6.32 p.m.

HOUSE OF COMMONS

Wednesday, March 9, 1988

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*English*]

INDUSTRY

MASSEY FERGUSON PLANT CLOSURE—FORMER EMPLOYEES' HEALTH CARE COVERAGE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, this Government is always first in line to take credit for job creation—

Some Hon. Members: Hear, hear!

Ms. Copps: —but it is amazing how quickly the Ministers disappear when there are job losses.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. The Hon. Member for Hamilton East.

Ms. Copps: Mr. Speaker, as I mentioned, the Government is first in line to take the credit but it is ducking in terms of the blame. There were 1,300 jobs lost at Firestone and there was not a word from the Minister who should have been responsible. There were 3,000 jobs lost at Massey Ferguson in Brantford. We now know that 5,000 workers, their families, their widows, have now lost their health care coverage as a result of the decision by the company to terminate Green Shield benefits.

I call upon the Prime Minister to follow up on a request from Bob White—

Some Hon. Members: Oh, oh!

Ms. Copps: —the president of the United Auto Workers. As a 20 per cent shareholder in the company the Government should immediately reinstate Green Shield benefits so widows who have drug costs of over $200 a month, retired people, and people on disability benefits, can at least rest assured that they will continue to have health care coverage.

Stand in line for the blame because in this particular case, as a 20 per cent shareholder, the federal Government has a responsibility to continue that health care coverage for those 5,000 people.

* * *

• (1405)

HUMAN RIGHTS

AMNESTY INTERNATIONAL—"HUMAN RIGHTS NOW" CAMPAIGN

Mr. Joe Reid (St. Catharines): Mr. Speaker, this week marks a major event for Amnesty International as it begins its "Human Rights Now" campaign here at home and around the world.

"Human Rights Now" heralds the fortieth anniversary of the Universal Declaration of Human Rights as adopted by the United Nations and which defines the rights of humanity.

This campaign will strive to raise mankind's awareness and recognition of every individual's entitlement to human rights, and to encourage the Governments of the world to strengthen their domestic and international protection of human rights.

Today in Ottawa and across the country Amnesty International groups will be approaching Canadians to sign petitions promoting human rights which will then be circulated worldwide throughout the campaign. We as Canadians should applaud and support Amnesty International in its ongoing battle to protect our human rights and to improve the quality of life for people the world over.

* * *

EMPLOYMENT

ADJUSTMENT PROGRAM SOUGHT FOR UNEMPLOYED OLDER WORKERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the Government has been promising an adjustment program to help laid off older workers since the 1986 Budget, but nothing has been implemented.

Major lay-offs resulting from plant closures in cities such as Hamilton, Brantford, and now Winnipeg-St. Boniface have produced no specific help for these employees. At the Canada Packers plant in St. Boniface a detailed study by two university professors, Jeremy Hull and Jim Silver, done after last

year's lay-offs, shows that four months later fully 35 per cent of former employees were jobless and that those with jobs were earning an average of $3 an hour less than when they worked for Canada Packers.

A second group of 400 workers at Canada Packers will be laid off March 31, and fully one-third of these are 55 years of age and older.

The treatment of these workers, many of whom will have great difficulty finding alternative work, is a test case for the Government. If there is no help for St. Boniface, Brantford and Hamilton now, what hope is there for the thousands of workers who will lose similar production jobs under the proposed free trade deal?

I call on the Government to make good on its promises to older Canadian workers by putting in place a meaningful—

Mr. Speaker: I regret to interrupt the Hon. Member but his time has expired.

* * *

PROVINCIAL AFFAIRS

MANITOBA—IMPENDING ELECTION

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, the citizens of Manitoba are going to be asking the following questions of Mr. Pawley's defunct Government. Were the NDP able to manage auto insurance?

Some Hon. Members: No!

Mr. Holtmann: Were the NDP able to manage workmen's compensation?

Some Hon. Members: No!

Mr. Holtmann: Were the NDP able to manage Manitoba's telephone system?

Some Hon. Members: No!

Mr. Holtmann: Were the NDP able to manage Manitoba's Crown corporations?

Some Hon. Members: No!

Mr. Holtmann: Was Mr. Pawley able to speak for Manitoba on free trade?

Some Hon. Members: No!

Mr. Holtmann: The socialists here in this House have been crying: "Call an election on free trade! Call an election on free trade! Call an election!" Well, my socialist friends, you've got one! You can all come to Manitoba to share the blame for Pawley's flickering flame.

Some Hon. Members: Hear, hear!

EXTERNAL AFFAIRS

CANADA-ISRAEL FRIENDSHIP DAY

Hon. André Ouellet (Papineau): Mr. Speaker, today is Canada-Israel Friendship Day, a day that celebrates the friendship that has existed between Canada and Israel for the past 40 years. Since 1948 Canada has constantly supported Israel's right to exist as an independent state within recognized boundaries, and has played a leading role in peace-keeping and moderating in the Middle East.

This friendship has resulted in closer cultural and economic ties, including the establishment of a Joint Economic Committee on Trade and Economic Expansion, a Canada-Israel Cultural Foundation, and a Chair in Canadian Studies at Hebrew University. This special relationship with Israel has existed alongside and has been balanced by Canada's friendly relations with Arab nations in the Middle East.

Recently, Canadians have become more and more disturbed by the situation in the Gaza Strip and the West Bank. I ask Israel as a long-time friend to use restraint in its dealings with Palestinians in the occupied territories. These violent actions aimed at crushing Palestinian unrest are contrary to the spirit and traditions of the Israeli nation.

Just as no lasting peace can be achieved without the recognition of Israel, there must also be recognition of the rights of the Palestinian people to a homeland. The animosity is real, and certainly presents a seemingly insurmountable obstacle to a lasting peace. But men and women of moderation must continue to work toward that goal. The Israel-Egypt agreement is a good example that the seemingly impossible can happen when historical enemies settle their disputes at a negotiating table.

* * *

• (1410)

THE LEADER OF THE OPPOSITION

Mr. Alan Redway (York East): Mr. Speaker, I wonder if the Liberal Party financial contributors are aware that since 1984 the Liberal Party has used its election campaign contributions to pay nearly $3,000 a month, or $35,000 a year, to provide their Leader with an apartment in Toronto's fashionable Avenue Road and St. Clair district.

The Leader of the Opposition (Mr. Turner) and members of the Official Opposition continually call for other Members of Parliament and other political Parties to be open, honest, and conflict free.

What hypocrisy, Mr. Speaker!

PROVINCIAL AFFAIRS

MANITOBA—TRIBUTE TO RETIRING PREMIER

Mr. Rod Murphy (Churchill): Mr. Speaker, Members of the House are aware that the Pawley Government in Manitoba lost a Budget vote last night. Members of the House are probably not aware that half an hour ago Mr. Pawley announced that he will not be the Premier in the Province of Manitoba—

Some Hon. Members: Oh, oh!

Mr. Speaker: Everybody in this House came into politics to try to do something for our country. When a statement like this is being made, Members might pay some respect to someone else who undoubtedly was trying to do something for his country.

Some Hon. Members: Hear, hear!

Mr. Murphy: I do believe that Members of this House in all Parties, and Manitobans, wish to congratulate Mr. Pawley on his achievements, and wish to accept the fact that he has contributed many, many years of service to the people of Manitoba and to the people of Canada.

Not all of us have agreed on the issues, but that does not take away from the contribution. On behalf of our Party, and on behalf of other Members of the House, I do wish to offer our congratulations to Mr. Pawley for his courageous decision and for his contributions to all Manitobans.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

POLITICAL PARTIES

DIFFERENCE BETWEEN LIBERALS AND CONSERVATIVES

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, when the present Liberal Leader (Mr. Turner) was a member of the Government, he helped to accumulate this country's many billions of dollars of debts.

During the three years he has been Leader of the Opposition, his Party has yet to pay debts totalling $5 million, although that same Party is paying its Leader's rent, which amounts to $35,000 annually.

On our side of the House, for the first time ever a Prime Minister (Mr. Mulroney) is paying his own meal expenses, and also for the first time, the Prime Minister is not letting taxpayers pay the cost of renovating his official residence.

Mr. Speaker, the difference is that Conservatives know how to administer this country, while the Liberals only get it deeper in debt.

S. O. 21

[*English*]

UNEMPLOYMENT INSURANCE

SYDNEY STEEL CORPORATION STRIKE—REFUSAL OF BENEFITS FOR OTHER LAID-OFF WORKERS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today to bring to the attention of this House the plight of the striking steel workers at the Sydney Steel Corporation. This House should know that because of the strike some workers have been laid off. Workers such as those in Locals 6516 and 6537 are not eligible for strike pay from the union because their locals are not on strike.

Two days ago the members in both locals were informed that the Unemployment Insurance Commission refuses to pay them their unemployment insurance benefits because they do not qualify under Section 44(1) of the Act. All of the players involved in this decision know that this is not a good enough reason to refuse benefits; it is a technicality. These men are not working due to circumstances beyond their control. They have families to care for and they need financial assistance while the strike continues.

I call upon the Minister of Employment and Immigration (Mr. Bouchard) to overrule this ridiculous decision and to release the unemployment insurance cheques to those needy workers. It is time for the Government of Canada to show some compassion and economic leadership and provide justice to those needy workers.

* * *

[*Translation*]

MEMBERS OF PARLIAMENT

A DAY IN THE LIFE OF THE MEMBER FOR ABITIBI

Mr. Guy St. Julien (Abitibi): Mr. Speaker, on March 3, when Vote No. 314 was being taken in the House on the amendment of the Hon. Member for Laval-des-Rapides (Mr. Garneau), the Hon. Member for Saint-Denis (Mr. Prud'homme) asked: "Where is Mr. St-Julien?" Mr. Speaker, I was in Amos and Val d'Or to deal with unemployment and immigration problems and to prepare a request for a new federal program to promote mining exploration. I also had a few meetings with business people in connection with the Challenge '88 student employment program.

That same day I also received a very moving telephone call from Moses Idlout in Inukjuak. His five-year old daughter, Sarah, had to go to the dentist in Povungnituk right away, and he could not get a seat on the plane. After several phone calls between four and six that afternoon, I managed to get him a seat on the plane for the next day.

Mr. Speaker, as you can imagine, March 3 was a very busy day for me in Abitibi, and I was anxious to get home to my daughter Saunya and my wife Diane.

• (1415)

ORAL QUESTION PERIOD

[*English*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

UNITED STATES ACTION AFFECTING BRITISH COLUMBIA FISH PROCESSORS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister. As a result of American harassment, 7,500 fish processing jobs in British Columbia are now at stake. Canadians have invested hundreds of millions of dollars in ensuring the high quality of our fish, and now the Americans are trying to reap the benefit of that investment.

Could the Prime Minister explain why the United States continues to harass our fish processors, when the Prime Minister promised that such harassment would end with the trade deal? Could he explain why his trade deal with the United States does nothing to preserve the jobs of these thousands of fish processors in British Columbia?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, on September 28, 1987, in Toronto the Right Hon. Leader of the Opposition said, and I quote: "I believe the better route to greater prosperity, more jobs, and greater independence is a global trade strategy for Canada. The principal mechanism for realizing that strategy is the GATT".

What he refers to as harassment by the United States is an action that was taken under the GATT. This Government, which believes in the importance of international trading arrangements and believes profoundly in the importance of the GATT—

Mr. Gauthier: You cannot have it both ways, Joe.

Mr. Clark (Yellowhead): —believes that the Leader of the Opposition, if I may quote his Whip, "cannot have it both ways". Either he is for the GATT or he is against the GATT.

Mr. Turner (Vancouver Quadra): We are for the GATT, and we continue to support the GATT process.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

EFFECT OF CANADA-UNITED STATES FREE TRADE AGREEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the purpose of the question is to demonstrate to the people of British Columbia and Canadians on both coasts that the Government gave away our rights under the GATT.

Before the Prime Minister signed this deal, Canada could have fought back by imposing an export tax on fish leaving the country, but now, under the trade deal, Canada is no longer allowed to impose an export tax to protect our fish processers.

I cite page 55 of the so-called trade agreement, Article 408, which prohibits Canada now imposing the type of tax that would have protected West Coast and East Coast fish processors under GATT.

Under existing rules, that is to say, prior to the trade agreement, Canada could honour international law, keep 7,500 fish processing jobs in British Columbia, ensure the high quality of our fish, and recoup Canadian investment.

Under the proposed trade deal, Canada has yielded its rights under GATT and its remedies under GATT by Article 408 of the trade agreement.

Why did the Prime Minister agree to such a deal which throws away thousands of jobs in the West Coast food and fish processing industries?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am a western Canadian all the time, not simply a western Canadian by constituency.

Some Hon. Members: Oh, sit down!

Mr. Clark (Yellowhead): As a western Canadian who represents a constituency involved in natural resource production, I am certainly well aware of the capacity of Governments to trade away the interests of Canadian resource industries under the GATT. That is what Liberal Governments, including Liberal Governments of which the Right Hon. Leader of the Opposition was a member, did for years. That is one of the reasons this Government took a new approach to international trade, including an approach that respects the importance of those industries to Canada. Canada has available to it remedies that will be effective in the negotiations under way with regard to the processing industry in British Columbia.

• (1420)

Mr. Turner (Vancouver Quadra): Mr. Speaker, I shouldn't respond to that cheap shot, but I will.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I want to remind the right hon. gentleman that my family has been settled in British Columbia since 1896 in the Kootenay Valley.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): And that the people of Vancouver Quadra gave me the right to speak on behalf of British Columbia.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): In any event, Mr. Speaker, I take pride in speaking in this House as a Canadian and I expect the right hon. gentleman to reply as a Canadian.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Right Hon. Leader of the Opposition.

SITUATION OF EAST COAST FISH PROCESSORS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, while the Prime Minister gave away our ability to protect our West Coast fish processors, the ability we had under GATT before he signed his deal, he likes to pretend that at least he has protected East Coast fish processors.

Is it not true that under the trade deal, and I refer the right hon. gentleman again to the trade deal, the Americans now have the right to challenge internationally the New Brunswick Fish Processing Act, the Newfoundland Fish Inspection Act, the Nova Scotia Fisheries Act and the Prince Edward Island Fish Inspection Act? Why doesn't this deal prohibit the Americans from challenging our East Coast legislation and from harassing our East Coast fish processors? Why did this Government and this Prime Minister give up our rights when the Americans have not yielded any of their rights?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Right Hon. Leader of the Opposition has me on one point. I was not there in 1896.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): I also know that, while the Right Hon. Leader of the Opposition is a Member for Vancouver, when he took it upon himself to attack the free trade agreement he did not do that in Vancouver—

Mr. Turner (Vancouver Quadra): Yes, I did.

Mr. Clark (Yellowhead): —he went to Toronto where he thought the attack might be popular.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): The Government of Canada has the capacity to deal with legitimate interests of Atlantic Canada and of the Pacific Coast. We intend to protect them. We have in the past.

There are discussions under way now with regard to the fish processing industry on the West Coast. We expect that we will be able not only to respect our obligations under the GATT but to serve the legitimate interests of industries in British Columbia as well.

FISHERIES

CANADA-FRANCE DISPUTE—GOVERNMENT POSITION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, East Coast fishermen not only have problems with American protectionism but also with French overfishing. It was announced yesterday that France and Canada would resume talks on the problems associated with offshore Newfoundland. A French ministry spokesman said: "There seems to have been some movement in the Canadian position".

I ask whatever Minister is going to answer a question on this subject today. What kind of a movement has taken place in the Canadian Government's position? Is it the kind of movement that we have become used to by this Government when dealing with foreign powers? Has the Government bent over backwards once again to the Government of France?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, when the hon. gentleman's Party was in office in 1972 the movement we experienced was illustrated by the old game, "Hoist your sails and run".

Some Hon. Members: Oh, oh!

Mr. Crosbie: That is what the Liberals did in 1972 with the treaty into which they entered.

In the last several days it has been agreed that the negotiators will meet together again to discuss what is the best procedure to try to reach a negotiated settlement of the dispute on fisheries and boundary matters. This is the same position we have been taking since October 9 when the French representatives left the talks. We will not bend over backwards for anyone but Canadians. In fact we will not even bend over Chirac-wards.

• (1425)

Some Hon. Members: Oh, oh!

[*Translation*]

Mr. Baker: France is not the only problem. Starting in April, we will have to say: "*Le petit homard pour les Canadiens ... et le gros homard pour les Américains*". A nice "*poisson d'avril*"!

[*English*]

LOBSTER EXPORTS TO UNITED STATES

Mr. George Baker (Gander—Twillingate): I ask the Minister—

Some Hon. Members: Oh, oh!

Mr. Baker: And that was French, in case he is wondering. I ask the Minister of Fisheries now, the real Minister of Fisheries, if he realizes that for the first time in Canadian history, next month with the opening of the lobster season it will be illegal to export minimum-sized lobsters, legal in Canada, to the eastern United States because of new state

laws? What will the Government do about it? It will not just be the lobsters that will be boiled alive this season but the Canadian lobster fishermen.

[*Translation*]

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the Hon. Member is definitely "*petit homard*"!

[*English*]

Some Hon. Members: Hear, hear!

Mr. Siddon: I try to keep up with my hon. colleague. Under U.S. federal law an exemption has been granted to undersized lobsters exported into the United States for some time by way of a certification recognizing that some of our lobsters grow smaller than theirs. The Hon. Member realizes that.

Some State Governments, and particularly the Government of Massachusetts, have increased the carapace size to something larger than our normal Canadian size for export of canners and small lobsters, representing some 3 per cent of all lobsters exported to the United States. The Government of Canada filed an official note of protest with the U.S. Government in January to seek an enforcement of the federal law which requires that Canadian exports by certification be allowed entry into the U.S. market.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

REQUEST THAT CANADA VETO PRELIMINARY DECISION ON WEST COAST FISH EXPORTS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I would like to ask the Secretary of State for External Affairs a question about the GATT ruling. I think we can all recognize that the Americans had a legitimate complaint about Canadian fish processors buying American roe herring. This $2-million to $3-million grievance should have been settled easily and amicably by the two countries, especially considering the Government's boast about better relations with the Americans. Instead, the Americans appealed to GATT whose preliminary ruling now threatens the $750-million industry and 4,000 jobs.

If Canada is not able to negotiate a satisfactory bilateral agreement with the United States in Washington today and tomorrow, why will Canada not exercise its rights under GATT, rights that are legitimate under the GATT agreement, to veto the preliminary decision?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I must say that I am pleased if the NDP is coming back to the support of GATT that has been the policy it has pretended to claim most of the time. I would be pleased if that is the case.

The Hon. Member indicated that there are negotiations under way now on this issue. Those negotiations have fully involved the industry, the provinces, and others who are concerned. The Hon. Member would understand that it is prudent for this country, operating in full respect of our GATT obligations and our GATT opportunities, to take this a step at a time. We are involved today in negotiations and we expect to be involved tomorrow in those negotiations. I am sure the Hon. Member hopes that those negotiations will prove positive.

CANADA-UNITED STATES NEGOTIATIONS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, can the Minister tell the House, the representatives of the fishing industry who are here in the House today, and the people of British Columbia that if these negotiations are not concluded in a way that is satisfactory to Canada, Canada will exercise its options under the GATT to veto that preliminary ruling? That is what we want to hear.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I understand the question and I understand the interest. The Hon. Member will understand that we are involved in discussions now and we are hopeful that those discussions will prove productive. If something occurs that causes us to have to contemplate another step, we will then contemplate that other step.

• (1430)

POSSIBLE EFFECT OF DECISION AND OF CANADA-UNITED STATES FREE TRADE AGREEMENT

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, perhaps the Minister can answer this. Article 1205 of the trade agreement under "GATT Rights" says:

> The Parties retain their rights and obligations under GATT and agreements negotiated under the GATT with respect to matters exempt from this Part under Articles 1203 and 1204.

Article 1203 is the section which purports to exempt Atlantic provinces' regulations regarding fisheries.

Will the Minister agree that if this GATT ruling is allowed to stand, and if this free trade agreement goes into effect, in effect our entire Atlantic coast fishery as well as the Pacific coast fishery will be jeopardized and the Americans will have their goal of a continental resource policy put into place by the Government?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that is a very extreme statement and one that is not accurate. However, I think the Hon. Member is asking if we will indicate today, a day on which we are involved in negotiations, a course of action as to what we might do if the negotiations today do not succeed.

We are anticipating that the negotiations in which we are involved today and tomorrow will succeed. If they do not, we will then consider the next step that would be open to us. That is a very reasonable position and I am sure the Hon. Member

would not want to suggest anything that might prejudice our capacity to succeed in the negotiations now under way.

* * *

REGIONAL INDUSTRIAL EXPANSION

CAPE BRETON DEVELOPMENT CORPORATION—EFFECT OF PROPOSED PICTOU COUNTY COAL MINE

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion who is also responsible for the Cape Breton Development Corporation. The Minister will know that a fundamental principle in fighting regional disparity is that one does not take jobs from one poor community to give to another poor community.

Would the Minister explain to the House why the Government of Canada is in the process of considering the possibility of funding Westray Coal company with $75 million of taxpayers' money to build a coal mine in Pictou County, thereby displacing 275 jobs at the Lingan Colliery in Cape Breton which is Crown corporation owned and operated by the Government of Canada? Would the Minister explain that to the people of Nova Scotia?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I will explain that to the Hon. Member with great pleasure. First, the question was why we are considering the request. It is incumbent upon any Government which receives a request in due form to consider the request. The request is under study within the Department. I have had representations from people in Cape Breton, from the Premier of the Province, from MLAs, and from MPs who are concerned about the project. All of those are being kept on file and will be considered before any decision is made.

We have no intention of shifting jobs from DEVCO to a new project which as yet has to be determined to be financially viable. For that matter, I have not seen the final results of the analysis. I have not received any recommendations. The request was made in due form, as I said, and we are looking at it. That is all I can tell the Hon. Member.

I have also been in touch, obviously, with the board of directors and the Chairman of DEVCO in order to hear their opinions about that potential development. No decision has been made and the study has not even been completed.

CROWN CORPORATION'S REPORT ON POSSIBLE JOB DISPLACEMENT

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my supplementary question is directed to the same Minister. The Minister will know that the federal Crown corporation, DEVCO, submitted a 12-page report to the Government of Nova Scotia and to senior officials of his Department no later than December 8, 1987, wherein it is spelled out very clearly that the decision of which they were informed, which was imminent in terms of the funding of the particular new mine for Pictou County, would cause a displacement of 275 jobs at the Lingan Colliery, reduce DEVCO revenue by $20 million, cost the taxpayers of Canada $90 million, and have negative effects on the economy of Nova Scotia.

I ask, on behalf of the miners, on behalf of the families, and on behalf of the people of Cape Breton that the Minister give an undertaking today that he will not fund this proposal in Pictou County.

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the undertaking I am willing to give today to this House and to my hon. colleague is that we will do in this case what we have done in every other case. We will look after the workers. We will ensure that the workers' rights are protected in the same way as we have just done in the case of Hawker Siddeley, as we committed to do. That was done yesterday. We will do that in this case.

* * *

PHARMACEUTICAL INDUSTRY

UNITED STATES CONGRESSIONAL COMMITTEE REPORT ON RESEARCH AND DEVELOPMENT COSTS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is addressed to the Right Hon. Prime Minister. Would the Prime Minister confirm that the Government was aware of a U.S. Congressional Committee report that said that the multinational drug companies misrepresented the facts in claiming that much higher drug prices were required for research and development, and that the Government nevertheless followed the drug company line, hook, line and sinker, in passing Bill C-22 without a provision requiring the production of research and development in this country?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Waxman report to which the Hon. Member is referring is a study done in the United States. The Hon. Member knows that the period of exclusivity in the United States is 17 years. It is 10 in Canada. The Hon. Member knows that Bill C-22 provides for commitment to research and development. There is no such commitment in the United States. The Hon. Member also knows that in Bill C-22 there happens to be—

Some Hon. Members: Oh, oh!

Mr. McKnight: Mr. Speaker, I do not understand the problem that Hon. Members are having. I am sure they understand Bill C-22 because they lobbied against its benefits for Canadians.

Is the Hon. Member telling this House that Canada should wait to do something for Canadians until the Americans have made a decision on what they would like to do? Is that what the Hon. Member is saying?

Mr. McCurdy: Mr. Speaker, that is a strange answer from the Hon. Minister. His question as to whether we understand the Bill is most peculiar and is a demonstration that he does not understand it at all if he thinks it includes a provision for research and development to be produced in this country.

PROVISIONS OF CANADA-UNITED STATES FREE TRADE AGREEMENT

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, we understand that it is the position of the Government that after review this legislation can be changed and that, in the event of failure to adhere to the pricing requirements, exclusivity might be withdrawn.

How will that be possible? Is it not true that the United States Government will be in a position to retaliate under Article 20(11) of the trade pact in respect to nullification and impairment of an advantage by an American firm in Canada on that account?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I really fail to understand the concern of the New Democratic Party that we should wait to do something for Canadians until the Americans make a decision.

Mr. Althouse: Listen to the question.

Mr. McKnight: The Hon. Member does not understand the benefits of Bill C-22. I have in my hand examples of the research and development that was brought about by Bill C-22. It includes $10 million at Burroughs Wellcome in Montreal, $45 million at Nordic Laboratories, and $70 million in new research and development in Halifax and Saint John. In Calgary and Edmonton there was $132 million.

Some Hon. Members: More, more!

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN THE GALLERY OF M. PAUL OKUMBA

Mr. Speaker: Order, I have the honour of drawing the attention of the House to the presence in our gallery of the Secretary General of the *Agence de coopération culturelle et technique*, Mr. Paul Okumba, who is on an official visit to Canada.

Some Hon. Members: Hear, hear!

[*English*]

INDIAN AFFAIRS

PROPOSED UNITED NATIONS STUDY OF TREATIES WITH INDIGENOUS PEOPLES—CANADIAN POSITION

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is directed to the Right Hon. Secretary of State for External Affairs. Last week, in response to a question asked in this House on a proposed United Nations study of treaties with indigenous peoples, the Secretary of State for External Affairs said that Canada was "looking for, working for, and arguing for a broader mandate for" this study.

• (1440)

Is the Minister aware that what Canada is actually arguing for in Geneva is not a broader mandate, but rather the mere preparation of an outline to look at the potential utility of these treaties, and all of that to be considered further 12 months hence? To me that looks like a watering down, a shift away from the issue and deliberate delay.

Will the Minister not agree, and will he tell the House what Canada is actually doing in Geneva on this important issue?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not agree. I indicated to the House earlier, as the Hon. Member said, what Canada is doing in Geneva.

I remind the Hon. Member, and I think he knows the facts better than other Members of the House might, that the proposal now before the commission in Geneva would have more limited rather than broader application. Canada believes that the actions by that commission should have broader application rather than more limited application.

CANADA'S HUMAN RIGHTS RECORD

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I have good evidence to the contrary, but I ask the Minister if it is not really the case that Canada fears international scrutiny of our Indian treaties because we know such scrutiny will reveal that our record on human rights in this country is not everything we want the world to believe it is?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, Ministers of this Government, from the Prime Minister right through the Cabinet, have frequently indicated that we believe improvements have to be made in the status of aboriginal people in this country. We are acting to accomplish those improvements.

When an issue comes before the UN in the normal way, in other words, when avenues in Canada are exhausted, and the UN comes to a judgment, as was the case in one particular instance, a former Government, of which the Hon. Member was a part, did not act to correct the problem. This Government acted.

STATUS OF WOMEN

COMPOSITION OF PANEL DISCUSSING CANADA-UNITED STATES FREE TRADE AGREEMENT

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, my question is directed to the Prime Minister. To celebrate International Women's Day a coalition of groups involving the whole spectrum of the movement across Ontario invited the Prime Minister to be a panelist on a discussion of the free trade agreement. We understand he was not available and I can sympathize because I understand what his timetable must be like. However, it seems to me that when the Prime Minister can authorize $15 million to sell an agreement—

Some Hon. Members: Order!

Mr. Speaker: I am very sorry but that was not a question, that was a statement. The Hon. Member on a supplementary.

Ms. Dewar: Mr. Speaker, why could the Prime Minister not find a single Conservative politician to be on the panel to discuss the trade agreement with the women of Ontario?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am somewhat surprised at the comment of my hon. friend. There is a story today in the *Star-Phoenix* about an independent study dated March 8, 1988, which says that free trade is seen as being very beneficial to women. The study was done by Katie McMillan and says: "Far from sounding an economic death knell for working women, the agreement will result in more women getting better jobs at higher salaries."

That has been the record of economic development of this Government. More than 1,100,000 new jobs have been created, and in excess of 55 per cent of those jobs went directly to women. That is progress, that is social justice, and the free trade agreement is going to enhance and expand upon that to ensure greater justice for women.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Hamilton Mountain on a very short question.

NON-REPRESENTATION OF GOVERNMENT ON PANEL

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, the Prime Minister authorized $15 million to sell an agreement. Why could a politician not be on the panel to defend this agreement to the women of Ontario? Please answer the question.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker—

Mr. Benjamin: Send somebody. Anybody.

Mr. Hnatyshyn: If we send anybody, we will send you, Les.

Mr. Mulroney: I will be happy to try to answer. My hon. friend has a panel she would like us to appear on. I have not—

Ms. Dewar: You were asked.

Mr. Mulroney: Pardon me?

Ms. Dewar: You were asked by the Ontario women.

Mr. Mulroney: Mr. Speaker, I am trying to give an answer.

Mr. Speaker: I am sorry. I think in the interests of other Hon. Members we must proceed. The Hon. Member for Egmont.

* * *

ENERGY

EXPORTS OF ELECTRICAL ENERGY—PROTECTION REQUEST FOR PRINCE EDWARD ISLAND

Mr. George Henderson (Egmont): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. It concerns the federal regulation plan, or I guess we could call it the deregulation plan, for energy.

The Minister will be aware that on March 6, 1986, the Government asked for a review of the export regulations. The review panel has made its recommendations. Therefore, will the Minister assure this House today, and all Prince Edward Islanders, that the proposed amendments to the National Energy Board Act regulating the export of electrical energy will not alter the fundamental rights contained in the second price test as it is now interpreted, which protects the interests of power consuming provinces such as Prince Edward Island?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, in several sectors, including the energy sector, the Government's policy is to use deregulation to expand trading in those sectors.

Furthermore, the Government is committed to carrying out this process in consultation with the groups concerned. In the case of electric power, the Government and the Minister of Energy, Mines and Resources are engaged in frequent consultations with the Minister's provincial counterparts, and as part of this process, next week I will have the pleasure of meeting with the Minister from Prince Edward Island to discuss these matters.

[*English*]

PRICE PAID FOR ELECTRICITY BY POWER IMPORTING PROVINCES

Mr. George Henderson (Egmont): Mr. Speaker, I am not quite satisfied with that answer. I want assurances from the Minister today, as indeed do all Prince Edward Islanders, that any changes in the regulations governing the export of electricity will ensure that power importing provinces such as Prince Edward Island will not pay a higher price for their electricity from exporting provinces than would be charged to

American energy consumers. That is the assurance we want today. It is incumbent upon him to ensure that this does not happen under free trade or anything else.

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I can assure the Hon. Member that the specific problems of Prince Edward Island will be given due consideration by the Government.

* * *

[*English*]

MARINE ATLANTIC

USE OF EMPLOYEE'S PERSONAL IDENTIFICATION NUMBER ON ENVELOPE CONTAINING MAIL FROM NEW DEMOCRATIC PARTY

Mr. Morrissey Johnson (Bonavista—Trinity—Conception): Mr. Speaker, an employee of Marine Atlantic recently complained that material sent to him by the NDP contained his personal identification number. He feels that is a breach of confidentiality and an infringement upon his democratic rights.

Is the Minister of Transport aware of this incident and, if so, has he investigated it?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I have had this matter investigated. As the Hon. Member said, an employee of Marine Atlantic received a two-page letter from the Leader of the NDP attacking free trade and asking him to send an enclosed card to the Prime Minister, postage free. It also asked him to fill in a second card and send it back to the Leader of the NDP, postage free. The NDP never pay for anything, you will notice, Mr. Speaker.

We had this piece of political propaganda looked into. On the envelope there was the personal identification number of the person involved. I am assured by Marine Atlantic that they did not release his name, nor would they release any names of their employees to any political Party. It so happens that the company had to supply the union involved with the union dues deduction listings.

Some Hon. Members: Oh, oh!

Mr. Crosbie: That listing has a label with the number on it. I have advised that particular employee to apply to union officials to discover why possibly they were supplying names and identification numbers to the Leader of the NDP so he could send out unsolicited propaganda, untrue propaganda, inaccurate propaganda, to people who work for Marine Atlantic, encouraging them to bog up the mails with free cards directed to the Prime Minister and the Leader of the NDP.

Some Hon. Members: Hear, hear!

INDUSTRY

MASSEY PLANT CLOSURE—WORKERS' HEALTH CARE BENEFITS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. As of Monday, health care benefits for some 4,000 Massey workers, retirees and spouses were cancelled. Given that the Government of Canada is one of three major shareholders in this company, will the Government, in this difficult interim period, move at once to cover the health costs for these people? Will it show some compassion at least this once?

• (1450)

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I certainly do not accept the latter part of the question, "at least this once". I think once again this Government will show all its compassion. We are aware there are some problems concerning health care benefits with the workers of this particular company. I have instructed my officials to look into it. Not through my instructions, but I understand as well that officials of the Government of Ontario are looking into this very matter.

Mr. Speaker: The Hon. Member for Essex—Windsor on a short supplemental.

REQUEST THAT GOVERNMENT ESTABLISH ADJUSTMENT ASSISTANCE PROGRAMS FOR WORKERS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, given, once more, the Government's major shareholding position in this company, will it take responsibility as well for setting up immediately adjustment assistance programs for the workers who are affected in this particular, very difficult case?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, as the Hon. Member no doubt knows, the situation that exists at the moment is not a new problem. Governments have been struggling with this situation since 1981. The former Government dealt with the situation in its way to try to redress the problem. The latest attempt by Governments to do something was in 1986. It has now proven to be futile. It has been proven we cannot get that company on a viable course.

What we as a Government have done is deal with the pension issue, to ensure the company would live up to the undertakings it made in 1986 *vis-à-vis* the pensions of the workers of that corporation.

We are also in negotiation at the moment with the Province of Ontario in terms of older worker adjustment programs. We hope those negotiations will be concluded soon so that the workers, and I emphasize the workers, not the corporation—we have done everything we can there—are fully protected. That is what this Government stands for and that is what this Government will fight for.

[*Translation*]

PORTS

DEVELOPMENT OF OLD PORT OF MONTREAL—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, in November 1986, the Committee chaired by Mr. Laurent Picard published its recommendations for the development of Greater Montreal. These recommendations included asking the federal Government to grant funds for the development of the Vieux-Port in Montreal and to locate the space agency in that city.

Unfortunately, the Minister of Regional Industrial Expansion responded to these recommendations with some well-meaning platitudes, and the business community, the unions and even the Mayor of Montreal were disappointed in the federal Government's failure to act decisively.

My question is directed to the Minister of Public Works. Could the Minister inform the House whether the Conservative Government is going to announce the injection of the $140 million needed to develop the Vieux-Port in Montreal before or during the election campaign?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, it is a pleasure to answer the Hon. Member's question, and I may say that recently, I had several meetings with my Quebec counterpart who is responsible for the Montreal area, Mr. Daniel Johnson, and with Mayor Jean Doré.

As you know, the development of the Vieux-Port in Montreal involves all three levels of government, which are working together on this project.

Saturday, before he left for Europe on an economic promotion tour, the Quebec Minister called to let me know that matters were proceeding to his satisfaction.

We have been ready to act for months. We have to wait—

Mr. Malépart: Liar!

Mr. Speaker: A very short supplementary, please.

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the Minister has been giving the same answer for months. Here is my supplementary: The Mayor of Montreal and Quebec authorities disagree with the statements and the federal Government—

Mr. Speaker: I regret to interrupt the Hon. Member, but this is not a supplementary question.

The Hon. Member for Beaches.

[*English*]

CANADA PENSION PLAN

DISABILITY BENEFITS—DELAYS IN DEALING WITH APPEALS

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. As the Minister knows, there have been delays of a year or more between the time an individual lodges an appeal against a decision to disqualify him or her from receipt of Canada Pension disability benefits, and the hearing on an appeal.

Some Hon. Members: Oh, oh!

Mr. Young: Could the Minister tell the House and those Canadians what steps he has taken to speed up those appeal processes because—

Some Hon. Members: Oh, oh!

Mr. Young: —as the Minister must know, many, if not most of the appellants, are living in real financial stress—

[*Translation*]

Mr. Speaker: Order, please. I can understand there may be disagreement between the Hon. Member for Montreal—Sainte-Marie and a few of his colleagues, but other Hon. Members have not yet had an opportunity to ask questions. Let us extend some courtesy to other Members.

The Hon. Member for Beaches.

[*English*]

Mr. Young: Thank you, Mr. Speaker, I will repeat the question. As the Minister knows, there are many, many appellants who are appealing decisions of disqualification for Canada Pension Plan disability benefits. Many of those individuals' appeals have taken a year or more even to be heard. Could the Minister advise the House what steps he has taken to have these appeals speeded up? As he knows, many of these individuals are suffering real financial hardship as a result.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, what the Hon. Member says is correct. It goes back, I think, to a number of points. I know of both his interest in the field and his understanding of it.

The Canada Pension Plan and the disability clauses in the Canada Pension Plan, as he knows, were structured very tightly at the time of the passage of the Act. The point was that Governments of the day, both provincial and federal, did not want the disability clauses to reflect, for instance, on Workers' Compensation, both rulings and programs, within the given provinces.

I have also not been satisfied with the appeal process on two counts. First, to my mind there is lack or a gap within Canadian programs in terms of disability. That has been discussed many times in this House and in various pension reform committees. Second, is the matter of—

Mr. Turner (Vancouver Quadra): Order, Jake!

Mr. Epp (Provencher): I have asked the Pension Review Commission to give me some recommendations as to how we can speed up that process. I do not have that report.

Mr. Speaker: Given the hour, I am going to proceed with some single questions. The Hon. Member for Trinity.

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CORPORATE AFFAIRS

FOREIGN OWNED FIRMS—PURCHASE OF CANADIAN MINORITY SHAREHOLDERS' INTERESTS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of State for Finance. It concerns the current trend for foreign owned firms in Canada to buy out their Canadian minority shareholders. Does the Minister agree with this activity, which runs counter to previous government policy of encouraging foreign businesses to have Canadian shareholders thus obliging public disclosure and accountability in Canada?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I would be glad to examine how important that phenomenon is in the over-all investment intentions in Canada. It was just announced today that 17 per cent increased investment is expected next year in the Canadian economy. This is the highest rate in the last nine years. The vast preponderance of that investment will be different from what the Hon. Member suggests. However, I will be glad to look at the magnitude of the question she asks.

Miss Nicholson: Supplementary?

Mr. Speaker: Just a single question, I am sorry.

* * *

• (1500)

MEDICAL RESEARCH COUNCIL

GUIDELINES ON ETHICAL CONDUCT OF RESEARCH INVOLVING HUMAN SUBJECTS

Mr. Patrick Boyer (Etobicoke—Lakeshore): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. I have in my hand the Guidelines on Research Involving Human Subjects released on March 3 by the Medical Research Council of Canada. On page 11 it states: "—at this time the use of Guidelines within the current body of law is sufficient to reinforce the ethical conduct of research with human subjects."

Did the Minister play any role in the development of these guidelines? Does he consider this to be an adequate framework for those decisions that must be taken for the protection of human life rather than treating human life as a commodity?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the guidelines to which the Hon. Member refers were developed by the Medical Research Council. That council has an ethics committee.

As well, we have convened in Canada under the G-7 umbrella a study on ethical questions relating to research involving human subjects. In fact, the report of that committee was taken by the Prime Minister to the Summit in Venice.

There is a larger question involved here. I know that the Hon. Member has been very active in the area of whether, from an ethical point of view and from a public policy point of view, Canadians should examine this question in a larger or in a broader context, not only within the medical community but without. I have had a fair amount of representation not only from the Member of Parliament but from others that we should consider that. The Government has not taken a decision on that specific part.

Mr. Speaker: I regret that the time for Question Period has ended.

I understand that there is a question of privilege to be raised by the Minister of Regional and Industrial Expansion and Minister of State for Science and Technology (Mr. de Cotret).

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[*Translation*]

QUESTION OF PRIVILEGE

MR. DE COTRET—REQUEST THAT THE MEMBER FOR MONTREAL—SAINTE-MARIE WITHDRAW HIS WORDS

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, as I was replying as honestly and as fully as possible, within the time limits provided during the Oral Question period, to a question asked by the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart), the language used by the Hon. Member was at the very least unparliamentary. Mr. Speaker, I consider myself an honourable and honest man, and I have tried to reply to questions asked in this House with all the honesty and the knowledge available to me.

Twice, the Hon. Member for Montreal—Sainte-Marie has called me a liar.

An Hon. Member: As usual!

Mr. de Cotret: I ask the Hon. Member for Montreal—Sainte-Marie at least to withdraw his offensive and unfair comments and also to apologize to the House, because I find such an occurrence unpleasant and an affront to all Members of this House.

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I can understand that the truth would hurt the Minister. However, Mr. Speaker, out of respect for yourself and for the rest of this House, I shall withdraw my comments, but I maintain what I think because I know that I was right!

* * *

[*English*]

PRIVILEGE

PROVISION OF INFORMATION TO MPS—DIFFERENCE IN TIMING

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, yesterday at 3 p.m. the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) rose to allege a question of privilege relating to an announcement which had been issued by my office on Monday morning, March 7. This announcement related to a number of important conservation measures designed to reduce the toll taken of our precious lower Georgia Strait Chinook salmon stocks in British Columbia waters.

I can assure the Hon. Member that this announcement was finalized at about 8 a.m., Vancouver time, and on my instructions members of my staff distributed through the parliamentary mail system copies of this release to all Members of Parliament from British Columbia. I only regret that the Hon. Member did not receive it until 4 p.m. It was placed in the mail system at 11.30 a.m. here in Ottawa and distributed to all British Columbia Members of Parliament.

Next time we will call the Hon. Member in advance so that he knows that such an announcement is coming.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I rise on the same point of order. The facts are that there were five Conservative Members of Parliament who received advance notice of this statement. In the past it has been the practice of the Minister's Department to courier notices to the official critic of the New Democratic Party. This was not done. Simply to place something in the mail and expect that staff will pick it up after the mail has been cleared first thing in the morning is not a satisfactory procedure.

I thank the Minister for his assurance that in the future such items will be hand delivered and that we will receive advance copies.

Mr. Siddon: Mr. Speaker, not to prolong the debate, I believe I indicated that the copy was finalized about 8 a.m., Vancouver time, or 11 a.m. Ottawa time, because of some changes that I requested upon viewing it on the Sunday evening. It was distributed equitably to all Members' offices some two and a half hours before the actual announcement was made in Vancouver.

Mr. Speaker: The Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) raised this matter on an earlier occasion. I thank the Minister for coming into the Chamber to explain the facts as he sees them. I hope that on other occasions every effort will be made, as it clearly ought to be, to ensure that all Hon. Members receive communications from Departments at the same time. I think that that closes the matter.

* * *

INDIAN ACT

MEASURE TO AMEND

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development) moved for leave to introduce Bill C-115, an Act to amend the Indian Act and another Act in consequence thereof.

The Acting Speaker (Mr. Paproski): Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

AGRICULTURE

AUTHORIZATION TO TRAVEL

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, there have been discussions among the Parties. I think Your Honour would find that there would be unanimous consent to move the motion which I will read and to pass it immediately. I move:

> That, the Standing Committee on Agriculture and the necessary staff be authorized to travel to Washington, D.C. from March 21 to 24, 1988 inclusive for the purpose of continuing its ongoing study of the current international crisis in grain and oilseed prices.

The Acting Speaker (Mr. Paproski): The House has heard the terms of the motion. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Lewis: Mr. Speaker, I just want to be sure that the record will indicate that there was unanimous consent to move the motion without notice, and then unanimous consent to the motion.

The Acting Speaker (Mr. Paproski): Is it so agreed?

Some Hon. Members: Agreed.

Motion agreed to.

PETITIONS

DESIGNATION REGARDING NORTHERN TAX ALLOWANCES

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I have a duly certified petition bearing a substantial number of signatures from the people of Dubreuilville, which is a small isolated community in northern Ontario. The petitioners know what it is to be underserviced. They have no bus service, no resident doctor or dentist, no bank, no lawyer or social workers.

• (1510)

They call upon the Minister of Finance (Mr. Wilson) to broaden the regulations so that they may be included under the northern tax credit benefit program.

FISHERIES—OPPOSITION TO GATT RULING

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I have a petition that was drawn up, certified, and signed today. It is from Canadian citizens who live in Prince Rupert, Surrey, Richmond, Vancouver, Powell River, Ucluelet, and in other places.

The petitioners point out that the preliminary GATT ruling has struck down Canadian export restrictions on unprocessed salmon and herring; that the majority of the West Coast fishing industry is opposed to the adoption of the ruling knowing that it would put the 4,000 jobs of B.C. shore workers in jeopardy.

The petitioners point out that the Minister of Fisheries and Oceans (Mr. Siddon), the Minister for International Trade (Miss Carney), and the Secretary of State for External Affairs (Mr. Clark) have all failed to give assurances that they will do all in their power to stop the adoption of the GATT ruling. The Secretary of State for External Affairs has even refused to meet with members of the fishing industry lobby who are presently in Ottawa.

Today officials of the Department of External Affairs are proceeding to Washington to try to negotiate a bilateral agreement, but are unlikely to reach a satisfactory solution due to the U.S. intransigence.

Therefore, the undersigned citizens of Canada now avail themselves of their ancient and undoubted right to present the petition asking that Parliament fully support the West Coast fishing industry in its fight to stop the adoption of the GATT decision and take unilateral action to protect the jobs of Canadian workers, and retain our sovereign right to make decisions on allocating Canadian resources with the Government of Canada.

OPPOSITION TO TRANSPORT OF PLUTONIUM OVER NORTHERN CANADA

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I have the honour and duty to present petitions signed by residents of communities in the Northwest Territories, namely, Lake Harbour, Coral Harbour, Rankin Inlet, Cape Dorset, Sachs Harbour, and Fort Smith.

The petitioners are seriously concerned about the potential environmental results if plutonium is flown over Canada's north, as well as the potential contribution to nuclear proliferation.

The petitioners call upon the Parliament of Canada to recognize the dangers of such flights and say no to plutonium flights over northern Canadian territory.

PROPOSED FREE TRADE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my honour to present a petition pursuant to Standing Order 106 from a number of western Canadian constituents who believe that the Government does not have a mandate from the people of Canada by which to conclude a trade deal. The petitioners believe that the trade deal that was negotiated threatens the fabric of Canadian political and economic sovereignty.

The petitioners have many other concerns, Mr. Speaker, which you can read later. I will simply say that they are calling upon Parliament to dissolve to enable the people of Canada an opportunity to accept or reject the trade deal during a national general election.

OPPOSITION TO MANUFACTURE AND DISTRIBUTION OF FILM

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, I have petitions on two different topics.

First, I have the honour and duty to present a petition from a number of residents of the Abbey district in Saskatchewan. They are concerned about a National Film Board of Canada film entitled *The Kid Who Couldn't Miss*. They note that the film has done grievous damage to the reputation of Air Marshall Bishop, caused grief to the surviving members of his family, and demeaned Canada as a nation in the sacrifice and heroism of Canadian veterans everywhere.

Therefore, the petitioners urge that the Minister of Communications (Miss MacDonald) instruct the National Film Board to take action to have the National Film Board production of *The Kid Who Couldn't Miss* removed from distribution because it defames without proof whatsoever, Billy Bishop, V.C., Canada's most highly decorated serviceman.

BLOCK AVERAGING OF INCOME

Mr. Geoff Wilson (Swift Current—Maple Creek): In addition, I have 13 petitions from all over southwestern Saskatchewan. They are signed by more than 600 producers who note that, whereas farmers have for many years enjoyed the right to block average their income, and whereas the Minister of Finance (Mr. Wilson) in December, 1987 indicated his intention to eliminate block averaging, the petitioners humbly pray and call upon Parliament to take the necessary steps to retain five-year block averaging for farmers, as

recommended by the Standing Committee on Finance and Economic Affairs in its report on the White Paper on Tax Reform, stage one.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated with an asterisk)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, Question No. 214 will be answered today. I ask that the remaining questions be allowed to stand.

[*Text*]

IRDP—WEST EDMONTON MALL FANTASYLAND PROJECT

Question No. 214—**Mr. Kaplan:**

What application of funds was made or undertaken to be made of the contribution under the *Industrial and Regional Development Act* to the West Edmonton Mall Fantasyland project?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): During Phase II of the West Edmonton Mall development, a number of amusement rides had been introduced.

The applications submitted under the Industrial and Regional Development Program (IRDP), which applied to part of the Phase III development, was provided to expand this concept and to incorporate an amusement park, a water park, a marine world and a miniature golf course to function as major tourist attractions and to be promoted as "Fantasyland".

The Department of Regional Industrial Expansion contribution of $5 million was offered toward eligible capital costs including construction sitework for the Fantasyland portion of the Mall; equipment (rides) and animals; fees (engineering, architects) and other associated costs.

IRDP contributions are eligible for payment after 50 per cent of eligible assets have been in operation for 30 continuous working days. This occurred on April 15, 1986, and a payment claim was received from the applicant.

Standard claim auditing procedures found $56.1 million of these costs to be eligible under the contribution agreement; accordingly a cheque for $4.5 million was requisitioned representing the amount of the departmental contribution less a 10 per cent holdback.

[*English*]

The Acting Speaker (Mr. Paproski): Shall the remaining questions stand?

Some Hon. Members: Agreed.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall all notices of motions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—DISCRIMINATION AGAINST WOMEN

Ms. Marion Dewar (Hamilton Mountain) moved:

That this House condemns the government for its failure to make significant progress towards eliminating discrimination against women, especially in areas such as employment equity, child care, and programs for native women.

She said: Mr. Speaker, I am pleased to rise this afternoon to speak to the concerns of Canadian women. This is certainly a week when we celebrate the accomplishments of women. We must also recognize that many of the things that women have been fighting for over the years are not being realized.

Among the temporary special measures taken by the Government to eliminate discrimination against women is the adoption of employment equity legislation in June, 1986, legislation responding to the recommendations of Judge Rosalie Abella's landmark study on equality in employment. Judge Abella certainly did give us many recommendations that were worth while. Unfortunately, those recommendations were not taken into total consideration when the legislation was brought forward.

What does the legislation actually do? Does it truly respond to Judge Abella's recommendations? Does it work effectively to eliminate employment discrimination against women? The first major problem with the Act is that there is no real enforcement mechanism. Judge Abella had stated that, to be adequately enforced, the implementation of employment equity requires an independent agency to oversee the development of equity plans.

What does the legislation give us in terms of enforcement powers? First, it requires employers to file annual reports on the workplace composition, occupations, and salary ranges. While there is a penalty for not filing a report, it is too minimal to be of consequence for many of the large firms covered by the legislation, and could simply be absorbed by these firms as a business cost. There is no penalty, however, for failure to improve the workplace in terms of employment

equity. An employer could file the same report year after year and not be penalized for workplace discrimination.

Companies are also required to prepare action plans with goals and timetables to remove discriminatory practices. These action plans are held strictly confidential—don't let anybody know how we are discriminating, keep it a secret. There is no penalty for failing to develop an action plan. Employers are not required to file their action plans with the CEIC or with the Human Rights Commission, or even to post their plans in the workplace.

Employers are required to evaluate their "employment practices" and to institute "positive policies and practices" to achieve an equitable representation of target groups in the workplace. Neither "employment practices", nor "positive policies and practices" are defined in the legislation. This makes it difficult to determine what constitutes employment discrimination, and what constitutes effective redress for employment discrimination.

The second major problem with the present legislation is that it makes no reference to equal pay for work of equal value. Such groups as the National Action Committee on the Status of Women and the Canadian Labour Congress have urged that pay equity legislation be included in any employment equity plan. Judge Abella stated, "Equal pay is an integral element in the implementation of employment equity. It must be included in any undertaking by employers to make the practices in the workplace more equitable".

[*Translation*]

There has been for almost 10 years a federal law under which employers are required to pay the same salary to both men and women assuming similar functions.

However, redress of pay inequities depends essentially on complaints lodged by individual employees who feel discriminated against. But it is the employers who are responsible for eliminating pay disparities based on sex.

As for the Federal Government, it must introduce legislation positively requiring employers to implement a pay equity program. We know that if we rely on voluntary measures, women's salaries will be slow to improve.

• (1520)

[*English*]

Last summer the Canadian Human Rights Commission called upon the Government to introduce stronger pay equity legislation, specifically legislation which would require employers to work with employee representatives to implement pay equity measures.

We have seen the success of this collective approach to pay equity in Hamilton where an historic collective agreement was recently signed. The Canadian Union of Public Employees and the Hamilton School Board agreed to work together to develop a plan which would close the wage gap between female cleaners and male caretakers within two years. Hopefully this agreement opened the door for other public service unions to bargain pay equity.

The role of bargaining and negotiation is neglected in the Government's employment equity legislation. While the employer is required to consult with the employee, there is no obligation to negotiate. I point out the large difference between consultation and negotiation. As the Hamilton example illustrates, unions have been at the forefront of the struggle for employment equity. The invaluable knowledge of the workplace that the union can provide must be recognized by requiring employers to negotiate with union representatives.

The present legislation is also flawed by its limited application to federal government contractors. It only applies to firms with 100 or more employees. It only applies if the contract exceeds $200,000, and it does not apply to construction. Firms seeking government contracts must only indicate their intention to implement the employment equity guidelines. They are not required to submit annual reports or workplace data. They are subject to random inspections to monitor compliance. No effective mechanism exists to enforce this legislation.

Finally, the legislation does not even apply to all federal departments. The Government claims that the departments not covered by the Act are already protected by adequate affirmative action plans. However, we know that these programs are totally management controlled. Many of them are not subject to bargaining under the Public Service Staff Relations Act. Most seek to promote some women to higher management positions, while they ignore the majority of women workers. Like the employment equity and equal pay legislation, they lack the force and commitment of law.

Judge Abella recommended that all federally regulated employers be included under the legislation, but the Government chose to ignore her recommendations. When we are talking about the convention on the elimination of all forms of discrimination against women which the Minister tabled in the House, certainly Judge Abella's report was mentioned. However, what was not mentioned was the lack of legislation being introduced which was comprehensive enough to follow through on the recommendations.

Also I would like to look at some of the problems in employment equity, job training, and job re-entry. We know that the Canadian Jobs Strategy program specifically designed for women—they were the target group—required women to have spent at least three years out of the labour force to be eligible for training. This does not make any sense whatsoever. Many women who want to re-enter the labour force have spent much time in part-time, low-paying jobs. They had to do things to keep body and soul together and, therefore, they do not comply with the terms of reference for job re-entry.

We are also very concerned about the lack of language training for immigrant women. We know that a lawsuit has been launched respecting discrimination against immigrant

women who are not allowed to take language training. The Government has not seen fit to say that these women are eligible for language training even though they were certainly welcomed into the country. We look forward to them being a strong component of the country. We say, in terms of Canadian policies, that we want immigrant women to add to the fabric and rich culture of the country, yet we discriminate against them and do not allow them to have language training. The tensions and anxiety we put on these women are very difficult to document in that they are so vast. They need language skills and communications skills just to get their report cards from school, to talk to teachers, for home and school interviews, or to know what kinds of jobs are available to them in the workforce. It really is important, for them to become part of society, to be eligible for language training, but the Government has refused to incorporate that.

I would like to deal with single mothers who have looked at job re-entry. Very often these women find themselves in a situation where they have not been out of the workforce for three years. Often they are the sole bread-winners, whether they be separated, divorced, or widowed, yet they find themselves not eligible for job re-entry. I was dismayed when I heard at committee just this past week that it was thought that the eligibility recommendations should not be changed because it would cost too much. Well, it will cost much more if we relegate these women to a role of poverty and inability to participate in the labour force for many years. It is a very crucial matter as far as the whole program of Canadian Jobs Strategy is concerned.

The skills and shortage program of Canadian Jobs Strategy had a female participation rate of 8.5 per cent. It is a program with an abundance of non-traditional occupations for women. Clearly women continue to face substantial barriers in entering into non-traditional occupations, evidenced in regional employment and immigration managers being committed to the equity principle in differing degrees. Some of it is very discriminatory and very subjective depending upon region. Some areas of the country are encouraging women to enter non-traditional jobs and better paying occupations. However, there is need for an over-all national strategy to tackle the occupational segregation of women.

We also recognize that in some areas it is an attitudinal problem and that we must encourage women by telling them that there is a future for them and that they do not have to stay in low-paying jobs.

I should like to refer to some of the facts in the report of the Advisory Council on the Status of Women. For example, in Newfoundland, four out of eleven re-entry programs teach office skills. In New Brunswick, all four re-entry projects teach home-making, clerical, and word processing skills. Six out of ten entry projects are for training to women in sales, food services and hospitality. I must say those are not non-traditional occupations. In Toronto, Ontario, 15 out of 16 re-entry projects were in sales, clerical occupations and health services. It is all very well to say that we are encouraging women to take on non-traditional occupations but the reality is that it is not happening. In British Columbia and the Yukon 36 per cent of job development training provided to women was in the clerical, sales and service occupations. Nearly every one of the 20 re-entry projects was related to office skills and clerical occupations. Women are being ghettoized into job occupations that are low paying. They have little opportunity for advancement and they experience a very high rate of unemployment.

• (1530)

We have heard a lot from the Government about the kind of child care needed in the country. A task force was appointed but we did not need another task force. We knew that there were two million children in need of child care. The task force recommended the phasing in of a publicly funded universally accessible cost shared system between the federal and provincial Governments. We also know that that is not what the Government's progress report is to the United Nations. The Government said that it had appointed a task force, but the Government ignored the recommendations of the task force which makes a very different kind of report. Had the report been complete it would have shown the recommendations of the task force and what the possibilities for Canadian children of the future could have been. However, the national strategy on child care will not provide Canadian families with affordable, accessible quality child care.

We know that the child care strategy which the Conservative Government is talking about is a strategy that will allow for tax benefits to people who already have their children in child care. There are no national standards to ensure quality. Yet the task force cried out for the kind of national standards that would guarantee that people who are giving care to our children will be trained in what pre-school child development is all about.

[*Translation*]

The federal Government rejected the principle for national objectives determination in its child care plan. It is therefore quite possible day care services offered Canadian families will differ from one province to the next.

[*English*]

Fifty per cent of the strategy budget is allocated toward tax measures, such as the doubling of the child tax deduction which does not benefit any low-income families. Tax measures also do not result in an increase in day care spaces. There will remain important shortages in day care spaces. That surely is what the priority must be.

The Government intends to create 200,000 new day care spaces over seven years. This rate of increase is actually less than what we saw in 1974. The program limits the rate of increase of funds presently being put forward by the Government. It seems to me it is very clear that the Government is implementing the kind of legislation that will meet the needs of women of Canada. There has been absolutely no action on extended parental leave.

[*Translation*]

The New Democrats had hoped some measures would be initiated regarding long leaves of absence for parents who could then stay home with their young children. The Conservatives' strategy does not take that valid option into consideration for working parents.

Canadian families deserve a better national child care program. The New Democrats have asked that parents be offered real choices.

An equitable system must create a greater number of places for 1,800,000 children who need them. It will also have to try to help parents by allowing them to take long parental leaves of absence and by providing for more community resources.

[*English*]

If we really do believe that there will be equality for women in this country we have to recognize that there will be economic equality. There will never be economic equality if we do not provide adequate child care. To the present, at least in technology, women are the only ones who can produce children. If women can be competitive in the workforce outside the home it is imperative that they enter into the labour force without having concerns of what is happening to their children.

There are far too many latchkey children in the country today. There are far too many children who are being looked after in informal care. Some of it is very good but a lot of it is informal care and we do not really recognize the downfalls and the downsides until we see the results and we have had some tragedies already. We know the most crucial years are the first eight years of a child's life. We have known that for a long time. We are requiring child care workers to have two years post-secondary training, so surely we should not expect these people to work below the poverty line, but that is what is happening in Canada today.

If the Government is sincere about Canadian women having equal opportunity with men, the wage gap must be closed. We have to make sure that real opportunities and real choices for women are there in the labour force. We have to implement a child care program with national objectives and national quality in its delivery. If the Government were sincere, it would have implemented some of these things instead of shadow boxing with the legislation.

Mrs. McDougall: Mr. Speaker, I just want to clarify for the Hon. Member some things about the jobs strategy and employment equity that I think are important for the House to recognize.

In terms of employment equity, I think the Hon. Member does know that Rosie Abella, who prepared the very excellent employment equity report, was very pleased with the quick response of the Government to many of her recommendations. Our employment equity initiative continues to go into effect, I think, in a very positive way. In terms of trying to expand it or change it, let me say that mandatory annual reports are due in June, 1988 and those reports will be available to the public. The failure to report can result in a $50,000 fine. I have been in business a long time, Mr. Speaker, and no company likes to pay that kind of a fine nor does a company like to be publicly embarrassed.

Under the federal contractors program, as of January 1, 1988, approximately 900 companies had signed certificates. By January 30, 44 companies had been reviewed and arrangements were in progress to review an additional 24 companies in accordance with on site compliance. This is very active. Companies that do not comply can be barred from future contracts. Bids from two companies which refused to comply have been rejected. We have been fortunate because we found in most cases that companies are prepared to comply when we put their feet to the fire. The program is working and it is a big incentive.

I want to talk briefly about the Canadian Jobs Strategy Program. Of the participants in job development, job entry, skill shortages, skill investment, training has been received in the following occupations: managerial, professional, semi-professional, technical, supervisory and, for women, skill crafts trades and semi-skilled workers.

Women comprised 42.5 per cent of the Canadian Jobs Strategy participants last year and preliminary figures for this year indicate an increase to 44 per cent. Also, there has been $48.5 million in dependant care allowances directed to approximately 22,000 of these participants.

One very important point on the Canadian Jobs Strategy is its particular sensitivity to the needs of immigrant and native women because by transferring this severely employment disadvantaged option from job development to job entry it ensures easier access for native and immigrant women.

So that the Hon. Member is not expected just to take my word for this, I have a couple of letters from people who participated in the job entry program. One says:

> In addition to just providing me with a formal education in a marketable skill the job re-entry program also made day care affordable, which in turn allowed me to attend daily classes. The job placement enabled me to put a recent previous employer on my resume. Without all three parts of this program I know that I would not be here, out in the work force, today.

• (1540)

Another woman writes:

> —thanks again for giving me this wonderful opportunity to acquire this knowledge and self-confidence needed to get a job I really want and need. (I was already offered an excellent position that I couldn't have dreamt about just a few months ago). I hope you will continue this program, so other women will get the same education I was privileged to get.

I want to leave the Hon. Member with these thoughts on the programs. She talked about the need to extend this program and about how many women are underemployed as well as unemployed. I certainly recognize that difficulty. We are, of course, trying to extend our resources as far as we can, given that our legacy from the previous Government is that 25 cents out of every tax dollar Canadians pay us goes to pay the

interest on the debt and is therefore not available for worthwhile programs such as these.

Ms. Dewar: Mr. Speaker, it is all very well to say that reports will be filed this June, but the point I was trying to make was that though there is a punishment if reports are not filed, there is absolutely no punishment if the reports identify discrimination. There is nothing to remedy that. That is our major concern.

It is very good that some women have been able to take advantage of the Canadian Jobs Strategy, but the committee heard brief after brief from witness after witness indicating that women were mostly in job re-entry for the lower-paid jobs, the traditional jobs. As I said earlier, the Minister's own report of the advisory council indicates that 8.5 per cent of women were able to get non-traditional jobs. That is not adequate for equality for women in the economy.

It is important that we not use just one or two cases and say that these women have been successful. That is not what we are talking about. We are talking about the reality, about what the facts and figures show us, and the programs do need to be expanded. There is a limitation to the programs because women have to be out of the labour force for three years. Those are the kinds of things I would like the Minister to look at so that she may recommend to her colleague in Employment and Immigration that more women participate in the job re-entry programs and that job skills be non-traditional skills so that women as well as men can get well paid jobs.

Mr. Scott (Hamilton—Wentworth): Mr. Speaker, I listened very carefully to what my friend from Hamilton Mountain had to say. However, I do not want to let her speech go by without noting something from this side.

Not only did we hear brief after brief from women's group after women's group in city after city from one end of the country to the other when the Standing Committee of the Secretary of State was investigating funding for women's programs, but we produced a report entitled "Fairness in Funding". That report was unanimously adopted by members of all three Parties, including the Hon. Member's colleague from Vancouver East who made a very valuable contribution to that unanimous, all-Party report.

In essence, the report recognized all of the questions which were raised by the Hon. Member for Hamilton Mountain (Ms. Dewar) in her remarks and also recommended that this Government, and I cannot think of any other Government before this one which has so urgently and responsibly addressed this matter, look at the bottom line as being equality of women in the workforce, in the market-place and in any way possible.

Our report contained a series of recommendations which would make it possible for women across Canada to address the very matters the Hon. Member has raised, matters I am sure the Hon. Member from the Liberal side will also raise. We wanted to make sure that women have access to the wide range of programs that the Government is providing so that the bottom line will be equality for women in Canada.

Ms. Dewar: Mr. Speaker, I certainly did appreciate the committee's unanimous report. We are looking for implementation of those recommendations as quickly as possible. Certainly some of the programs I addressed are the kind of programs that will put some substance into the report's recommendations.

Women across Canada have experienced the discrimination that has been dealt out over the years and are saying that they will not wait any longer, they need equity. I was addressing the programs that are in place now, programs which are not adequate to address the inequity that exists. Certainly, they are a first step but they are not enough.

We should not say that we have done enough and that women are now equal partners. It does not work if companies simply have to file reports. There must be some kind of implementation of the recommendations of reports like the one to which the Hon. Member referred. I believe the Hon. Member heard that as well while travelling with the committee.

Women do not want lip service any longer, they want action. They need money for programs and they need action. The work of the committee will certainly help, but we want the Government to implement stronger legislation.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, the motion before the House condemns the Government for its lack of progress in giving women a fair deal in the workplace and the labour market. We in the Liberal Party support the motion.

We support the motion because there is still too much systemic discrimination against women who try to enter certain trades and professions. We support the motion because there is still too great a gap between women's wages and men's wages, even when they are doing the same work or work of equal value. We support the motion because there are still too many barriers to women gaining access to training, especially training for non-traditional work. Finally, we support the motion because there are insufficient support programs for women who want to work or train. Here I have in mind in particular adequate day care programs, and my hon. colleague from Outremont will deal more fully with that subject when she speaks.

Yes, we should condemn the Government for this lack of progress. I will give details on each point I raised. The reason we have not had the progress we should have had is because the Government is basically a *laissez-faire* Government. It is basically a small "c" conservative Government that does not have the political will to do what it says is right.

Government members say the right things. They say that they are in favour of employment equity. They say that they are in favour of closing the wage gap. Then they introduce

half-measures to accomplish the goals they say they favour. They adopt measures which do not effectively accomplish the goals that they say are good goals. They talk a good game, but they do not follow it up with action.

A good example of this is the employment equity legislation which was passed in June of 1986, Bill C-62. That legislation does not provide for any sanctions whatsoever if the companies touched by the legislation do not advance employment equity or affirmative action for women. As my hon. colleague from Hamilton Mountain said, there are fines if the companies do not file reports indicating how many men, women and visible minorities are employed. However, if they do not progress along the road to employment equity, there are no sanctions. There are no fines.

Judge Rosalie Abella was appointed by the former Liberal Government in February of 1983 to study the whole problem of employment equity. She came to the conclusion that there was systemic discrimination against women and minorities in the workplace. She said there had to be enforceable legislation to correct that. The Government introduced a Bill but it did not provide what Judge Abella recommended, enforceable legislation with sanctions.

• (1550)

During the debate on that Bill, Bill C-62, we in the Liberal Party presented 36 amendments to make it stronger, provide enforceable mechanisms, and so on. Members on the government side voted down every amendment except for a few minor ones. As I said before, the Government talks a good game with respect to employment equity and the wage gap and all these other things, but it does not have the political will or political philosophy to do something effective about it.

Are these criticisms I am making just those of the opposition or just criticisms that we make in Parliament simply for the sake of criticizing? Let us look at the record to see who else makes these very same criticisms to show it is not just Liberal or NDP Members. Here we have a former Conservative Member of Parliament, then chairman of the Canadian Human Rights Commission, who said, as quoted in *The Ottawa Citizen* of June 26, 1987, that: "Human Rights Commission urges system of fines to enforce pay equity." It continues:

> The Canadian Human Rights Act must be given teeth to force employers to pay women the same as men for work of equal value, Canada's chief Human Rights Commissioner says.

He went on to say:

> It is time for a major shift in the way in which we pursue equal pay at the federal level.

That was not a Liberal or NDP Member, that was a former Conservative Member of Parliament who was then chairman of the Canadian Human Rights Commission. He saw that the legislation was not working. He pointed out that there are 300,000 women who work for federally-regulated employers and there was a 35 per cent wage gap relating to those women.

Then there is a 1986 report published by the Economic Council of Canada. It deals with women re-entering the labour force and training programs and was written by D. Boothby. What does it say? At page 42:

> I conclude—that discrimination is a significant source of occupational differences between men and women.

He goes on to say:

> While employment and immigration personnel do not select trainees for these programs, the use of federal funding makes it imperative to ensure that these programs are operated in a non-discriminatory manner.

He is talking about training programs and he said that was not being done at present. Again, those recommendations have not been acted upon. The Government did not act upon the recommendations of Judge Abella, Mr. Fairweather, or Mr. Boothby to strengthen the legislation.

In 1987, for the first time in 18 years, the wage gap between men and women widened. For 18 consecutive years the gap had been narrowing so that women's wages were getting closer to men's, but in 1986, under a Conservative Government, they widened for the first time. Thank goodness that last year they started to narrow again, but in 1986 the wage gap was $10,257. That is the largest gap in the history of Canada since statistics have been kept. Again, that is not Liberal or NDP Members speaking, that is StatsCan. If that rate of progress was to continue, it would take another 79 years for women's wages to equal men's wages for the same type of work. That indicates that a *laissez-faire*, small "c" conservative approach will not work. We need legislative action.

The Human Rights Commissioner called on the Government, as I said earlier, to introduce a federal law similar to the pay equity law introduced in Ontario. Eight months have gone by and nothing has been done. Here we have a situation where women have been put into traditional type jobs, are moving into service type jobs which are low-paying, non-union, often at minimum wage, and without pension, health or other benefits. Many of them are single working mothers taking care of children all by themselves.

As a result of this growing wage gap, we are seeing a growing poverty rate under this Conservative Government. I have not a Liberal or NDP report, but a report put out by the National Council on Welfare in November, 1987. It pointed out that over one million children in Canada live in poverty. It referred to StatsCan figures which show that in 1986 there were 1,016,000 children under 16, more than one out of six, who were members of families whose incomes were below the poverty line. It points out that while that proportion, 17.6 per cent, is down from the peak of 20.8 per cent in 1984 during the recession, it is still higher than the rate in 1981, before the recession, of 16.5 per cent. Under the Conservative Government we have a rate of families living under the poverty line greater than prior to the recession in 1982.

The figures also point out that the average income for a family with a single parent taking care of the children was $17,353, compared to $44,919 for two-parent families. That is quite a gap. Between 1971 and 1981 single-parent families headed by women increased by almost 60 per cent. The number of those families now amounts to approximately 600,000.

It is not just these figures that point out this very sad state of affairs. I refer to an article in the Montreal *Gazette* dated October 17, 1987, following a study on poverty done by an investigative reporter in the year. It was found that there were more soup kitchens in Montreal than there were during the depression of the 1930s. We have several in my own constituency and it is a very sad state of affairs. A large number of those people are women who have been abandoned or divorced, single mothers taking care of families with no other resources except welfare, which is not sufficient, and they have to use soup kitchens.

I have further evidence that these programs which the Government is very proud of are not working. I have a report by *la Fédération des femmes du Québec* which says the economic future of women in Quebec and the rest of Canada appears more cloudy than rosy. They point out that women are being relegated more than in the past to job ghettos. Nothing is being done to take them out of those ghettos and the programs of the Government are not working.

There are several studies on this subject which back up the contention that progress is not being made in employment equity despite the boasts and bragging of the Government. On that point, in statements which Ministers of the Government make in the House in answer to our questions and in debates such as the one which is taking place today, they keep glossing over the problem and presenting the picture in a very rosy way. One would think that they would finally realize that that is not being bought by the Canadian people, that it is not credible.

• (1600)

These reports tell why it is not credible. For the last two years the Government has been down in the polls. It has been down to 23 per cent, up to 27 per cent and 30 per cent, and back down to 27 per cent. One would think they would realize that people are not believing them.

I am sure that the Minister will get up and say what a rosy place Canada is because the Conservatives are doing so many wonderful things. She compares what is happening in 1988 to figures from the depths of the recession of 1982 and 1983 to show what great progress she has made. However, she does not compare the figures of 1988 with either 1980 or 1981 or the period which I pointed out the other day, 1970 to 1975.

If she wants to compare the Conservative record with the Liberal record let her do it over a period of years. She will find that the rate of unemployment under Liberal Governments from 1965 to 1980 was 5.6 per cent. In 1981, the year before the recession, the rate of unemployment was 7.5 per cent. The rate has now been reduced to 8.1 per cent, four years after the recession, and they think they have done a wonderful job.

Everyone knows that during the recession of 1982-83 there were high rates of unemployment in the United States, Britain, Belgium, Holland and all over the world. The Minister should know that we are living in an interdependent world economically. The great crash of last October did not take place only in New York City. The crash of stock markets took place in Toronto, London, Tokyo, and around the world.

One could go on for a long while criticizing the programs of the Government. With regard to the Canadian Jobs Strategy, we on the Standing Committee of Labour, Employment and Immigration have been doing a study of that program for the last two or three months and are going to issue a report very soon in which we will show the inadequacy of the program.

The Member for Hamilton Mountain (Ms. Dewar) who just spoke pointed out some of the inadequacies including the program's inflexibility and its targeting on groups such as women's groups. It is just not working the way it should. One of the harshest reports which the Auditor General ever made was his report last October with regard to the Canadian Jobs Strategy. It is not doing the things that it should do and it should be changed. I think the committee will make a unanimous report which will point to those failings in the program and call on the Government to change it.

If the Government is serious about employment equity, let us see something which will strengthen the legislation which we now have. Let us see the Government bring forward amendments and act on the recommendations which Mr. Fairweather made last summer as Chairman of the Canadian Human Rights Commission. Let the Government amend the employment equity Bill to provide enforcement mechanisms and wider coverage than it presently has, such as Judge Abella recommended. The Government did not do what Judge Abella recommended. She recommended that there be enforceable employment equity legislation rather than the wishy-washy type of legislation which we have. Let the Government put something into the legislation which will mandate a program of equal pay for work of equal value.

If the Government did those things it might see its credibility improve and it might see its fortunes go up in the polls. That may be bad for us in the Opposition but it would be good for the Canadian people because they would realize that when the Government says something it means it and it does it. However, up until now the Government has said one thing and has come forward with half measures, wishy-washy measures which are not accomplishing what it says it wants to accomplish.

Mrs. McDougall: Mr. Speaker, I am a little disappointed that the Hon. Member suggests that every time we stand up over here we suggest that things are really rosy. I do not think we have ever suggested that. We have suggested that we are trying to ensure that things continue to get better for women. That is an entirely different kind of debate.

One of the reasons that we have worked so hard to ensure that things get better for women is because things have not been good for women in Canada, certainly throughout my lifetime and certainly throughout the tenure of the previous Government. You can pick any year you like. You can talk about the prosperity between 1965 and 1970. I was in the workforce at that time and I do not recall that it was a singularly wonderful time to be a woman working in Canada with regard to discrimination, employment equity, and wage gap. I do not recall the then Government, which is now the Opposition, saying one single word to help me as a working woman in Canada.

I am a little bit bemused because members of the Government are trying to ensure that women are prepared with flexible career opportunities and child care. Child care was first declared an urgent matter in 1970 by the Royal Commission on the Status of Women. I do not recall a whole lot being done between 1970 and 1984. When we came into power we appointed a parliamentary committee to travel across Canada to talk to women and other people who were interested in child care. Out of that came a strategy which will meet the needs of Canadians. We did that within three years. It did not take us 17 years. Whereas I am quite prepared to accept that things are not all rosy across Canada for women, I know that the Government has increased the momentum for women quite considerably.

As well, in terms of women being poor, the Hon. Member quoted some poverty statistics from Montreal. We are very aware of this and that is one of the reasons that we have tried to enhance training and apprenticeship programs with the provinces. The number of adult women living below the poverty line increased by 227,000 between 1981 and 1984 during the Liberal-induced recession.

Our economy during that recession was considerably worse than that of other countries. We suffered much more severely as a result of that recession, in part because of Liberal Government policies, because the deficit had run away with us long before the recession ever began, because of the National Energy Program, and because of other things done by that Government. That was harder on women, as things always are, than it was on other Canadians.

The number of adult women living below the poverty line in the last three and a half years has fallen by 178,000. I would hope that the Hon. Member would be happy to celebrate that. I am delighted to hear it.

The wage gap has taken a little downturn and I remain concerned about that 34-cent gap; we must continue to work toward an improvement of that. That means, of course, moving women into non-traditional jobs as well as employment equity and so on.

Mr. Allmand: Mr. Speaker, I did not realize that the previous Liberal Government had so much power, that we were able to induce a recession not only in Canada but in Britain where the rate of unemployment went to over 13 per cent and in Belgium where it went to over 14 per cent. The entire western world had extremely high rates of unemployment at that time. Anyone who looks at the statistics will see that they jumped significantly in all those countries from 1981 to 1982 and started coming down in 1983-84.

• (1610)

When the Hon. Member says she cannot recall anything being done in 17 years, I do not know where she was. It seems to me that a very significant measure was passed in 1982. Section 15 of the Charter of Rights was passed by this Parliament, by a Liberal Government, which has led to some landmark decisions with respect to women. I could point to the establishment of the Canadian Human Rights Act in 1978, the Affirmative Action Program in the Public Service in 1983, the ratification of the Convention of the Elimination of Discrimination Against Women in December 1981.

I would refer the Minister to a short booklet put out by the Library of Parliament. It is entitled *Unemployment in Canada—Its Differential Impact by Age and Sex*. It lists a long number of things, going back to the Royal Commission on the Status of Women in 1967, all of which were accomplished by Liberal Governments.

I admit that the Minister and perhaps some of the people in the Government do not say that things are rosy all the time. However, if one listened to the Prime Minister (Mr. Mulroney) and some others, one would think this country is nirvana under the Conservatives.

I would agree with the Minister that she is trying to improve things, but the difference between her Conservative Party and our Party is that we, in trying to improve things, are willing to legislate enforceable laws to do so. The Party opposite is not willing to do that. It says it wants to get rid of discrimination in employment for women but it introduces a law with no enforceable mechanism.

Yes, the Conservatives are advancing slowly, bit by bit, but if they did what Judge Abella recommended, it would advance much faster. That is exactly what the motion before the House says. It criticizes the Government for its failure to make significant progress. If the Government did what Judge Abella and Gordon Fairweather, the former chairman of the Canadian Human Rights Commission, recommended and legislate enforceable mechanisms to get rid of discrimination against women, things would move faster. Things are moving too slow under this Government.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I certainly found the Hon. Member's comments very instructive and agreed with many of them. I would like to remind the Hon. Member, however, that it was not just one Party that was dedicated to ensuring that women would be recognized in the Charter. I do believe it was the women of all Parties who fought very hard to ensure that the equality of women was included in the Charter.

I would like to ask a question with respect to affirmative action about which the Hon. Member commented. As I recall, in 1984, the Leader of the Liberal Party at a meeting of Liberal women said that he did not support affirmative action for women in the private sector. "Instead", he said, "I prefer to negotiate such goals on the basis of goodwill". In the past, goodwill has not really done much for the women of Canada. The Charter debate, to which I referred earlier, I think is a very good example of that. Does the Hon. Member's Party still consider that voluntary programs are an appropriate response to the systemic discrimination that women face in employment?

Mr. Allmand: Mr. Speaker, I am not sure, but I think we were debating the employment equity Bill before the Hon. Member came to this House. As I mentioned in my remarks, our Party moved 36 amendments, one of which was to make employment equity and affirmative action enforceable for all those industries under federal jurisdiction.

It may be that in the election campaign of 1984 our Leader took that position, but we had discussed this at great length in our caucus over the two years prior to that legislation coming in. We looked at the Abella report and became convinced that the only way to solve the problem was by enforceable legislation. We took that position and moved those amendments.

On the Hon. Member's other point, I would agree there was among women in Canada, and among minorities in general, great support for an entrenched Charter of Rights. However, I was simply responding to the Minister when she said she could not recall anything being done in 17 years. If I had the time I could have put on the record a large number of things.

The problem, of course, is that we all know, for example, that in 1950 only 23.2 per cent of women were in the workforce. It was as we moved into the 1960s that women decided they wanted to work and then ran up against problems of discrimination, lack of day care, and so on. Then Governments had to start dealing with these problems.

As time went on it became necessary for parliaments and governments to deal with these issues. That is why in 1967, the Right Hon. Lester B. Pearson, who was Prime Minister at the time, set up the Royal Commission on the Status of Women. From that time on this Party has introduced some of the recommendations. We have been moving ahead. However, I think there is a big difference between the Minister's Party and our Party in that she takes a more *laissez-faire* attitude. She is also the Minister of Privatization—let the private sector do it. We do not believe that. We believe we need legislation in certain cases. That marks the difference between the Liberal and Conservative Parties.

The Acting Speaker (Mr. Paproski): The period for questions and comments has now terminated. Debate.

Hon. Barbara McDougall (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I am delighted to speak today against this motion as presented by the Hon. Member for Hamilton Mountain (Ms. Dewar). As a member of this Government, and as a woman, I am somewhat bemused that the Hon. Member would condemn our Government for its efforts to eliminate discrimination against women in Canada. This Government has made more progress in enhancing women's equality in Canada than any Government, in fact, more than all previous Governments combined.

[*Translation*]

Our Goverment and our Prime Minister (Mr. Mulroney) certainly did not opt for the path of least resistance, as the Hon. Member implied in her attack on the Government. The Prime Minister was very demanding in the objectives he set for this Government. He promised we would double the percentage of women appointed, from 15 per cent to 30 per cent, and we have reached that objective. In Cabinet alone, there are five women, and there are now more women judges, ambassadors and deputy ministers, as well as senior officials responsible for policy development and decision-making.

[*English*]

Today I can reinforce what my colleague, the Hon. President of the Treasury Board (Mr. de Cotret), said today, that the federal Government has reached its first major hiring target for women in the management category of the Public Service. The Government has been striving to more than double the number of women in the management category from 217 in 1983 to 475 by March 31, 1988. As of yesterday, we are beyond 475. There are now 509 women in the management category. I think the Government is to be congratulated.

We are now about to set new targets for the next three years. We will see, I think, a more positive momentum forward. Special training in employment programs within the Government is being provided, with 250 person-years and $8.8 million over five years to assist women in pursuing non-traditional occupations. Together with 13 Public Service unions, the Government has launched one of the largest equal pay studies ever, involving more than 4,400 employees. The results will be available in late 1989.

If all of this had been in place when we came to office, we could be moving forward a little more rapidly. But we are doing, I think, extraordinarily well because our Government does not talk about equality, we do something about it. Unlike the Hon. Member whose motion this is, we do not believe that women must continue to be presented only as victims. We are determined to create a social and economic environment in which women can be full participants, as they deserve to be, and in which women can contribute to the full extent of their skills and their talents.

• (1620)

We do not believe that the state or the Government can manage every aspect of a woman's life better than the woman herself. The NDP would like to help women. They would like to give women everything except opportunity and the choice for women to be themselves.

[*Translation*]

We do not believe women are all alike, and we praise their differences. There are women who choose to work in the home and women who want to work outside the home. There are women who earn their living in traditional occupations, and there are women who have been pioneers in forestry, engineering, architecture and even in space.

[*English*]

We are no longer living in the early 1900s when women did not have the vote. They had to fight and fight to get it. Nor is it 1929 when women had to fight and fight to be declared persons. This is not the 1950s when women who served overseas or who worked in factories during the war returned home and stayed home. It is not even the 1960s when women organized themselves into what we now call the contemporary women's movement.

This is the 1980s. Women do not and will not take a back seat to anyone. Issues that once were never discussed in public, issues such as family violence, sexual harassment, defaulting spouses and unequal pay are now front and centre, not only because women have put them there, which they have, but also because women have developed allies, women and men who will do something about these issues.

The Hon. Member who presents the motion condemns our Government in the area of child care. Let me correct just one point in this area. When I said nothing had been done I referred to the Royal Commission on the Status of Women which declared child care an urgent matter in 1970. What was done about child care? That was the point that I made earlier, and I will repeat it now. Nothing—nothing was done about child care, except there was a great deal of talk, promise and more spending on other items by the former Government so that it became less and less affordable; and another whole generation grew up.

Our Government has acted. We have a national child care strategy that will create over 200,000 new subsidized child care spaces. We will provide support to families, whatever their preferred choice for providing care to their children. Choice is the key word.

This is a telling difference between our Government and the Parties opposite. We believe that Canadians everywhere know best how child care should be provided. That is why we have a special child care initiatives fund that will provide $100 million worth of assistance to Canadians to meet the child care needs of special situations such as children who are ill, children who are disabled, as well as the needs of rural women, seasonal workers and those in other situations which we expect will be brought forward. I refer to items such as culturally-centred child care.

[*Translation*]

As a Government, we want to act as partners with the parents, day care experts, teachers and provincial and municipal governments—with all parties that have an important role to play in this sector. We do not intend to lay down a single set of rules for what is good for every child in Canada.

[*English*]

If giving women in families a choice in child care is discrimination then, yes, we are guilty. If putting billions of dollars where others put volumes of rhetoric and promises is discrimination then, yes, we are guilty. If trusting in the good sense of Canadians to know what is best for their children is discrimination then, yes, we are guilty. If the definition of discrimination by Members opposite is choice, concerted action and faith in individual Canadians and their families then, alas, yes, we have failed. But I believe that the hundreds of thousands of Canadian women, men and children who will benefit from our child care initiative will tell the Hon. Member and her Party that they are tired of outdated definitions, false accusations and hollow condemnations.

Our Party has shown common sense and the practical management experience to shake the Canadian economy out of the doldrums that threatened to mortgage the lives of our children and our grandchildren and make child care not affordable.

[*Translation*]

The NDP would keep women in traditional jobs. Under the NDP, women would have to pay their union dues but their advancement to executive positions would be blocked.

[*English*]

While we are talking about unions, let me just point out that women comprise 36.2 per cent of union membership and only 19.3 per cent of union executive boards. That figure is up by only 1 per cent since 1978. So where is the union leadership and the leadership of the NDP?

By working with the private sector we are able to make a great many changes. The federal Government has set up a joint program with the Canadian Construction Association—and someone mentioned construction earlier—to look at the barriers to women entering that field. This is the first time ever that the Government and the private sector have taken a sectoral approach to this problem. This is a project worth $345,000, much of which is being paid by the federal Government in order to ensure that in that non-traditional sector there will be more momentum. This is the best way we can get at the wage gap.

No, the Hon. Member opposite and her Party are not the great protectors of women, any more than those Members of the last Government that mumbled on and on for all those years are the great protectors of women. Let me say that the Hon. Member who has presented this motion has worked for women and for women's issues long and hard throughout her career. I have a great deal of respect for her and her point of view.

However, in terms of our Party, we realize that there can be no social progress unless we have the economic framework that can support the development and the expansion that is

necessary for women who comprise 52 per cent of our population to be contributors, as they want to be. That is why we have worked hard on a program of economic renewal. It is why we made our first objective jobs, a tangible, measurable indicator of performance.

Have we performed? Some 1,156,0000 jobs have been created since 1984. Of those jobs 611,000 went to women, 85 per cent of them full time. Compare that to the fact that under the previous Government—and pick your time, Mr. Speaker—only 20 per cent of new jobs created were full time. We have broadened the opportunities for women by expanding, training and skills development through the Canadian Jobs Strategy. We have made special provision for the needs of immigrant women and visible minority women.

[*Translation*]

We have also used our influence as an employer to accelerate women's equality on the labour market. We passed the Employment Equity Act, obliging Crown corporations and federally regulated businesses to implement employment equity programs under which women and visible minorities are offered better employment opportunities. Corporations and businesses which have one hundred or more employees must set objectives, establish action plans and time frames, and submit annual reports. The legislation affects about 1,000 businesses with over 950,000 employees. This is a major step towards employment equity.

• (1630)

[*English*]

The federal contractors program requires companies with 100 or more employees that bid on federal contracts worth $200,000 or more to introduce employment equity. We mean business. They are subject to on site compliance. We have already invoked this clause a number of times for multimillion dollar contracts where bidders were not compliant.

I believe that it is more than evident that on the matter of our Government's record on employment equity, the Member's motion flies in the face of reality. You will remember, Mr. Speaker, in response to the previous Member of the Official Opposition who spoke, that the number of low income women in Canada has declined by 5.7 per cent. By pushing away on all those factors we are making it better for women.

The Member raises the question of programs for native women. That is something that I personally regard as very important, as does our Government. With the passage of Bill C-31 discrimination on the basis of sex has been eliminated from the Indian Act. There are more than 45,000 native women who are taking advantage of this. That was something that native women had requested many years ago. We went even further last year for the first time by making the aboriginal women's program a permanent program. That signals our long-term commitment to supporting the full social, cultural, and political participation of aboriginal women in Canadian society. In 1986-87 alone, 69 groups, 87 projects, received support under this program on a wide range of issues of particular interest to native women.

As a Government we are committed to the native peoples of Canada, women and men, and we will continue to work towards a better future for our native peoples, protecting the cultural heritage of their own traditions and respecting women within that native community.

I could go on and deal with other areas that have eliminated long-standing forms of discrimination against women, such as family order enforcement, pension reform, and new roles for women in the military.

I would like to conclude with a statement of our Party's over-all philosophy in the matter of discrimination against women. It is our view that women represent not only 52 per cent of the population in Canada, but 52 per cent of the total capabilities of this country, the talents and skills that we have. Any law, policy, or measure that restricts women's full equality lessens our effectiveness as a nation. Our Party will continue to work for the full legal, social, economic, and political equality of women. We will not rest until that equality has been achieved.

Some Hon. Members: Hear, hear!

Mr. Hovdebo: I wish to comment a little and ask a question of the Minister. The Conservative Government has done a lot of talking, and perhaps a certain amount of putting in place of reports, but there has been very little action or leadership as far as a number of areas are concerned. I particularly want to talk about the area of child care. There is still a major shortage of child care spaces. The Government's policy, of which it speaks a lot but on which it has not taken much action, will not increase the number of child care spaces any faster than they were being increased before.

Low income people who need the child care do not get any tax breaks. In many cases, they are unable to make use of the breaks that are available to them. There is no parental leave established in the sense that it be made available for those people who need it the most. There are no increased resources to the community which would support parents in the home. The $200 tax break is quite inadequate for anyone who needs to make use of it. There has been a lot of talk about what the Government intends to do, or what it will do sometime in the future, but very little action or real movement toward making child care available to the people who really need it.

That is the type of smoke and mirrors which this Government seems to think is good enough to treat the really major problems of women who want to be in the workforce.

Mrs. McDougall: In terms of action, it is very important to know what the Government has done on child care. We have a national child care strategy, something that we have never had in this country before.

Mr. Hovdebo: No action.

Mrs. McDougall: The Hon. Member knows that this has to be negotiated with the provinces. It is under provincial jurisdiction. The Hon. Member also knows that funding will be available as of the next fiscal year starting April 1. The funding is there and it is in place, as soon as the details can be worked out with the provinces. This is an enormous step forward.

The Hon. Member made reference to the myth of the NDP that spaces would have increased faster under the old system. There were several things wrong with the old system. First, the shared cost program with the provinces meant that hardly any of the provinces could afford to increase child care any faster. Second, it was under the Canada Assistance Plan. That provided some relief, but it was essentially a welfare-based program. This is not a welfare issue. This is a national issue of some significance. By taking all of that and moving it into a new child care strategy, we have given child care a life of its own on a national scale. This is a seven-year program, but at the end of that seven years it will continue. There will be more to be done.

I know that the Hon. Member comes from an agricultural area. In developing this strategy we were very sensitive to the particular needs of farm women, who need child care perhaps 24 hours a day during the planting and harvesting seasons and perhaps not much in between, but their pattern is very different from those of women. With the special initiatives fund they have been given an opportunity to develop the types of solutions that they need when the nearest town may be 40 miles away, or when they are helping their husbands in the field.

Our national child care strategy is an attempt to be sensitive to different needs across Canada in little communities, in big communities, in isolated regions, for farm women, shift workers, and so on. It is a very exciting step forward on behalf of the women of Canada and, more particularly of course, for the children of Canada.

[*Translation*]

Mrs. Pépin: Mr. Speaker, the Minister of State for the status of women mentioned that a seven year program would be targeted at specific projects and would be made available to people as of April 1.

However, the Minister of National Health and Welfare (Mr. Epp) tolds us, when the Government tabled its answer in the House that these funds were definitely earmarked for special programs over a seven year period, but should they all be used up after two years, the programs would have to be terminated.

Therefore, I would like the Minister to tell us whether it would not have been better to put a little more money in the programs, in child care spaces rather than allocating funds to programs where in a matter of perhaps two years, there would not be any money left.

[*English*]

Mrs. McDougall: In our program we have come up with a balanced approach. Women who stay at home and work in the home and care for their children also deserve some consideration. We found when we discussed this with the women across Canada that they expressed some frustration around a space being the only answer. Not everyone wants to put their child into a child care space. We recognize the need for spaces, and we want them to grow as fast as we can develop a program for better spaces and more spaces. We know that the provinces' ability to fund these spaces varies from one province to another. It is up to us to try to help them meet their objectives as well as our national objective.

• (1640)

Women at home, women who want time to be with their children, deserve some recognition as well. That is one part of the tax side. Of course the other is a tax with receipted expenses to allow people to take advantage of it and to recognize better than before the legitimate costs. It used to be that the maximum one could claim against tax was $2,000. We have doubled that amount for pre-school children to $4,000. It is another area which should have been changed a long time ago to reflect the reality of the workplace.

With the combination of our tax provisions, our special initiatives fund, which is sensitive to needs across Canada, and the new spaces which will be developed, we are seeing a momentum in this area that we have never before seen in Canada. It will carry us further over the next seven years and will recognize that child care is an issue for all Canadians—women working outside the home, women working in the home, and fathers. We want to work with all of them because, of course, it is on behalf of our children.

Ms. Dewar: Mr. Speaker, I should like to follow up on child care spaces. A $200 tax credit is certainly not adequate to encourage a mother to stay at home. For either a mother or father to stay at home for a $200 tax credit per annum is an insult to the value of the work he or she does. Tax breaks do not come to low-income families.

When we are stressing the need for more spaces, we are talking about a variety of ways; they can be flexible. However, for goodness' sake, let us look at reality and recognize the fact that children need an identifiable unit of care. This is what we are really talking about. I do not think that a tax break actually provides that. It is really important to clarify it, because low-income families will not benefit from it.

Does the Minister have a commitment to ensuring that the federal Government will respond to the Canadian Human Rights Commission by bringing forth the effective and mandatory pay equity legislation for which it asked?

Mrs. McDougall: Mr. Speaker, on the child care issue, the credit will be $700, not $200. This was an augmentation, and we recognize that it is not an income replacement program.

As far as spaces for women who are poor are concerned, there are a number of ways in which they are helped. One is that they qualify for subsidized space. Second, if they are taking a training program, they frequently get a child care allowance. There are many ways to help them.

Let me say, in terms of the pay equity provisions of the Canadian Human Rights Commission, that we will be watching how it works over the next while. We are pleased that the Canadian Human Rights Commission is monitoring the situation. In fact, I met with the Human Rights Commissioner just today, and we discussed a number of issues affecting the status of women in Canada. We recognize very much their role, but I think it is premature to move into some new aspect when things are clearly getting considerably better. We do not want to come down with a great anvil on a situation that we think will be considerably better over the next few years.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I am pleased to speak today on the motion of the Hon. Member for Hamilton Mountain (Ms. Dewar). As one who has also been involved, as have many Hon. Members in the House, in the women's movement for a number of years, it seems that each year we keep discovering women again and discovering new aspects of women. We have shown some progress over the years. Women are represented in the labour force in greater numbers. There has been legislation to reflect that, and there have been programs to reflect that. As I said, I am pleased to speak today on the motion because there is still lots to do. I do not suspect that the Minister or anyone else would disagree with that.

I should like to address two specific areas which I think illustrate perhaps different reasons for putting forth the motion today. The first one deals with Bill C-31 and Section 12(1)(b) of the Indian Act, to which I believe the Minister referred. For those who are not familiar with it, it is an example of legislation brought in to redress discrimination. I think it was a very positive measure. The purpose was to allow women who lost their Indian status through marriage to regain that status and membership in bands upon application, as well as their dependent children and first generation children. It was a positive aspect to address discrimination, and I will expand on some of the problems that I see in that regard.

The second issue about which I would like to talk is the trade policy of the Government that is directed generally to the economy and how it impacts negatively on certain sectors of the women's community perhaps more severely than on others. It addresses this motion not because it has an aspect of discrimination *per se*, but certainly the fall-out from such a policy will, in my view, have a discriminatory effect on women in certain segments.

The struggle for equality for women is not over. It is ever continuing. As I mentioned, the two issues about which I will speak highlight that.

Turning to Bill C-31 and Section 12(1)(b) affecting aboriginal women, it is an example of a piece of legislation brought in to redress discrimination, to correct some of the discriminatory actions of past legislation. When the Indian Act first came in, women were seen as chattels of their spouses and, therefore, their rights were not considered. If they married a non-aboriginal person they lost their status. We now recognize that that was certainly an historical mistake in attempting to redress it.

The problem is not that the intent is not good. The problem is that we must have adequate resources committed to implementing the intent of such legislation. We are sadly lacking in this area. There has been a problem right from the start of the two years that Bill C-31 has been in effect in ensuring that the legislation can be implemented in a fair and just way. I should mention, first of all, the fact that there were not adequate resources. We see this now in the areas of housing, post-secondary education, and in the simple processing of applications.

I would mention, for example, that in February of this year a constituent of mine, Jean Gleason, who also happens to be on the executive of the Native Women's Association of Canada, representing 95,987 native Canadians, came to Ottawa to speak to the committee on Bill C-31. In a February 23, 1988 article in *The Toronto Star*, she is quoted as identifying a number of the problems that she sees with the implementation of the legislation. What she mentions, for example, is that native Canadians are being required to do great amounts of research to prove their status. She says that someone had to find birth certificates of relations. Others have had to retain lawyers to help them wade through the paperwork required. This, as we see, does not enable women to take advantage of these attempts to redress discrimination. Miss Gleason and the Native Women's Association of Canada at that time were urging the Government to hire more staff to work through the great backlog of applications. They were hoping that the Government would look at such things as more toll-free telephone lines and would hire native Canadians to work in this field helping people find appropriate documentation for their status applications.

• (1650)

It is clear, and the Government has said on several occasions, that the number of people re-applying for Indian status was greatly underestimated. Now is the time to put in adequate resources so people who are re-applying can take advantage.

I would like to go on a little bit about the problems when adequate resources are not committed to legislation. As we all know, Sandra Lovelace a number of years ago went to the United Nations and began this fight for the rights of Indian women. Mary Two-Axe Early was also involved and was a great leader. At great personal expense they have carried on and paved the way for the bringing in of such legislation.

As Miss Gleason pointed out in her presentation at the committee, there is great concern within the Department of Indian Affairs among its employees about the inability to process applications, thus creating a huge backlog, with the result that many people are not receiving the benefits to which they are entitled. Nowhere does this inadequacy of funding become more apparent than in the area of housing. It is a well-known fact in this country that housing on Indian reserves and the money available for housing has been woefully inadequate. We have some of the most shocking housing situations on reserves, and the resources have not been committed to addressing that. Housing is a right under the Indian Act. The Government does have an obligation to provide housing for aboriginal people. Under Bill C-31, with the reinstatement of a number of new additions to the band list, the need for housing has simply increased exponentially.

So we have a situation which is very, very serious and is creating another kind of social situation. What about new people who are being added to a community who, in a sense, achieve some special status, in this case under Bill C-31, and who may receive funding for housing while others who have been waiting do not? This is a very serious problem in some communities but not in all. Again, we come back to the issue of not putting in adequate resources to implement non-discriminatory legislation.

In a second area there are such issues as post-secondary education. Many aboriginal people and groups themselves have talked about the necessity to increase educational and training resources for their people so they can become self-sufficient. But there are inadequate funds in the Budget for post-secondary education. We see many people who may take advantage of this benefit and who have the right to take advantage of this benefit under the legislation but who are unable to do so because the Government says, "Sorry, we have run out of money". This is just not good enough. It is not good enough to have the words and not the resources.

A number of groups have commented on this. For example, the National Action Committee on the Status of Women in March this year in presenting its brief to the Standing Committee on Indian Affairs and Northern Development, mentioned the need for housing resources and post-secondary resources. There were a number of recommendations that would, I think, ease the situation if the resources were committed. Another issue in the brief is that the funds of the Department of Indian affairs are not available for many applicants who wish or need to take their cases to court if they feel there are violations to the law. Funds should be available so women who have rights given to them by law can take advantage of them.

In *The Toronto Star* for October 29, 1987, Ontario leaders were charging that again Parliament and the Government had not lived up to its promise, that it had not put in the resources, that the resources of Indian bands and reserves were being strained and this was creating both dissension within the community as well as unfairness to women.

There are many ways to look at the question of discrimination. We applaud such things as Section 12(1)(b) of the Indian Act and Bill C-31, but things are only as good as the funds the Government is willing to commit to implement legislation.

Second, I want to say a few words about the potential effects of the trade deal on certain women in the workforce. Poverty, as we know, has largely been shown to be a female phenomenon—I think the Minister referred to that this afternoon—whether it is single mothers, working mothers or working mothers who are having trouble getting child care. I believe that about 66 per cent of those who live under the poverty line are women. It is my contention that the trade deal will seriously impact on many of them. I want to mention certain sectors. First, the manufacturing sector. In a recent release from the Canadian Labour Congress, it was shown that women comprised 51 per cent of the workforce in poultry products, 62 per cent in leather products, and 79 per cent in the clothing industry. We know from the Government's own studies that these sectors will be most severely impacted by the trade deal. We have large numbers of women working in those sectors.

About 83 per cent of women who are employed work in the service sector, including education and health, social services, transportation, advertising, banking and so on. Here is another sector which will be severely impacted. In an Ontario study it was estimated that 44 per cent of the women in the manufacturing sector were at risk, while 27.6 per cent of men in that same sector were at risk.

I would like to address some areas that we see are in jeopardy under this trade deal and which will lead to further discrimination against women. For many years, Parties have worked for legislation, such as maternity benefits, minimum wage, health and safety regulations and employment standards. Many of the women in the manufacturing and service sectors are not unionized. Those women are relying on government legislation to protect their right to ward off deterioration in health and safety in the workplace. Under the trade deal these things could be in jeopardy if our trading partners were to say they are unfair subsidies. We want a level playing field. Women have never had a level playing field. This trade deal will not make a level playing field for women. It will simply increase the already existing imbalance.

I believe the Minister mentioned this afternoon that about 32 per cent of unionized workers are women. I am sure that this is quite true. When people have job dislocation—and the Government's own studies have indicated dislocation in this sector—women have not fared nearly as well as men in re-employment. For example, one Ontario study indicated that after job dislocation in a number of sectors, 72 per cent of men were re-employed but only 62 per cent of women.

• (1700)

In many sectors, we often see immigrant women, women whose first language may not be French or English. We see

women who have less transferable skills. There are no unskilled women, only those with perhaps less transferable skills. These are the women who will have difficulty finding re-employment.

I mentioned earlier that it is legislation that has protected many women in the workplace. Unions have also fought for many of these benefits. We have seen through further studies on dislocation that unionization is often reduced by about 30 per cent as there is a greater pressure to decrease wages and be more competitive.

These are important impacts on women in the workplace. For example, today we had a fair degree of discussion about the GATT ruling on the West Coast fisheries. This is a situation that exemplifies what I am talking about, namely, sectoral impacts on women. About 70 per cent of those working in fish-processing plants are women. Many of them represent that group I just mentioned, immigrant women, women who will require considerable retraining to take a place in the job market.

That brings me to another factor of history from which we can learn in the issue of impacts on women leading to more discriminatory measures. The Canadian Jobs Strategy program has been referred to in the debate this afternoon. It has not been a great success for women. The Canadian Jobs Strategy has not attacked the needs for upgrading and for literacy skills or many of the other specific training needs. In the attempt to privatize the training sector by moving funds over to private industry, we are shortchanging these people, many of whom are women.

We see here some very serious potential difficulties. I received a letter from one of my constituents, Joyce Hayden, who expressed her concern about the impact of this trade deal on older women. Again, older women tend to be the last hired and the first fired. We have also seen that adjustment programs for older workers promised by the Government have not come into effect. Again, this group of women will be very negatively affected.

In supporting this motion, we have to be very aware of two things. First, we must put the resources behind the rhetoric. As well, and the Minister said this this afternoon, when there is dislocation, women are often impacted very severely.

I would like to end on a more hopeful note by quoting some statistics. As usual, the Government of the Yukon is leading the way, being a New Democratic Government. The report of the Secretary of State on the elimination of forms of discrimination against women contains some very interesting statistics. The number of women represented in legislatures across Canada range from about 2 per cent in Newfoundland to 7 per cent in Ontario and 10 per cent in British Columbia, but in the Yukon, it is 18.7 per cent, topping the list. The representation of women on municipal councils, in the positions of mayors and councillors, ranges from about 8.5 per cent in Manitoba, 6.4 per cent in Ontario, 13 per cent in Prince Edward Island, and 33.3 per cent in the Yukon. The representation of women on school boards is 35 per cent in Quebec but it is 56.2 per cent in the Yukon. Finally, federal appointments to provincial, territorial and lower courts range from 6.1 per cent in British Columbia to 6.3 per cent in Alberta, zero per cent in the Northwest Territories, I am sad to say, 4 per cent in Saskatchewan and 33.3 per cent in the Yukon.

Where there is a will there is a way. We need to put some teeth into anti-discriminatory legislation and we need to look forward to more programs which will effectively eliminate all forms of discrimination against all women in Canada.

Ms. Dewar: Mr. Speaker, I would like to commend my colleague from the Yukon for her very clear positions on how women are suffering in the labour force. The employment equity Bill requires that annual reports be filed. Has the Hon. Member looked at what effect that has had on women in the workforce who will be threatened because of the readjustment program which will be necessary if this dreadful trade Bill ever gets implemented? Is there an ability, by passing legislation with clout, to protect these women? What kind of adjustment programs would the Hon. Member be suggesting?

Ms. McLaughlin: Mr. Speaker, I think this is the kernel of the problem. I mentioned earlier a level playing field and what will constitute an unfair subsidy. This is one of the problems with the whole trade deal.

In terms of programs which may assist women who are dislocated through this deal or through other measures, there are a number of things that could be done. Certainly there could be programs to assist older workers. Older women contribute much to our economy.

As I mentioned earlier, the Canadian Jobs Strategy has glaring gaps. In study after study, there has been identified one of the basic needs which is for literacy programs and upgrading programs for both men and women. Again, we are simply seeing more money going to the private sector and less money going to the colleges that do this kind of work. This is a very severe crisis.

I have spoken with many people in my constituency and in others about funding for literacy programs, for example, and that level of funding is abysmal. Yet we do not seem to want to come to grips with the fact that a very large percentage of our citizens are not literate.

There are many programs that could be put into place to assist women in getting training. Some of the CEIC programs are very restrictive in terms of the allowances given for child care. We keep coming back to child care. I am sorry to say that we have to keep coming back to it.

I was speaking about aboriginal women earlier. Child care is an extremely serious issue on reserves. Many women who want to work simply cannot. In fact, many native women to whom I have spoken in my constituency simply cannot work because there is no child care available. Similarly, if they wish to obtain training they cannot because there is no child care

available. We keep returning to that issue, and that will certainly be a very major factor.

Child care is not a woman's program, it is a family program. However, it will certainly help those women who are dislocated, either through simple changes in industry or through the trade deal, and those women who wish to upgrade their skills so that they can be more competitive in the market-place.

[*Translation*]

Mrs. Lucie Pépin (Outremont): Mr. Speaker, it gives me pleasure to rise in this House in support of the effort to provide more equality, freedom and opportunities for women. I would like to thank my colleague of the New Democratic Party for having moved this motion.

I believe that the Conservative Government has made some effort to help women achieve equality. However, there is still a lot of room for improvement. We only have to look at child care, employment equity and programs for women in non-traditional sectors. I think that the Government should do more in these areas.

First, however, I would like to deal with what women do now and how they live today. I know that the Canadian family has changed a lot and that 60 per cent of couples with children work full-time because they need two salaries to raise their children properly.

Naturally, the majority of women today try to combine their heavy workload at home with their job in the labour force, and as everyone knows, the cost of raising children is increasing. From the moment a child starts to go to school until the age of 18, he will cost $106,000. In addition, a couple with children must earn $6,000 more a year to have the same way of life as a childless couple. Moreoever, child care costs between $4,000 and $8,000 a year per child.

If we look at single-parent families, we wonder how they can possibly afford these services. We must not forget, as was mentioned by a number of our colleagues, that 72 per cent of single-parent families are headed by women, and that half of that 72 per cent lives on less than $10,000 a year. These are recent statistics, and the figures are not for 1981 but for 1985-86.

These figures should come as no surprise, when we consider that the majority of part-time workers are women, and that these women do not get maternity leave, annual leave or sick leave.

• (1710)

[*English*]

These are things most people take for granted. The unemployment rate is considerably higher for women than it is for men. Women's salaries are still only 60 per cent of men's salaries. Women make up 82 per cent of the labour force in low-paying clerical jobs, and 63 per cent of the unskilled manufacturing jobs.

[*Translation*]

Mr. Speaker, these figures tell us that the role of women and the role of the family has changed. Although women have more choices than they had before, they still have a long way to go, and we should not forget that the majority of women are relegated to employment ghettos, in other words, to low-paying jobs.

Is it so surprising that one million children in Canada live in poverty? Is it so surprising that our birth rate is only 1.7? Is it so surprising that parents decide to have fewer children? They cannot afford more, and our society does not provide them with the support services they need to raise happy, healthy children.

As a society, we claim to believe in equality. We support the principle that women must have the same opportunities as men. How can we expect to achieve equality if we do not help women to carry the heavy domestic burden that is traditionally theirs?

What will ever become of Canadian families if we continue to expect each working woman to be a superwoman, busy with a full-time career and all the while raising her children? Pious wishes are simply not good enough, Mr. Speaker, action is what we need.

[*English*]

One of the things the federal Government has done is to allocate $5.4 billion to a new national strategy for child care. This sounds very impressive, but if we look closely at the program we see that the Conservative Government has actually cheated the less-privileged children in Canada. The Prime Minister (Mr. Mulroney) promised affordable, quality child care for all Canadian children, but on December 3, 1987, he broke that promise.

The government program allocated $3 billion of the $5.4 billion to federal-provincial cost-sharing programs, with the objective of creating 200,000 new day care spaces.

[*Translation*]

We have a problem here, Mr. Speaker: only 10 per cent of all children aged 13 or under have access to child care programs. Over a million children are looking for day care space, yet at this time the Government can respond to only 25 per cent of all applications.

We know that over the past five years day care spaces have increased by 19 per cent; now if that rate were to be maintained during the next seven years, and without assistance under the program established by the Conservative Government, we would end up with more than 900,000 spaces in 1995, but instead we will have only 400,000. Thence the impression that the Conservative Government limits instead of speeding up the creation of day care spaces.

[*English*]

The Liberal Party has been demanding a national child care program for a long time. The Government did a good job of

avoiding the issue for a long time. The Liberal Party demanded and is still demanding immediate funds to meet the immediate crisis of a lack of child care spaces, but we do not know when we are going to see those new spaces created. The Government will hand out money for space creation only when it has negotiated with the provinces. When will these negotiations be completed? Next month? Next year? Two years from now? What will Canadian children do in the meantime?

[*Translation*]

It will also be very important for the federal Government to set a goal in terms of the percentage of spaces it would like to fund through the CAP because, depending on the wealth of each province, the Government could provide support and ensure access to low and medium income families.

Therefore, Mr. Speaker, the Liberal Party also proposes both the establisment of a program of quality and the provision of funds that would also be paid for staffing those child care centres. But right now there is very little spaces being created and very little money paid to ensure quality, because the Government set no standards and established no supervision program as to how the money will be used, how it will be spent and what types of child care services will be created in the various provinces.

There is a danger of course of having service disparities based on the direction taken by each province, and we could wake up with child care services that would be operated on the same basis as senior citizen homes, namely that if you have money you will have good services for your children in those child care centres—if parents have the money—and if you have less money there would be lower quality services. I do not think Canada is on the verge of collapse to the point of not being more open to child care. People always state child care centres are a priority, more money is needed. But those who want to operate a parking lot can more easily get bank loans than people who want to open child care centres, because let us not forget, people who want to open child care centres cannot get bank loans!

In fact, they will be told that this is not a business, it is not taken seriously. On the other hand, you can obtain a bank loan for any small concern that you want to set up. However, daycare centres are not considered a business. As far as I can remember, the federal Government has not responded to one of the recommendations made in the report suggesting that people who would like to open day care centres at home or elsewhere be entitled to bank loans.

In addition, when we consider the cost of day care centres, we realize that a child can cost from $4,000 to $8,000 per year. Of course, at present most families cannot afford such services. The cost of those services should be divided among federal and provincial governments, employers and parents. And the parents should not pay more than a *pro rata* of their earnings or half of the fees at day care centres, especially the average family.

And of course, there is the famous CAP which should be open and made available to low and average income families. We are still waiting for it. The Government says that it has taken steps, but once again, we would like to speed them up. Unfortunately, the Tory government did not hear our pleas. Instead of creating more spaces, it provides $2.3 billion for new income tax deductions. This means that those who can afford to pay $5,000 per year for the care of their children can obtain a $4,000 deduction. However, those who cannot pay that amount, will receive absolutely nothing.

• (1720)

[*English*]

Canadian women need immediate funds from the Government to create new child care spaces now. Every province should be adhering to nationally set standards of quality and affordability. We need money put into programs for latchkey children, for longer parental leave at birth, for day care at night and for quality day care training, not for regressive tax deductions. This is an issue of extreme importance for Canadian women and the present Government has bypassed it.

[*Translation*]

In this Tory Government's response to the majority report, there is no mention of parental leaves. Recommendations have been made to the Government because we feel that if we want couples to have more children, we must provide them with support services. In addition to day care services, we must provide them with parental leave.

The majority report on day care services was not the only report which had made recommendations to this effect, Mr. Speaker. The Forget Report and the equality report had asked for an extension of up to 26 weeks of parental leave. There is no mention of this in the Government's response. There is no mention either of what will happen to the "latchkey children". We know that 54 per cent of all children between the ages of 6 and 13 are alone at home when they return from school. Of course, the Government is quite silent concerning the recommendations we had made in this report.

In the United States, according to a recently published study which appeared yesterday in the media, an increasing number of children between the ages of 6 and 13 find refuge in libraries. In fact, the Governments of several states have introduced legislation to make it illegal for parents to leave their children in libraries after school. It is because the need for day care services has not been met there, and I would not want a similar situation to occur in Canada. Several parents came forward with a request to see to it that parents may have access to school premises once school is over. We know that the province of Quebec is the only province where school principals are authorized to keep school premises open for parents who want to organize supervision committes to keep an eye on their children until 6 p.m. or 7 p.m.

A number of recommendations have been made to that end—we know that this is a provincial responsibility—and

when the time comes for the federal Government to meet its Provincial counterparts to discuss the CAP program, it might show leadership and ask provincial Governments, especially through their Ministers of Education, to act with extreme diligence in this matter to take care of these children. It would certainly be far less expensive for the federal Government and the provincial Governments to provide day care for children than to pay delinquency costs. We know that a deliquent child costs us $44,000 a year. Children who are in foster homes cost a lot of money to the Government, but if we had a prevention policy, we could plan and it would be less expensive and our children would be far better off.

Furthermore, the Government committed itself to the promotion of job equality for women and to their participation in the job-entry programs in non traditional sectors. I think that my colleague from Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) demonstrated very well that the Conservative Government has been dragging its feet in this area and that it has not yet kept all its promises. I would also like to mention—

[*English*]

The Conservative Government has cut spending on job training by 23 per cent since 1985. Under the Canadian Jobs Strategy program funds were shifted from the public to the private sector for on the job training. It has been found that employers have favoured men over women for training. There are no controls in place to monitor employers or to evaluate the work skills acquired by training.

Also, there is almost no funding in language training to help female immigrants. The Government seems to assume that female immigrants will be provided for by their spouses or will take jobs that do not require language skills. As a result, many find themselves doing menial labour with no benefits and no way out.

Some programs under the Canadian Jobs Strategy are targeted at women. To be eligible for most of these programs women must be unemployed anywhere from eight months to three years. Any woman who cannot afford to stay out of work that long cannot profit from these training programs.

Training allowances are still less than minimum wage. How can a woman who supports a family afford to get job training if the Government gives her no financial aid? Unless the training programs change and unless the Government allocates more funds soon, many women will have little hope of bettering their economic prospect.

[*Translation*]

There is still looming on the horizon the free trade agreement. We have heard women and we know that for several months now they have been voicing their concern about that agreement because it will affect the service sector in which most of them work. We ask the Government to move quickly, to establish programs that will help women adjust to the new conditions. I just want to say that I recognize the Liberal Government had made room for women and I wish the Conservative Government would follow in its steps. I think the Liberal Government showed the direction in which I would like to see the Conservative Government go. I agree of course with the Minister responsible for the Status of Women and I know she cares very much about the condition of women in Canada, but I would like her party to be as concerned as she is and act with greater vigour and leadership.

Mr. Berger: Mr. Speaker, in her remarks, the Hon. Member referred to what is occurring in the United States where parents, mothers, leave their children in libraries. I wonder whether she could provide more information about that.

Mrs. Pépin: Mr. Speaker, there have been reports published about libraries being the favorite places for kids to gather after school. Having no place else to go after school hours, and with parents still at work, kids are invading every public library.

Confronted with that situation, library managers have complained that their premises were no child care centre. And parents were thus requested to look after their children. With the result now that several states just passed legislation providing that parents will be charged with gross negligence if their children, between 6 and 13 years of age, are found in a public library after school. Those parents will have to arrange to have their children looked after elsewhere.

That worries me because it shows there is a problem, not only here, in Canada, where 54 per cent of our children are concerned, but also in the United States, and, as the saying goes, when the United States has a cold, Canada catches pneumonia six months later! I would not like the same to happen here. I believe it is still time to remedy the situation in Canada, providing the Government establishes a program and makes recommendations regarding "latchkey children" because, right now, some have nowhere to turn. It could, as I mentioned earlier, co-operate with provincial Governments and the Ministers of Education. The latter could decide to open their schools to these children. Surely, parents would agree to sharing the cost of paying a salary to those who would supervise their children after school hours.

Unfortunately, however, I am somewhat concerned since the Government did not respond at all to the recommendations contained in the majority report.

Thus the Government must act diligently on this issue, and without any delay.

Mr. Berger: Mr. Speaker, I am a little puzzled by this statement about children being left in libraries in the U.S. In her comments, the Hon. Member seemed to say that they were of course left by themselves without any supervision.

Could the Hon. Member gives us more details? What did these children do during the long hours they were left alone? Were they going around looking at books? I understand the librarians did not like it very much.

I was also wondering about the children's age. She said they were from 10 to 12 years old, but were there among them any children under six left without any supervision?

Of course, that would make the example more concrete and understandable. If there were three or four-year olds left by themselves, then it would reinforce the example just mentioned by the Hon. Member.

Mrs. Pépin: Mr. Speaker, the report was referring to school children from first grade up. Those children range in age from 5 to 12. They invade libraries where they take up space, and adults cannot read in peace. You know what six-year-old children are like, how they whisper and so on—all peace and quiet was gone. Above all, librarians said that their job was to serve customers and not to keep an eye on children running everywhere. They can be allowed to read a book but . . . The library was turning into a day care centre!

However, I was told that in Montreal and some other big cities Canadian parents are already using the same strategy. They say, "We are going to leave our child at the library because it is safe." They tell the child, "Wait for mommy or daddy to come and pick you up at such and such a time." Then, after school, the child goes to the library, sits down and reads. If there is only one or two, they will be quiet. But if you have 10 or so children of the same age, they are very difficult to control and it is no longer a library. Adults were also quite disturbed and said: "It is impossible for us to come and read peacefully because at those hours, children invade the libraries."

What worries me, is the fact that the Government adopted a very strict law accusing parents of gross negligence with their children. But on the other side, parents need only a service to help them with their children. I don't want the same kind of situation here. Usually, we don't do anything for those children. During the committee hearings on child care, parents from all over Canada asked us the same thing: "Please, do something for our children!" It would be socially less costly to act. Some say that there are too many delinquents, that our children are depressed, that teenagers commit suicide, and it has always been our conviction that if we could provide good child care services to low income families with low education, those children would graduate from high school, probably go to college and would be in a position to find a job instead of becoming members of a third generation of welfare recipients because nobody ever took care of them.

• (1730)

[*English*]

Mrs. Mary Collins (Capilano): Mr. Speaker, I am pleased to have the opportunity to join in the debate this afternoon on the motion of the Hon. Member for Hamilton (Ms. Dewar). To begin with, I must say that I do not agree with her motion. In fact, I would say the situation is quite the opposite. Since this Government came to office in September, 1984, we have deliberately and intentionally taken initiatives and advanced policies which clearly demonstrate our support for the aspirations of Canadian women.

We have also attacked the sources of discrimination. It sometimes seems as though opposition Members want to turn a blind eye to all of these accomplishments and a deaf ear to our achievements in fostering equality for women. As the Hon. Minister has already indicated, and as I have myself, we are particularly proud of our achievements with respect to the opportunities for women in the labour force. We look over the past three and a half years and we see over 1.1 million jobs created, the majority of those jobs being for women. We have seen an increasing number of women coming into the workforce. In fact, the recent Statistics Canada report indicates some very major changes which are taking place in our society. It shows that the women's labour force participation rate has increased from 51.8 per cent, to 55.9 per cent and that the highest participation rate is for married women living with a spouse whose children are under the age of six. In fact, that rate has increased from 49.5 per cent in 1981 to 62.1 per cent in 1986. Obviously, the majority are women in their twenties and early thirties. They may have taken a break for a period of time when bearing their children, but they are now going back to work and pursuing a career or job for a variety of reasons. It could be for their own sense of self-fulfilment and in other circumstances it could be economically necessary. I do not think the reason matters. We are seeing some major changes taking place in Canadian society.

I wanted to focus my remarks today on a very important strategy of the Government which, I think, appropriately reflects this change in the workforce, particularly the fact that so many women with children under the age of six are maintaining their role in the workforce. That, of course, is the issue of child care and the recognition of its importance with the introduction of the national strategy on child care as a case in point.

We have heard that there are about 250,000 child care spaces in Canada. These spaces are all that exist to serve the needs of working women, women who seek to improve themselves through education and training. One might conclude from the recent report of Statistics Canada that a quarter of a million spaces is obviously not enough to provide the child care services required for working mothers. I remind the House that this situation did not arise suddenly and without warning. It was allowed to develop over a succession of Governments. This Government sought election on the promise of the expansion of child care services in Canada. The Minister of National Health and Welfare (Mr. Epp) has delivered on this promise with his presentation of the *National Strategy on Child Care*.

It is both unreasonable and unfair to assert, as does the Hon. Member for Hamilton Mountain, that the Government has failed to address discrimination against Canadian women. Indeed, the national strategy is clear and irrefutable evidence that this Government is deliberate in its support of the rights

and aspirations of women to participate as equals in the Canadian workforce.

• (1740)

Let us consider Canadian mothers who, because of income or circumstances, cannot afford the necessary child care to free them to take a job or to seek education. Over the past 15 years federal Governments have shared, through the Canada Assistance Plan, provincial development of child care systems. As we all know, the delivery of this service is within the jurisdiction of the provinces. To date this has resulted in the creation of 140,000 subsidized child care spaces across the country. We know that this number of spaces is not sufficient to meet the needs of lower income working women or single mothers who need child care to allow them to take the training which would give them access to the workforce. The Government did not, like others before it, simply pay lip-service to the need for more subsidized child care spaces. Nor was it satisfied to see an unsystematic increase in spaces. Rather, within the national strategy, it intentionally set a goal for the creation of new subsidized spaces.

Within the next seven years we will see the creation of some 200,000 new subsidized spaces. Within seven years there will be almost three times the number of currently subsidized spaces. Within the next seven years there will be created almost twice the number of subsidized spaces created over the past 15 years. I think that record of progress and its acceleration is very dramatic.

Surely any fair and reasonable person would accept the Government's commitment to the creation of this number of subsidized child care spaces as evidence of sensitivity to the needs of those women who have the greatest child care needs because those are the women at whom this program is directed. It is directed at those women in the lower income areas who need access to subsidized child care. It is also evidence of concern that the lack of affordable child care is a barrier to women assuming an equitable place in the workforce and a commitment to reduce discrimination against women.

In short, it is self-evident that the national strategy on child care is predicated upon addressing a fundamental basis of discrimination against women. As mothers we are the primary care givers to children. Yet our choices are often fewer because our priority will always be with our children. In the interests of our children it is sometimes necessary to either sacrifice or to reduce our career aspirations. When we do venture into the workforce we have had sometimes to settle for jobs that are lower paying, below our capabilities and sometimes not particularly challenging because we are having to balance the issue of addressing our responsibilities to our families with trying to maintain a job.

However, in other circumstances, there really is not even a choice for the single woman, for the woman in a low income household. They really have to venture into the workforce to provide a semblance of economic stability for themselves and their children. However, often they are very vulnerable to discrimination. Thus working mothers without access to child care are, by definition, the victims of discrimination.

The longer Canada's child care policy and system was allowed to unfold as it might without any set goals, the longer such discrimination continued. It was this Government which recognized the simple fact and intervened deliberately to see that more child care spaces would become available to working women and that more of these spaces would be affordable and thus accessible to women who need them most. That is an important differentiation to make.

When I hear members of other Parties suggest that child care should be universally available or free I do not think the majority of Canadians feel that way. I think the majority of Canadians feel that it is important to have high quality child care services available and that for those women who need the assistance there should be appropriate subsidies available for them.

It is a very familiar complaint, particularly of young parents, that the bulk of the incomes of working mothers goes to pay their child care costs. While working mothers may be satisfying career aspirations, they are not left with enough take-home pay to make much of a difference in the quality of their family lives. Child care has become an onerous cost of employment for women. That, too, is a form of discrimination.

Thus, as we saw with the national strategy on child care within the recent Budget, the Government recognized that the burden of child care costs was discriminatory. We have taken steps to reduce that burden through changes to the tax system as it applies to child care. The child care expense deduction has been doubled from $2,000 to $4,000 per annum for each child six years and younger and for children with special care needs beyond that age. As a result, parents will be able to deduct more of their real child care costs when calculating their income tax. The working woman will be able to have more of her income in hand. Even though my children are well beyond those ages I know, from looking back at the time when they were small and I was working, that that certainly would have been a very welcome initiative. In those days my income was not very great. This is something which will help women from all sectors in coping with the increasing costs of child care.

Young and growing families will benefit from the removal of the $8,000 ceiling on their child care expense deduction. Parents are now allowed to deduct $4,000 of child care receipts for each of their children six years and under, and $2,000 for children age seven to fourteen years regardless of the total of these deductions. Thus for larger families child care has become more affordable. We are no longer discriminating against larger families. It seems to me that the policies that were in place before were unfair and inappropriate to larger families.

There are many Canadian families which make use of informal child care, the baby-sitting type arrangement. They

do not receive receipts for the costs of the care. Under the tax deduction for income tax one has to have these receipts. This is to ensure that people are not trying to fool the system. However, this measure will allow more flexibility for families to choose traditional day care arrangements, to have someone come into the home or to have other arrangements. I believe that Canadian families want that kind of flexibility. They do not want one limited kind of system. Those who are not taking advantage of this, such as lower income parents, will benefit from the new $200 supplement to the child tax credit. Beginning this year, 1988, such parents will receive a supplement of $100 in respect of children six years and younger. They will receive an additional $100 next year.

These supplements will increase the child tax credit from about $535 to $760 per child in 1989. That is really quite a significant amount of money, particularly for lower income families. The effect of these changes in the tax system is to make child care more affordable to Canadian families. They reduce the burden of child care as an expense in employment for the working mother. They address a source of discrimination against tens if not hundreds of thousands of women. Once again, any fair or reasonable person would not see in this initiative a failure to address discrimination against Canadian women. Indeed, any fair and reasonable person would see in this initiative an attempt to ensure for women increasing equity in their disposable incomes.

Sometimes discrimination is a matter of locality or geography. Because Canada is such a large country this sometimes happens. No one would deny that farm women are partners in operating Canada's farms. They work as hard and as long as any woman who has a career in business, industry or the professions. However, they do not usually have access to care for their children. Canada's child care system has not expanded into most of rural Canada. Similarly, young families in the northern reaches of our provinces and in our two northern territories generally do not have access to child care.

• (1750)

As part of the national child care strategy there is the new child care initiatives fund. It will support innovative demonstration, development and applied research projects to child care. It will look at opportunities to provide child care in rural and under-serviced areas to provide for the needs of women going into special training programs. I hope it will also look at the needs of young women in the school system. In Ottawa, Rideau High School has established an informal child care program, and they are talking about expanding it. This will support the teenage woman who wants to go back to high school. She would have the child care facilities right there in school. That would be a big encouragement for those young women to be able to return to school and complete their education, and ultimately become economically self-sufficient. That seems to me one way of not only reducing discrimination, but of creating real opportunities and choices for the women of this country. Surely, that is the goal of all of us on all sides of this House.

As the country proceeds to expand the availability of child care spaces, there will be a continued demand for qualified child care workers. The expansion of Canadian child care services will create 40,000 new jobs across this land. Under the Canadian Jobs Strategy program the Government has supported and will continue to support the training of new child care workers, most of whom will probably be new entrants into the workforce.

Even this very cursory examination of the national strategy on child care would lead any fair and reasonable person to conclude that we are indeed preoccupied with the equity of women as participants in Canadian society, with the economic equality of Canadian women, and with equality of opportunity for women. The national strategy is not an element of discrimination, and does not fail to address discrimination against women. Rather, it is a full-blown attack upon a major source of discrimination.

The Government is providing, in partnership with the provinces, territories, and parents, a tremendous boost to the expansion of child care services. We have allocated $5.4 billion over the next seven years to support that expansion. That breaks down to federal Government cost sharing expenditures of $3 billion, tax measures of $2.3 billion, and the special initiatives fund of $100 million. It lays the ground work for a new social utility in this country to support the aspiring and working women of Canada.

In looking in more detail at only the federal-provincial cost sharing aspect, I would ask you to consider this fact, Mr. Speaker. In the 15 years that the federal Government has been cost sharing child care with the provinces under the Canada Assistance Plan, the Government has spent approximately $1.5 billion as its share of the cost. However, within the new national strategy, the Government proposes within only the federal-provincial cost sharing arrangement to spend $3 billion over the next seven years. In other words, the Government will spend twice the amount of money in half the amount of time on cost sharing federal-provincial programs for child care.

If this magnitude of commitment to child care is judged by the Hon. Member to represent failure, then one is hard pressed to characterize the performance of previous Governments. No, Mr. Speaker, this Government has not failed Canadian women. It has decreased sources of discrimination, it is empowering women to participate more fully, and it is promoting their economic equality. Any fair and reasonable review of the national strategy on child care would conclude that this is so, and not only in the field of child care, but in employment and in all the policies of this Government. Canadian women can look forward to increased economic opportunities and increased opportunities for social justice.

The Acting Speaker (Mr. Paproski): Since there are no questions and comments, shall I call it six o'clock?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): It being six o'clock p.m., it is my duty to inform the House that, pursuant to Standing Order 82(12), proceedings on the motion have expired.

This House stands adjourned until tomorrow at 11 a.m. pursuant to Standing Order 3(1).

The House adjourned at 5.56 p.m.

HOUSE OF COMMONS

Thursday, March 10, 1988

The House met at 11 a.m.

Prayers

[*English*]

POINT OF ORDER

RESIGNATION FROM NDP OF MANITOBA PREMIER—NON-PARTISAN TRIBUTE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I rise on a point of order. Yesterday during the time allotted for statements pursuant to Standing Order 21 the Hon. Member for Churchill (Mr. Murphy) made a very useful intervention with respect to the situation in Manitoba. There was some commotion in the House at the time. I should explain to the House, and I want it to go on the record, that Your Honour's remarks at that time were very helpful.

At the time that my hon. friend was making his statement pursuant to Standing Order 21 I do not think there was a realization on this side of the House that Premier Pawley had resigned as Leader of the Party. Naturally, we understood that the Government of Manitoba had been defeated but there was no understanding that he had resigned as Leader of the Party.

My friend from Churchill made reference to the contribution that Premier Pawley had made to his province and to Canada. We also recognize that, although we may not agree on philosophies.

I want to have it made clear on the record that the natural partisan nature of the House spilled over at that point. But at the time I do not think there was a realization that the Premier of Manitoba had resigned as Leader of the Party.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I want to take this opportunity to say to my hon. friend how much we appreciate his generous comments. Anyone in an elected position who serves his country, his province and the people of Canada always deserves to be recognized and have our appreciation extended to him. I appreciate the generous comment that my hon. colleague has made today.

Mr. Speaker: I want to thank the Hon. Minister of State (Mr. Lewis) for his helpful and gracious comments. I also want to thank the Hon. Member for Kamloops—Shuswap (Mr. Riis) for his gracious reply.

I say to some other Hon. Members who may have considered that my intervention yesterday was by way of admonishment that I am very glad to have the explanation which the Minister has given. The exchange this morning is in keeping with the best traditions of this place. I thank the Minister and I thank the Hon. Member.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to 65 petitions bearing N^{os}. 332-3805 to 332-3809 inclusive, 332-3812, 332-3820 to 332-3822 inclusive, 332-3833, 332-3834, 332-3840 to 332-3844 inclusive, 332-3851 to 332-3853 inclusive, 332-3856, 332-3866, 332-3868, 332-3869, 332-3900, 332-3908 to 332-3915 inclusive, 332-3919 to 332-3927 inclusive, 332-3934, 332-3935, 332-3939, 332-3943, 332-3947 to 332-3950 inclusive, 332-3952 to 332-3956 inclusive, 332-3972, 332-3974, 332-3985 to 332-3991 inclusive, and 332-4057.

* * *

• (1110)

[*English*]

STRIKING

PRESENTATION OF FIFTY-THIRD REPORT OF STRIKING COMMITTEE

Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I have the honour to present the fifty-third report of the Striking Committee.

[*Editor's Note: See today's Votes and Proceedings*]

Introduction of Bills

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO AMEND

Mrs. Mary Collins (Capilano) moved for leave to introduce Bill C-285, an Act to amend the Unemployment Insurance Act, 1971 (pregnancy).

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mrs. Collins: Mr. Speaker, it is indeed a pleasure to introduce this Bill for first reading. This Bill will remedy what I believe is an injustice under the Unemployment Insurance Act. It will enable women whose children are born either prematurely or with severe health problems and have to remain in hospital for a period of time to postpone taking the remainder of their maternity benefits under the Unemployment Insurance Act until such time as the child is released from hospital. This has occurred in several cases recently and brought to our attention in the House. It is something that I hope Members on all sides of the House will support and agree to.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

[*Translation*]

PETITIONS

OPPOSITION TO THE FREE TRADE ACCORD WITH THE UNITED STATES OF AMERICA

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, I have the honour and the privilege of tabling petitions signed by residents of Saint-Léonard, Montreal North, Aylmer, Hull and Pointe-Claire, all in Quebec.

Your petitioners believe that by signing the Free Trade Agreement, the Mulroney Government sold out Canada without getting anything in return, and that Canadian industries still have no protection against U.S. trade laws. They also believe that the jobs of thousands of Canadians, especially women, are threatened, and that the Conservative Government has yet to make any provision for helping them through the transition period.

Therefore, your petitioners humbly pray Parliament to condemn the Government for having signed the Mulroney-Reagan Agreement.

OPPOSITION TO THE IRRADIATION OF FOOD

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, I also welcome this opportunity to table a petition signed by a number of constituents in my riding and neighbouring ridings. The undersigned refuse to eat irradiated food and are opposed to the construction of food irradiation centres. They ask for the immediate withdrawal of all irradiated food now on the market that does not bear the international symbol for irradiated products, and that such withdrawal be legislated.

They also ask that all irradiated products be labelled as follows: "This product has been irradiated with radioactive isotopes as a preservative measure; the effects on health are unknown".

[*English*]

PORNOGRAPHY—SUPPORT FOR BILL C-54

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, I have the honour and duty to present a petition signed by some 350 residents of southwestern Saskatchewan concerning Bill C-54, an Act to amend the Criminal Code which creates new laws against the production, sale, rental, and distribution of pornography.

The petitioners humbly pray and call upon Parliament to support the Bill which will make it illegal to manufacture, import, sell, or rent pornographic material as defined.

The petitioners call upon the Government to pass Bill C-54 without dilution in the belief that this Bill gives recognition to the inherent dignity of individuals, particularly women and young people who are most vulnerable to exploitation in this area.

PROPOSED FREE TRADE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, pursuant to Standing Order 106 it is my honour to present a petition on behalf of a number of constituents who believe that the federal Government lacks a mandate from the people of Canada to conclude a trade deal with the United States.

The petitioners believe that the trade deal that was negotiated by the Prime Minister (Mr. Mulroney) threatens the fabric of Canadian political and economic sovereignty since it removes the power of the Canadian Government to control foreign ownership in Canada, and it removes the ability of the Canadian Government to develop Canadian energy resources in the best interests of Canadians. It also eliminates or severely reduces the possibility of equalizing opportunities between the regions of Canada.

The petitioners believe that this trade deal would deny Canada the policy freedom to determine its own economic future, and thereby undermine our ability as Canadians to develop a society distinct from that of the United States.

The petitioners call upon Parliament to dissolve in order to allow the people of Canada an opportunity to decide on this trade deal during a national general election.

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, I have the honour and responsibility of registering with this House a petition that is signed by many Canadians from across Canada.

The petitioners feel that the proposed trade agreement would deny Canada the policy freedom to determine its own economic future, and that it would undermine our ability to build a society distinct from that of the United States.

The trade agreement not only denies Canadians secure access to the American market, which was the key objective in these negotiations, but it threatens the loss of hundreds of thousands of Canadian jobs.

Therefore, the petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

REQUEST FOR MAINTENANCE OF PENSION INDEXATION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty to present a petition on behalf of approximately 75 constituents, most of whom are public servants. The petitioners are concerned that Bill C-33 will affect their future pensions. They contributed to indexation as well as to pensions, and the petitioners humbly pray and call upon Parliament to maintain legislated full indexation of the federal Public Service, Canadian Armed Forces, and Royal Canadian Mounted Police pension benefits.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think we could all make the Hon. Member for Ottawa—Vanier (Mr. Gauthier) happy if we agree that Question No. 209 could be made an Order for Return, which return would be tabled immediately.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House that Question No. 209 be deemed to have been made an Order for Return?

Some Hon. Members: Agreed.

[*Text*]

NAC CATERING DEPARTMENT

Question No. 209—**Mr. Gauthier:**

For the fiscal years (*a*) 1984-85 (*b*) 1985-86 (*c*) 1986-87 (*d*) 1987-88 to date, what services did each department and agency buy from the National Arts Centre catering department and, in each case, what was (i) the nature of the service (ii) its cost to the client, department or agency (iii) the specific location where the service was provided?

Return tabled.

• (1120)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—SIKH ORGANIZATIONS—GOVERNMENT POSITION

Mr. Sergio Marchi (York West) moved:

That, in the opinion of this House, the Secretary of State for External Affairs erred seriously in urging upon the Provincial Premiers a political boycott of three Sikh organizations in Canada, thereby condemning entire groups on the basis of unsubstantiated allegations against individuals and, consequently undermining the multicultural fabric of Canadian society;

That this House, while condemning violence and terrorism as political instruments, affirms that all Canadian citizens, regardless of origin must not be subjected to any coercion, intimidation or other action by the Government designed to prevent their free and peaceful expression of their opinions and concerns about events and issues in Canada or in other lands; and

That this House therefore demands that the Government provide Parliament with all relevant information that led to its aforementioned communication with the Provinces and provide the Canadian Sikh community with a full, public opportunity to defend its honour and integrity and that the Government immediately withdraw its allegations and issue a full apology to all Canadians, and to the Canadian Sikh community in particular, for initiating an unprovoked attack on the rights and freedoms of Canadian citizens and for thereby subverting federal multiculturalism policy.

He said: Mr. Speaker, it is with a certain degree of sadness that I raise on behalf of my Liberal caucus colleagues the matter before the House of Commons, and it is with a great deal of sadness that I have had to rise in my place over the last number of days to ask the Government, particularly the Secretary of State for External Affairs (Mr. Clark), to account for the letter he wrote and sent to seven Premiers which urged a boycott of the activities of Sikh organizations.

I believe that those actions constitute an undermining of the social and cultural fabric which is Canada as we know it. They dangerously play with that very tender fabric by attacking the

dignity and honour of an entire membership of Canadians in three organizations. In this attack I believe that the Government is contributing to, perhaps not intentionally, but the fallout is contributing to and aggravating racial tensions and race relations in Canada.

While it is with sadness that I rise in my place, I believe it is a necessary undertaking, because we must constantly remind ourselves as a Parliament that our country is as strong as its treatment of its weakest minorities within its borders.

We know that the Canadian Sikh community has been besieged in recent days and in recent times. However, this should not condone its further abuse as a member of the Canadian community or as a member of the Canadian family.

I am confused and bewildered by the letter from the Secretary of State for External Affairs, because only last June, 1987, at a convention of the World Sikh Organization in Vancouver, the following message was brought to the membership:

> —I am delighted to extend my warmest greetings and sincere best wishes to the members of the World Sikh Organization of Canada.
>
> The Sikh community in Canada represents an important component of this country's multicultural structure, one which we, as Canadians, are proud of. Ours is a nation that has been strengthened by the cultural and ethnic diversity of its peoples; by celebrating your role in Canadian society you are helping to unite not only the people of your community, but the people of Canada as well.
>
> On behalf of the Government of Canada, may I wish the members of your community continued health and prosperity.

That letter was signed by no less than the Prime Minister (Mr. Mulroney) and sent to the same organization in June, 1987. It is the same organization which is now being targeted for political boycott.

In 1985, a year after the Government took office, at another conference of the same organization a message was delivered by the Hon. Member for Cariboo—Chilcotin (Mr. Greenaway) of the Conservative Party, in which he said:

> —I am here today not representing the Government of Canada, but I am here as an independent individual Member of Parliament. I do however have the blessings of the Minister of External Affairs, the Right Hon. Joe Clark.

Therefore I am confused, as a Member of Parliament, that only last June the Prime Minister of Canada publicly congratulated, welcomed, and recognized this organization, and then in the same year, while one thing was being done publicly, the exact opposite was being advocated secretly. I bring that to the attention of the House of Commons because I believe to a certain degree that those two contradictory actions are deplorable.

First, there are two problems with the letter—one is procedural and one is on substance. From a procedural viewpoint, I question why the Secretary of State for External Affairs only sent the letter to seven Premiers, not to all of them. Why were federal Members of Parliament not sent the letter if it was a matter of urgent necessity? Why were the Leader of the Official Opposition (Mr. Turner) and the Leader of the New Democratic Party, the Hon. Member for Oshawa (Mr. Broadbent), not briefed and provided with the same information? Why were municipal leaders not advised?

I am talking about the elected leadership of the country who work and mingle with the community organizations from which the Secretary of State for External Affairs asked the Premiers to dissociate themselves. On top of that, we only found out about the existence of the letter through a leak. If it were not leaked, we would not be having the debate today; we would still be in the dark.

Therefore, this leads me to ask what other letters have been written and sent to various elected representatives in the country about the Sikh organizations or the Sikh communities? What other ethnocultural groups have been targeted with similar letters?

Finally, on the question of procedure, I find it puzzling that the Secretary of State for External Affairs has asked us to be ignorant and to ignore these three organizations. If we take a very different example—and I admit that it is a very different example—in South Africa, the Minister said that notwithstanding the fact that we believe that the Botha Government in South Africa is a repugnant, offensive regime which continues to prop up institutionalized racism, as bad and as evil as we know that Government to be, we will not break diplomatic relations because we will try to have that flicker of hope remain so that we can change a bad situation into a good one from within.

To a certain degree I sympathize, although we have taken a somewhat different attitude, with the attempted logic and sincerity of the Secretary of State for External Affairs. However, if we accept that attitude with that evil regime and, to a lesser degree, if the Minister has proof of individual members of these organizations having clearly participated, with evidence, in various violent activities, why would he not try to keep the channels of communication open with these organizations to bring these people to justice and to try to work from within rather than to say to the Premiers to treat individual organizations and the Canadian members of these organizations as political lepers?

How will ignorance produce justice? How are we to stem the tide if these elements exist in any organization or community, if we in fact send out a letter saying, "Don't bother with these organizations"? It does not solve the problem.

As I have mentioned, the second problem is the question of substance. One justification for the letter is that the Minister stated that there were some members who were engaged in these activities. In the letter to the Premiers he said:

> Some members of these organizations have also engaged in or promote violent activities—

Is that proper justification for the letter? Why take an unproven or alleged matter, a matter of individual responsibility, and transpose it into a blanket of collective guilt which covers all Canadian membership in those organizations? Why

be a contributor to creating a stigma which is difficult for that community to shake?

This is not a problem faced by only first generation Canadians of that community. It is a stigma which takes root in their youngsters, in the young men and women who should have the same future and opportunities in the country, but because of the stigma they start at a different place than do their peers in Canadian society.

• (1130)

Why does the federal Government, through this letter, begin to equate Sikhism with terrorism by that collective guilt allegation? There have been enough injustices in the past that one would have thought we would have avoided another occurrence, that we would have avoided bringing further pain and in some quarters, further shame in being who you are in this country.

We had the situation of the Japanese Canadian redress where Canadian citizens were discriminated blatantly by governments and other Canadians because of who they were. We still have elements in our society that lay the blame on the whole dark episode of Naziism on the doorsteps of certain German Canadian elements in this country. Recently in my own community, in the Canadian Italian community, certain elements have tried to equate Italianism with the Mafia. That hurts, Mr. Speaker. First it hurts because it is not true of that community. Second, it hurts because it creates baggage which must be carried, not by one generation but by second and third generation Canadians.

While every sensible Canadian condemns terrorism and any act of violence as a means of arriving at any end, which is shared by all Members and Parties in this House, it does not give the Government or the Minister the right or the licence to take on an individual responsibility and say, "Therefore, the collectivity of that membership is guilty". That is not the way our justice system works in Canada.

If there are cases of individual responsibilities, then what is achieved by this letter? Does this letter bring those individual members to justice? Does this letter provide us with the evidence that would suggest that certain members perhaps should face justice? What gain do we have by painting those three organizations and, through other debates, the community with that same brush?

The Secretary of State for External Affairs who will participate in this debate may say that certain members within the world Sikh organizations at some time or other may have said certain things. He might draw to the attention of the House that a certain Secretary General of the World Sikh Organization, General Bhullar Singh, may have said at one point that he would like to obtain arms to help obtain a homeland. Mr. Didar Bains, the United States Vice-President of the World Sikh Organization may have made statements suggesting that the assassination of Mrs. Ghandi was a legitimate means to achieve that end.

There was a debate whether or not those statements were said. Assuming they were said, this Member, this Party, dissociate ourselves with those statements. More important, Mr. Speaker, the Canadian membership in these organizations, attacked by the Minister, who are in this Chamber participating and listening to this debate, have dissociated themselves from those comments, if they were ever made, and condemn those comments, if they were ever made. Those statements were deposited with me in my own office when I raised these issues. Therefore, I ask the Secretary of State for External Affairs, if he has the Canadian membership of these organizations which dissociate themselves from these statements, why prosecute, through this letter, the collectivity?

The second justification for the letter is to propose a boycott because these groups advocated an independent Sikh homeland in India. The Minister writes to the Premiers:

> I would appreciate your co-operation in avoiding events and activities which could be perceived as supporting the Sikh organizations mentioned above or their objective in the creation of an independent Sikh state.

This issue of an independent homeland is clearly a foreign issue which is sovereign only to the citizens of India who in the end, in their own time, in their own way, must come to grips with that. Since when should our federal Government take sides on an issue, state its preference in favour of the current Indian administration and then on its strength punish Canadians of Sikh origin in Canada who may not share this view? How could the rights of full citizenship in this country with the freedom of participating in the community and political life of Canada be denied and infringed upon by a government which urges a boycott of those organizations?

Foreign policy is an outgrowth of domestic policy. Foreign policy is a reflection of the principles, the ideals and the aspirations to which we as a Canadian people subscribe. We cannot always do and say what the world wants us to do and say. Instead, we must do and we must say what the Canadian citizens permit us as a society to say. Therefore, the Secretary of State for External Affairs has the standards for a foreign policy backwards. He should not be putting it backwards because there are serious repercussions with that procedure.

What happens if the Government of Yugoslavia were to call or write our Minister and say, "We don't want your politicians associating themselves with Croatian Canadian clubs". If Greece were to do the same thing with Turkish Canadian clubs, what then? What about the situation between the Sinhalese and the Tamils? We cannot be coerced or intimidated into taking a certain foreign stand on an issue and allowing that issue to undermine rights of Canadians back home, whoever those Canadians are, wherever they came from and however long they have been in this country.

The Minister for External Affairs is either the Minister for External Affairs for Canada or he is the Minister of External Affairs for India. If he is the Minister of External Affairs for the latter, he might have some justification for saying the things he did because that would be his prerogative. But he is

not the Minister of External Affairs for India. He is a Canadian Minister, a Canadian Member of Parliament, who must always maintain the first rule, which is to stand up for Canada and stand up for Canadians whoever those Canadians may be. He abdicated that responsibility and I draw it to this attention.

The third and final justification for the Minister's letter is that the boycott was favoured to a certain degree by the Government of India. Again, the Minister writes in his letter:

> The activities of these organizations have been a significant irritant in our relations with India. The Government of India has taken particular exception when elected officials attend functions sponsored by these organizations.

The Minister is implying that the reason he wrote the letter was to secure relations with India. Past governments have always tried to secure a working respectable relationship with India. Previous Liberal administrations did not do so to the detriment of Canadians back home. We were not willing, in order to enjoy the favour of the existing Indian Government, to sacrifice Canadians of Sikh origin here, nor should we in any relationship with any other government. But this Government was prepared to sacrifice the citizenship of Canadians back home. One would have at least expected the Indian authorities to have defended, come forward and supported the Minister. But what happened, Mr. Speaker? Well, I will tell you what happened. A spokesperson for the Indian High Commission in Ottawa completely dissociated herself from that letter. She was quoted as saying in a *Globe and Mail* article for February 26:

> But India has not complained about the involvement of elected officials with these groups, she said.
>
> "What transpires between federal and provincial governments in Canada is purely an internal matter".

Those were the words of Mrs. Tripathi of the Indian High Commission. I asked the Minister the other day whether he could explain the discrepancy. Could he explain why the Indian High Commission in Ottawa is saying that it did not order or suggest a political boycott? I asked why the Minister implied in his letter to the Premiers that that was the case. If it did not come from the Indian Government, then what was the justification and by whom was that seed planted? That brings us to the issue that is at the heart of this dilemma.

• (1140)

This is more than a struggle for the Canadian Sikh community. Naturally, they feel the most pain and they feel the challenge of overcoming the stigma of yet another attack. However, this struggle has manifested itself in other communities. This latest allegation, an official statement of the Conservative Government, tramples also on the larger question of the principles underpinning our multiculturalism policy and the multiculturalism that is the reality of Canada.

It is sad to see that the Minister of State for multiculturalism has been silent during this entire debate. It is equally deplorable that the Secretary of State for External Affairs, rather than coming forward with evidence that would in any way substantiate the actions his letter recommends, rather than retract his letter in the absence of such evidence, prefers to hide behind these general, unproven allegations that cut Canadians deeply.

I see that you are indicating that my time is just about up, Mr. Speaker. I appeal to the Chair for some understanding because of the sensitivity of this issue. I conclude by saying that the Government has the responsibility to provide the House and, and through it, Canadians with an inquiry so that we may have the documentation and information that is in the possession of the Government of Canada that prompted such action. This inquiry would provide a forum in which Canadians, members of these three organizations and members of the larger Canadian Sikh community could defend their honour, their integrity and their place within Canada. If there is to be no such inquiry, then the Minister ought to withdraw the letter or apologize for writing it.

The Premier of B.C. has refused to respect the Minister's letter. The Premier of Ontario does not support the letter, despite claims made by the Secretary of State for External Affairs in the House. Members of provincial legislatures across Canada are writing to say that they will not follow the letter. Members of the Government's own Conservative Party have publicly criticized and attacked the Minister's letter. The Minister should finally realize, therefore, that he is becoming increasingly isolated in his defence of the indefensible.

I ask the Minister today to do the honourable thing, to provide this House with the evidence so that we can get to the issue at hand and clear the name of this community.

Finally, we in this House must recognize one unmistakable, unquestionable reality. History has placed all of us in Canada within one common border and under one common law. All of us, from the most powerful and the wealthiest of men to the poorest of children share one possession; that is, being Canadian. Granted, it is difficult to know from time to time what that precisely means because it means so many different things to so many different people. In part, to be a Canadian means to have once been a stranger, to have left the old and familiar for the new. But it also means that those who deny the strangers among us also deny the strength and the future of Canada. I ask the Government to stop denying Canada.

Mr. Speaker: There had perhaps been an understanding that the Hon. Member for York West (Mr. Marchi) would be followed by the Hon. Member for Kamloops—Shuswap (Mr. Riis), but the Minister has indicated that he would like to speak now and that would be the usual arrangement. I would hope that Hon. Members would accede to that.

Mr. Riis: Questions and comments.

Mr. Clark (Yellowhead): I am rising to speak, Mr. Speaker. Sir, I intend—

Mr. Speaker: I apologize to the right hon. gentleman. I think we have a bit of a procedural matter to sort out here.

I will recognize the right hon. gentleman in a moment. However, there is the usual 10-minute question and comment period, and I think the Hon. Member for Kamloops—Shuswap (Mr. Riis) is seeking the floor.

Mr. Riis: Mr. Speaker, I listened with interest to my hon. friend's comments. I must say that I agree, by and large, with the points he was raising.

The Hon. Member knows, of course, of the wounded feeling which exists within the Sikh community across Canada today as a result of recent developments. However, that is part of an ongoing process, and the Hon. Member will be well aware of that.

While I listened to the Hon. Member's remarks I could not help but think that years ago Jews living in Canada urged and worked toward the creation of the State of Israel. Today, Palestinians as well as Canadian citizens are urging the creation of a homeland for Palestinians. On Parliament Hill we have seen demonstrations of people of Croatian origin urging the creation of a Croatian state. We have seen Ukrainians, Slovaks and a long list of people appear on Parliament Hill, all in their own way, and I might add in their own peaceful way with an emphasis on the word "peaceful", indicating their concern for the creation of a homeland or a state for their people.

Is there something different here? Again, people of the Sikh faith are urging the creation of a homeland for their people. I do not see much difference between that and the Jews some years back urging the creation of the State of Israel.

Mr. Marchi: Mr. Speaker, the Hon. Member poses a very interesting question. He asked about the similarity between the struggle for a defensible State of Israel and the one that is being advocated by Sikhs in India through peaceful means. Those human struggles are the same. Although there are different forces at play in those different regions of the world, the human desire to live in peace and in dignity and to have a place to stand is shared, whether we are talking about an independent homeland for Sikhs in India or about the struggle of Jews who wanted to be able to live behind identifiable and defensible borders.

The second aspect of this question is the more delicate part. When previous Governments of Canada supported clearly and unequivocally a state for Israel, those Governments did not create a backlash affecting Canadians of Arab or Palestinian descent. Regardless of our position on Israel, that position was not used as a way of politically boycotting the Arab community. We did not suggest to the premiers that they treat those individuals as political lepers because we supported a state for Israel.

What we have here is a double standard. As far as we know, we did not politically boycott those Palestinian and Arab elements within Canada at that time. Those people are now Canadians because being an immigrant must stop at a certain point in one's life. The word "immigration" describes a process. However, after you have been here 5 years, 10 years or 20 years and you take the oath, you are a Canadian and the immigration process is behind you.

• (1150)

What is happening here is that the Secretary of State for External Affairs is saying that he agrees with India not granting an independent homeland for Sikhs. That is debatable given the fact of the state of Israel. Yet more importantly, the fact that the three organizations mentioned in the December 11 letter stand for an independent Sikh homeland in India is used as justification for boycotting those organizations. That is the shame. That is the knife wound.

Canadians, regardless of background, have freedom of speech. They are free to meet and discuss local issues or issues from afar in a non-violent, non-subversive way. I find it offensive that a foreign policy initiative is undermining domestic policy with respect to the rights of Canadians. We cannot allow that. Domestic policy draws its strength from a secure situation at home. It is only from that secure base that we can export our freedom, our democracy, our progressive vision to help an ailing world.

Mr. Kilgour: Mr. Speaker, Hon. Members will know, I am sure, that the Sikh community throughout Canada has worked hard in adversity since its arrival in the last century. Can the Hon. Member speak to the allegations concerning Secretary General Bhullar Singh and Mr. Didar Bains? Can he give us anything more than he has as to whether or not there was violence done by any member of the World Sikh Organization in Canada?

Mr. Marchi: Mr. Speaker, I do not have the information the Hon. Member seeks beyond what I mentioned. It has gotten back to me from a number of Members of this House in the last 24 hours that some of these statements may be raised on the floor of the House. I accept that. The reason I drew that to the attention of the House is so that the Minister could bring forward evidence of terrorist activities. In the end that might hurt the community, but I welcome it in the sense that there is more public discussion about possible terrorist activities by some members of that community. I welcome an intelligent debate that would rid that community and others of the cloud that continues to follow them and which suggests that being a Sikh is equivalent to being a terrorist. I made some of the statements I did because that is a preoccupation of some Canadians in the Sikh community. They told me they were prepared to go public to condemn and dissociate themselves from any terrorist activities or statements made by those two gentlemen.

I would also like to offer a confidential communiqué dated May 14, 1985, sent to the national councils of the World Sikh Organization in Canada, the U.S. and Great Britain. It is from the Secretary General and says that the World Sikh Organization constitution lays down that it is a peaceful organization working for human rights of Sikhs in India. Therefore, membership screening committees in those countries I

mentioned should be instructed not to accept membership from known or proven terrorists. Any member who is guilty of terrorism should be removed from the World Sikh Organization according to its constitution.

I think this directive is proof that those Canadians who have been maligned because of their association with those organizations do not agree with or promote the subversion of any entity in the world. I offer that communiqué so that we are aware of the facts of the situation and not just the fears and misconceptions which might exist over this debate.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, to begin with, I might caution Hon. Members of the House about drawing parallels between the situation in India respecting Khalistan and other events in the world. I think before they begin to make those statements in the name of their Party, which there is some temptation to do by both my friend from Kamloops—Shuswap and the Hon. Member who introduced the motion, they would want to carefully consider the implications of what they are saying.

Sir, I intend to be as dispassionate as I can be in this debate. I think it would be helpful if I began by reading the letter in which the Official Opposition wants to make an issue. The letter was tabled in the House the other day and it states:

> I am writing to you concerning possible invitations to you or members of your government to attend functions organized by members of the Canadian Sikh community.
>
> The majority of these invitations are valuable in ensuring that your Government is kept informed of developments in the Sikh community and that the community is encouraged to participate fully in Canadian life.
>
> There are, however, three Sikh organizations which exist largely to advocate the creation of an independent Sikh state, known as "Khalistan". These three organizations are the Babbar Khalsa, the International Sikh Youth Federation, and the World Sikh Organization. Some members of these organizations have also engaged in or promote violent activities aimed at Indian interests in Canada and elsewhere. The activities of these organizations have been a significant irritant in our relations with India. The Government of India has taken particular exception when elected officials attend functions sponsored by these organizations.
>
> I fully understand the dilemma that elected officials face in making decisions as to which functions to attend. In some instances the sponsoring organization may not be readily apparent. Despite these difficulties, I would appreciate your co-operation in avoiding events and activities which could be perceived as supporting the Sikh organizations mentioned above or their objective in the creation of an independent Sikh state.
>
> I would also request that you consider circulating a copy of this letter to members of your Cabinet and caucus. Should you require any additional information on this matter, please contact me.

That was the content of the letter which the Liberal Party is seeking to generate a debate over. I had hoped this sensitive issue would not be exploited for partisan purposes but the Liberal Party has chosen to put a motion forward in this House and therefore we will reply.

Sir, no one in this House should need reminding that modern societies are complex, and they are becoming more complex. Unhappily, one element of that complexity, one phase of modern international and national life, is that there is an increasing recourse to violence, not simply in the world apart from Canada but also in Canada. All civilized societies wish to work to overcome those tendencies toward violence, to deal with the root causes, to not participate innocently in the encouraging of activities which might have a violent consequence. Certainly that is a deep commitment of this country and this Government.

Sir, we must not forget that Canadians have been victims of terrorism both at home and abroad. The pervasive fear that affected all Canadians as a result of the terrorism of the October crisis in Canada in 1970 can never be far from our minds. Even more recently Canadians have experienced the tragic consequences of terrorism. Canadians narrowly escaped death in the hijacking at Karachi in 1986. Canadians were aboard the Italian cruise ship, the *Achille Lauro*, which was hijacked in September, 1985, which was the scene of the murder of one of the passengers by terrorists. Three hundred and twenty-nine people, most of them Canadians, died in the Air India tragedy in 1985. A Canadian was killed in the attack on the Turkish Embassy in 1985 and in the same year Toronto's subway system was held hostage by terrorists. In November of that year a Canadian mother and her infant son lost their lives in a terrorist attack on an Egyptian airliner in Malta. In 1986 there was an assassination attempt against a visiting Indian state cabinet Minister on Vancouver Island.

• (1200)

In the course of my responsibilities I have stood at the graveside in Beiseker, Alberta, when the Canadian woman and her infant son, victims of terrorism abroad, were laid to rest in Canada. In the carrying out of my functions I have been representing Canada and this Parliament on the peninsula near Cork in Ireland where a memorial is established to the Canadian victims of the Air India tragedy. Sir, I have been to too many funerals to take this question lightly. Yet I am acutely aware that other of my colleagues in other countries less orderly and less free than ours have been to more funerals.

We have an obligation in this House to the nature, the freedom, and the multicultural reality of Canada, to ensure that we do everything that we can to allow Canadians to pursue their goals and live their lives in peace and freedom.

As I said in the House on the occasion of the death of Valinda Leonard and her infant son in the Egyptian air incident, no nation is immune to the scourge of terrorism. It is for this reason that it is essential that we pursue with our allies the development of concrete measures to combat terrorism. Similarly, we must put in place protective measures at home and be vigilant in ensuring the prevention of occasions and opportunities for terrorism to incubate or to strike.

That, Sir, if I may say so, is particularly important in a country like Canada precisely because we are a multicultural nation that encourages people to come here from every corner and every colour of the world and to follow their goals, their religions, and their views here in Canada in accordance with Canadian law. There is more opportunity for more people to

come here to express their traditions, to live their lives, than is the case in many other countries. As we provide more opportunity, that imposes upon us a greater obligation of care and imposes upon public officials a greater sense of responsibility.

The obligation is greater for us also because we are a free nation and we take our freedom seriously. It is protected in the courts, it is enshrined in the Charter, it is part of the practice of life in Canada. Sir, we all know the elemental reality that there can be no freedom for a society if there are not restraints accepted by individuals. Some of those restraints are set out in law and in policy.

Surely, Sir, we who hold the trust as public office holders have a particular obligation to ensure that laws are respected in Canada, to ensure that this country and its officials do not inadvertently become instruments of organizations or of interests which might seek the dismemberment of friendly states or which might promote or encourage the violence which could be so destructive to the freedom and the multicultural reality that we know here.

Separatism has a particular meaning for Canada. It reminds us of a very difficult period in our history. I think that most Canadians would strongly object to any other country giving support to anyone who promoted separatism in Canada, particularly through violent means. We would certainly press to have that country's government not give, or even be seen to give, any kind of support to such activities.

[*Translation*]

Mr. Speaker, The Sikh community has a long history in Canada. It has made an outstanding contribution to Canadian society, and as I said in the House on March 3: This House knows that the vast majority of Canadians of Sikh origin are first-class Canadian citizens trying to raise their families in peace and trying to raise their families in freedom. The Government has a duty to help them do so.

[*English*]

I have been privileged to visit Sikh temples in Toronto. I have met with representatives of the Sikh community across the country. I have also celebrated with them the richness of Sikh traditions which are enhanced so much when the adherents of Sikh traditions are free to practise their religion in peace. I also had the sad duty, as I told the House earlier, in June, 1986, of dedicating a memorial in Dunmanus Bay, Ireland, to the victims of the Air India tragedy, many of whom were Canadian Sikhs.

As I said in the House on March 3, "This House knows that the vast majority of Canadians of Sikh origin are first class Canadian citizens trying to raise their families in peace and trying to raise their families in freedom". The Government has a duty to help Canadians do that.

However, let us face the facts. The activities of a small, militant minority in the Sikh community represent the most serious internal security threat that Canada faces today. Undeniably this minority seeks to dismember a friendly country, either through peaceful means or violent means. My friend, the Hon. Member for Edmonton—Strathcona (Mr. Kilgour), asked the other day whether there was not a difference between the World Sikh Organization and the other two. Indeed, Sir, there is a difference, but the constitution of the World Sikh Organization clearly states that one of its objectives is "to strive through peaceful means for the establishment of a Sikh nation, Khalistan". At the time that constitution was adopted there was a vigorous debate within the World Sikh Organization. They knew then that their decision would be controversial and the consequence of their decision is that their objectives are incompatible with Canadian policy.

Let me give you, Sir, some background on the other two organizations mentioned in my letter. The Babbar Khalsa is an India-based international organization comprising Sikhs whose objectives are the eradication of Sikh apostasy and the establishment of an independent state of Khalistan. In India the Babbar Khalsa has been involved in numerous acts of terror against moderate Sikhs, Hindus, and official representatives of the Government of India and its composite states. The Canadian branch is relatively small, but its total devotion to Sikh independence and its willingness to undertake acts of violence make it a serious source of concern.

In May, 1986, members of the Montreal area Canadian Babbar Khalsa were involved in a plot to place a bomb on an Air India flight from New York. Two were convicted and given life sentences. On May 25, 1986, four members of the ISYF attempted to assassinate a visiting Punjab state Minister in British Columbia. They were each sentenced to 20 years for this offence. As a Government, Sir, we cannot ignore these facts, nor can we ignore other cases of terrorism that we have encountered.

The International Sikh Youth Federation has its roots in the All India Sikh Student Federation, the largest and best organized Sikh extremist organization in India. The All India Sikh Student Federation activities and programs are directed toward disrupting and subverting the civil and political process in India for the express purpose of establishing an independent Sikh state of Khalistan. Members of that organization have been involved in aircraft hijackings, political assassinations, and the random, indiscriminate killings of both Sikh moderates and Hindus.

Moreover, these two organizations have occasionally attempted to dupe Members of Parliament or public figures in Canada into supporting their cause, for example, by having them photographed under the Khalistan flag or wearing buttons indicating support for Khalistan.

• (1210)

These groups exist largely to promote the creation of an independent Sikh state known as Khalistan based on the Indian state of Punjab. In pursuit of that objective some

members of that organization have used, counselled or promoted the use of violence.

The Canadian Government cannot remain silent when individuals or organizations advocate the use of violence for political ends, namely, the dismemberment of another country with which we have a longstanding and friendly relationship. My letter, therefore, asked our provincial Premiers to avoid appearing at organized events or activities which could inadvertently lend their endorsement to the separatist objectives of these groups.

My letter did not ask Premiers to avoid receiving or meeting with any particular individuals, whatever views they may espouse. Even though this Government rejects their separatist cause, we fully recognize all Canadians' right to freedom of expression. It is the attendance or participation by representatives of the Canadian people in events or functions sponsored by these three organizations about which I am concerned.

When political leaders openly associate with such groups, whether they intend to do so or not, they lend credence and support to the objectives for which those organizations stand. These organizations have in the past taken advantage of politicians attending their functions. I believe most Canadians would very strongly object and would want its government to object to another country's leaders giving support of any kind to anyone who promoted separatism in Canada, particularly through violent means. This Government would certainly press to have that country's government not give or even be seen to give any kind of support to such activities.

Naturally enough, such activities invite representations to the Government of Canada from the Government of India, just as Canada made representations to other countries in 1970 during the period of the FLQ. As the Secretary of State for External Affairs, I would be delinquent if I did not take account of the foreign policy implications, particularly for our relations with a friendly government on an issue which they regard as vital to their national integrity.

These activities also created deep concerns in Canada, particularly because the actions of a small minority are tearing the Canadian Sikh community apart. The point of concern and the reasons for sending my letter were activities within Canada. I act as a Canadian Minister in the interest of all Canadians.

As I said earlier, the activities of a small group of Sikhs in Canada constitutes one of the most serious internal security threats which Canada faces today. A militant minority in Canada has, through violence and intimidation, been able to exert a disproportionate influence in the community of Sikh origin in Canada.

[*Translation*]

A number of initiatives have been taken by the Canadian Government to deal with the present situation so as to avoid any possibility of Canada becoming a centre of Sikh extremism.

Our most important initiative has been our attempt to express encouragement and support for moderate Sikhs who have decided to oppose the excesses of a militant minority that wants to wage, within our borders, a war that has its origins in another country.

[*English*]

Some have asked whether the Government has exercised its responsibility to warn public figures about other organizations in Canada. The answer is clearly yes, respecting the activities of groups which themselves, or through their members, are associated with violence or with the purpose of dismantling other friendly countries in Europe and elsewhere. I and my officials have received many inquiries from Members of Parliament and provincial governments about the nature and the objectives of groups which have requested meetings with public figures. We have provided the appropriate advice and have received co-operation in these instances.

The principle is the same. This is not a new policy. Other Canadian Governments have adopted similar positions. I note the presence in the House of the Member for York Centre (Mr. Kaplan), the former Solicitor General. In addressing a comparable problem in 1984, he argued that acts of violence or terrorism in support of a free Armenia would not be tolerated in Canada and that this country should not become a surrogate battleground for alien causes. Rightly, he said that this would invite anarchy. He also said at the time that the efforts of the Government of the day, the Liberal Government in which he was a minister, were directed only at those who violate the laws of Canada. I would add that they should also be directed at those who counsel violation of our laws, directly or indirectly.

I said that the Government would be willing to provide briefings to Members of Parliament *in camera*. In that non-partisan spirit, I must say that the External Affairs critic of the New Democratic Party has approached us. We have agreed to provide him with such a briefing. That option is open to other interested Members.

The real problem here is that whatever we might wish, Canada is not immune to violence and to terrorism. There have been too many instances of terrorism in this country. We, as the Government, have the responsibility to respond with firmness, within the bounds and the laws of a free and multicultural society. We owe that to all Canadians, but we owe it particularly to the great majority of Canadians of Sikh origin who are not, in a situation in which excessive pressures exist, free to pursue their goals in accordance with the traditions which drew them and so many to this country.

Where we are not doing enough as Members of the House of Commons is in reaching out to encourage the moderate majority of the Sikh community in Canada to stand strong against the tiny minority who practise or counsel terrorism or violence. We are having a debate today. I suggest to all Members of the House that the best next step for all Members would be to ensure and encourage the freedom of Canadians of

Sikh origin in this country to pursue their goals in Canada in accordance with their tradition and the laws of this country.

Mr. Kaplan: Mr. Speaker, I was delighted to be quoted by the Hon. Member and I stand exactly by everything the Member quoted. Does he not see a very great difference between the position of the former Government and the position which he has espoused? I was talking about breaking laws in Canada or advocating breaking laws elsewhere to achieve a separation in a country by violent means. It is one thing for us in this country to oppose international violence, it is quite another thing—and novel, I assert—for the Government of Canada to take sides on a question of separation where violent means are not the issue.

I will deal with the violence question in a moment because I think the Minister is wrong there as well. However, fundamentally, why does he believe that the Government of Canada should stand for any particular arrangement in a foreign country? Is it not for the Indians to determine the shape and the extent of their country? Is that not an issue on which people who are interested in India, wherever they are in the world, should be able to take a view and advocate by peaceful means? Why is the Government of Canada suddenly taking a position that the Conservative Government believes the present arrangements in different countries in the world are the correct ones?

The Armenian community of Canada, all of them proudly, and the overwhelming majority of them peacefully, would like to see a separate Armenia established partly in Turkey, which is a country with which we have an alliance. Does the Government of Canada not support listening to the Armenians and allowing members of the Canadian community to take sides on that question about whether or not there should be a separate Armenia? Again, we are not talking about violence.

Has the Secretary of State for External Affairs (Mr. Clark) targeted the Armenian community for boycotting the Armenian Association that he knows well in Toronto? During the last election campaign his Cabinet colleagues visited them, made speeches and promises to them. What is wrong with people from a certain country wanting to see that country separate?

The Hon. Minister said, "We are opposed to the dismemberment of friendly states, particularly through violent means". I will agree that we are opposed to the dismemberment of friendly states through violent means. However, what about the dismemberment of friendly states through separatism, as a result of decisions the people of those countries might make and that Canadians with ties to that homeland might advocate? Why is the Minister introducing into the foreign policy of Canada the notion that we are committed to oppose the dismemberment of friendly states?

• (1220)

I can remember when I was a Minister and we were talking about the separation of Canada and fighting it. The United States let it be known, not through a formal statement but clearly and unambiguously, that it wanted Canada to remain united. Was that helpful to us?

The point I want to make is why do countries which have friendly relations with another country feel that they have to take sides, for or against, concerning questions of separatism? Specifically, why does the Armenian community receive such different treatment from the Government than it is according to the Sikh community?

Mr. Clark (Yellowhead): Mr. Speaker, the essential allegation is that this is a sudden policy or a new policy. It is not. The example that the Hon. Member used is the example that I will quote back to him. It was not very long ago when the Government of which he was a back-bench supporter in 1970 was dealing with the question of the FLQ and all of the consequences of that matter.

He has asked me if the expression by the United States of its belief in a united Canada was helpful to Canada. Let me put this question to him. What would the reaction of his friend, Pierre Elliott Trudeau, have been if the Government of the United States, through some of its senior members or through some of its leading parliamentarians, were to appear at meetings of the FLQ? What would be his reaction?

It is not an academic question since there was a position taken by the Government of Canada at that time.

The position that was taken by the Government of Canada at that time was based precisely upon the principle that I am invoking here.

Mr. Kaplan: Mr. Speaker, the Minister has asked me a question. The FLQ was a terrorist organization. I challenge the Minister to characterize these organizations as terrorist organizations. He said that some members have promoted violence. Perhaps some members have. It has not been proven. But even if they have some members of a very large organization who may be promoting terrorism, that is a very unfair basis on which to characterize these organizations.

The Minister missed another point in the answer that he gave to me. He asked me how I would like it if the official position of the United States was for separation in Canada. I would not like the Americans to be for separation. I would not like them to be against it either. It is a matter for Canada. So when the United States takes an official position for or against it, it is stepping over the limit. That is my point.

For others, for provincial Premiers and for leading parliamentarians, surely a democracy such as India would understand that provincial premiers and leading parliamentarians are not the official voice of Canada. They are people who oppose in many cases the official voice of Canada.

Does the Secretary of State not see the difference between a country such as Canada taking a position for or against, which I think is quite wrong, and leading parliamentarians or provincial premiers being able to take positions? I am limiting this to the non-violent context because a terrorist organization,

as I indicated in my letter which was quoted by the Minister, is in a totally different situation.

Mr. Clark (Yellowhead): Mr. Speaker, not to prolong this, to the best of my belief the position being articulated now by the Hon. Member is a position different from that followed in practice by the Government of which he was a supporter in 1970. Its concerns expressed to other countries did not relate exclusively to the FLQ but to the appearance of giving official support by countries friendly to Canada to separatist forces, however they were pursuing their goals within Canada. That is the answer to the best of my belief. I believe the record will prove that my recollection is correct.

The Hon. Member had a second question. I made a note of it, however, I regret to say, Mr. Speaker, that my writing becomes so illegible sometimes that I cannot understand it.

Mr. Marchi: Mr. Speaker, I have a question on another tangent. The first words expressed by the Secretary of State for External Affairs (Mr. Clark) in his remarks were with respect to an implication that I was exploiting for partisan gain this issue. I take offence to that. That offence does not come lightly. I take offence to that because I want to know why it is that whenever someone stands up in this Chamber and attempts to discuss or to defend a perceived injustice against a minority in our country the first response from the Government must always be that someone is trying to exploit for partisan gain.

I just want to put on the record that when one stands up for minorities it should not be construed as being for offensive, political partisan gain. The numbers are clearly not there to suggest that if one deals with perceptions one will necessarily gain politically from this issue. I point that out to the Minister quite honestly and candidly. The perception of political gain may be on the Government side. I allow the Minister those political gains.

What I am not prepared to say, Sir, is that it is fine to support one minority and to hold qualified support for another minority because that minority might not be as popular in this day and age. I refuse to subscribe to that qualified support for minorities. Either one is in favour of standing up for minorities or one is not.

I would like to ask the Minister this. He mentioned that members of a small militant group might be causing terrorist activities. I do not want it to be construed that we are sanctioning that small militant group, if in fact there is evidence to suggest that that is going on. There are 250,000 plus Canadians of Sikh origin. Some 20,000 Canadians of Sikh origin belong to the World Sikh Organization. There were 700 individuals who came out to a meeting on Sunday evening in my riding. It was attended by myself, the Hon. Member for York Centre (Mr. Kaplan), the Hon. Member for York South—Weston (Mr. Nunziata) and others. These people came out to the meeting partly because they had never met a Member of Parliament in their lives. They brought their wives, they did not leave them at home. They also brought their children dressed in the costume of their nation. There were 700 people in a room that was meant to hold 500. Why in the name of goodness is the Minister trying to equate the membership of those organizations and that community with this type of letter?

I visited a city in our country just the other day where there were a number of municipal aldermen who were implicated in some wrongdoing in that city. The first question I was asked by a member of the media was, "Because you are of Italian extraction, Mr. Marchi, don't you feel a bit guilty or ashamed?" I said, "Why should I? I am not a municipal alderman in that city being implicated. Whether it is true or whether it is not is besides the point. Why should I feel ashamed? Why should my son or daughter carry that shame?" I suggested to this person that we have had individual Members of Parliament who have been implicated in wrongdoing. Is that to suggest that all Canadians of anglophone persuasion or of francophone persuasion ought to carry that shame? Of course not.

When will Canadians who are not from either French or English background cease to carry the shame of a few rather than having to carry the shame of an implication that is theirs by right through collectivity? The time has come to end that kind of thing.

Mr. Speaker: We are a bit over the prescribed time for questions and comments. I know that often the House is prepared to go a little bit beyond the allotted time. I am asking the Secretary of State for External Affairs if he wishes to reply.

• (1230)

Mr. Clark (Yellowhead): Mr. Speaker, I will be very brief. The first point which the Hon. Member described as a tangent had to do with partisanship. His allegations, I reject.

The point that I meant to raise to my good friend, the Hon. Member for York Centre (Mr. Kaplan), was that naturally the people to whom I gave my considered advice are free to follow it or to reject it. They were owed, I believe, my considered judgment, and they have received it.

Third, as I mentioned in my remarks, the World Sikh Organization itself in debating its constitution spent a great deal of time discussing whether or not there would be a reference in that constitution to the independent state of Khalistan. They knew the controversy at the time that that constitution was debated.

Fourth, a large part of our purpose here is to try to create a set of circumstances in which that great majority of Canadians of Sikh origin will in fact be free to pursue their own values in this country and not be subject to the types of pressures that we all know exist now and that impose a very real burden on them.

Finally, Sir, on a matter of apology, I advise my colleague, the Hon. Member for Kamloops—Shuswap (Mr. Riis) that,

unfortunately, I am due to be hosting a luncheon for Lord Peter Carrington at precisely this moment. I know the profound interest of my friend, the Hon. Member for Kamloops—Shuswap in the North Atlantic Treaty Organization, and he would not want me to be absent from the lunch. I normally try to stay in the House on debates in which I am involved, but I cannot in these circumstances.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I must say that this is not a happy day for myself, and I suspect for most if not all Members of Parliament, to have to chastise the Secretary of State for External Affairs (Mr. Clark) on a particular initiative that he has decided to launch.

It is sad because this is a very dark day for the Canadian Sikh community; a quarter million Canadians of the Sikh culture and the Sikh faith are wounded as the result of the decision of the Secretary of State for External Affairs to suggest to Canadians that certain Sikh organizations are not worthy of a visit by a Member of Parliament, or others.

It is a dark day for the Sikh community when the Secretary of State draws attention to what he states are inappropriate actions on behalf of certain Sikh organizations and, in a sense, it casts a pall over the entire Sikh community. Today a dark cloud hangs over the Sikh community of Canada which simply fans the fires of discrimination and racism that we see glimpses of today. The sad part about it is that it should never have happened. While I applaud a number of initiatives undertaken by the Secretary of State on behalf of our country, this is not one of them. His initiative was wrong. His condemnation of the World Sikh Organization was completely and totally inappropriate.

I speak for my colleagues in the New Democratic Party who have a long history of speaking out in support of minority groups in Canada. The history of Sikhs in Canada has not always been an easy one. From their origins before the turn of the century when the first Sikhs entered Canada to become some of the most exemplary groups of Canadians that we have ever witnessed, they have encountered difficulties. In 1908 the Government of Canada banned Sikh migration. In 1914 during the *Kamagata Maru* incident nearly 400 Sikhs who had indicated an interest in journeying to Canada to become citizens were stopped at the Port of Vancouver and through a Canadian gun ship were eventually forced to return to India.

In an effort to remind ourselves of this incredibly black incident, I have a Private Member's Motion that, if passed by the House, would see the erection of a memorial cairn on the West Coast to remind us that certain groups of Canadians have had a difficult time in our country. We ought to go out of our way, as parliamentarians, and the Government of Canada ought to go out of its way, to ensure that all Canadians are treated fairly, and that as a result of a Government initiative no Canadian ought to feel any sense of discrimination, harassment, or feel any of the pangs of racist activity.

Sikhs have assisted Canada in its development in the forest industry, in agriculture, in commerce, in the professions, and as I stated earlier, Sikhs have become exemplary citizens in virtually every walk of life. One of the reasons that Sikhs were attracted to our country and have assisted in its development can be found in what Canada is and what it represents in the world nations. This is a country that prides itself on its multicultural policies, and its Charter of Rights and Freedoms. There is a section in our Constitution that states that Canadians will have the freedom of conscience and religion; Canadians will have the freedom of thought, belief, opinion and expression, and Canadians will have the freedom of peaceful assembly. That is what members of the World Sikh Organization thought existed in Canada.

In the constitution and by-laws of the World Sikh Organization there are a number of objectives, for example:

> To promote and facilitate an active line of communication amongst the Sikhs of the world.
>
> To promote and protect Sikh interests all over the world by participating in the formulation and implementation of the policies of the Sikh nation.
>
> To work for the promotion of the ideals of universal brotherhood, peace, justice, freedom of worship and speech, respect for cultural diversity and human dignity for all, without any distinction as per the instruments and covenants of the United Nations' Organization.

And this, Mr. Speaker, is the important one:

> To strive through peaceful means, for the establishment of a Sikh nation, Khalistan, in order to protect the Sikh identity and faith as ordained by Guru Panth in the daily prayer 'Raj Karega Khalsa'.

I wish to emphasize the words "peaceful means". In the very statement of objectives of the World Sikh Organization, the organization indicates that it will work through peaceful means.

The Secretary of State has indicated that he was concerned about terrorism and violence. All parliamentarians oppose terrorism of any type. All parliamentarians oppose the use of terrorism in terms of fostering any peaceful action. Whether it is terrorism by Canadians or on Canadian soil or elsewhere, it must be opposed.

The manner in which this is opposed is by Governments encouraging peaceful political action, peaceful protest, and peaceful discussion. Therefore, I believe that encouragement of the Secretary of State for External Affairs to the seven Premiers to whom he wrote hampers peaceful political pursuits of any multicultural organization. It contradicts his goal of fighting terrorism.

Many of us have attended meetings of the World Sikh Organization. Many of us who have gurdwaras in our own communities know members of the World Sikh Organization and have good friends who are members of that organization. We take some offence to the letter that the Secretary of State for External Affairs sent to seven Premiers. We take offence for two reasons. The first is that the Secretary of State for External Affairs did not feel it was appropriate to send the same information to Members of Parliament, did not feel it was appropriate to send the same information to the Leaders

of the opposition Parties in the House of Commons, and felt it was not appropriate or necessary to send the same letter to mayors and councils of the metropolitan areas of Canada, some of which represent millions of Canadians.

• (1240)

I want to read from the letter which was sent to the seven Premiers. In part the Secretary of State for External Affairs wrote:

> I would appreciate your co-operation in avoiding events and activities which could be perceived as supporting the Sikh organizations mentioned above or their objective in the creation of an independent Sikh state.

Of course one organization mentioned was the World Sikh Organization. What goes on in the country of India is of little interest to the Secretary of State for External Affairs, or at least it ought to be. It is a concern of the Government of India. Whether or not the political organizations of India in terms of territory are appropriate is not for the Government of Canada to hold a view on; it is a matter for the Government of India.

The fact that there are Canadian citizens, people living in Canada, who have personal views about the need for a country such as Khalistan ought to be of little concern to the Secretary of State for External Affairs. These are Canadian citizens who, by our Constitution, have the right to hold whatever views they wish to hold in terms of having the freedom of thought, belief, opinion, and expression. I must also remind the Secretary of State for External Affairs that Canadians have the freedom of peaceful assembly to discuss matters of concern to them, whatever they may be.

In terms of history, I recall Canadian citizens who had concerns regarding the eventual formation of the State of Israel and Canadians today of Palestinian origin who are interested in the creation of a homeland for Palestinians. They have meetings and discuss the matter. I also recall Slovaks, Croatians, and Ukrainians living in Canada who have an interest in the creation of homelands for their peoples.

The fact that the Secretary of State for External Affairs would single out this particular incident, take sides with a foreign country, and say that we support the position of the Government of India against the views held by Canadian citizens is completely and totally inappropriate.

What we see here, in a sense, is group condemnation. When we single out an organization, such as the World Sikh Organization with membership in the tens of thousands, and recognize that across Canada our friends and colleagues are members of the World Sikh Organization and therefore, by implication, are condemned by the Secretary of State for External Affairs for harbouring terrorist notions and supporting violence and terrorism, it is completely inappropriate. This collective guilt which the Secretary of State for External Affairs has created, this group guilt or group condemnation, is completely unacceptable.

He went on to indicate in his letter that members of these organizations had also engaged in or promoted violent activities. I want to remind him that organizations do not carry out violent activities; individuals do. If the Secretary of State for External Affairs has information that people are participating in violent activities, arranging terrorist activities or participating in terrorist activities, then we should take the appropriate steps and lay charges. We should deal with these individuals as individuals in Canada, but not condemn an entire organization and, by implication, an entire community in Canada.

The Sikh community is grieving today. It is being torn apart and is being ghettoized in a community sense because of the sweeping generalization and sweeping condemnation of the Secretary of State for External Affairs as a result of the letter. If he has evidence that indeed terrorism is being encouraged, that terrorist activities are being organized, and that violence is occurring as a result of some organizations, let him take action and provide evidence.

I listened very carefully to his words today. There was not a shred of evidence, not a single fact which would give his initiative any credibility. It is easy to stand and condemn a group of innocent people but, quite frankly, that activity has no place in a free and democratic society.

It seems that the only appropriate action now would be to clear the air. I am very saddened by the fact that the matter will now have to go to some form of inquiry, but I think it is the only alternative left. This means that the issue will stay on the front pages of newspapers and be reiterated time and time again in the news media, which will lead to more and more of a cloud over this very critical, important, and integral community in Canada.

Whether that is done through the appropriate standing committees of the House of Commons, whether the matter is referred to the Standing Committee on Multiculturalism, to the Standing Committee on Human Rights, to the Standing Committee on Justice and Solicitor General, or to the Standing Committee on External Affairs and International Trade, I do not think is particularly critical, as long as the Secretary of State for External Affairs is called upon either to provide evidence or to apologize to the Sikh community of Canada and to the organizations he has named in his letter. If he does not, it will be up to the Sikh community to take action, because I believe that there is no way the Sikh community can stand condemned by the Secretary of State for External Affairs without fighting back for its rights.

It is sad that this must take place in a free and democratic country like Canada. Of course its initiatives can take the form of hearings through the Canadian Human Rights Commission or the form of court actions to clear the names of the World Sikh Organization and the other named organizations.

It seems puzzling that the whole matter has occurred. I would like to think that it has no relationship at all to our trade relationship with India. Indian government representatives in Canada have dissociated themselves totally from the initiative taken by the Secretary of State for External Affairs. They say that in no way did they urge the Minister to take this

initiative, that in no way did they counsel the Minister that this was appropriate or necessary. It was simply something done by the Secretary of State for External Affairs, presumably on his own decision. It is puzzling, because I recall attending meetings and conventions of various Sikh organizations where there were representatives of the government Party in attendance and where members of Cabinet sent greetings and so on, presumably endorsing the goals of the organization or their efforts in Canada.

The fact that the World Sikh Organization has as one of its goals the creation of an independent Sikh homeland, does not mean that a Member of Parliament attending a meeting of that organization necessarily supports that particular initiative or particular goal. I notice that the Secretary of State for External Affairs meets regularly with representatives of the South African Government. Presumably that does not mean that the Government of Canada supports apartheid. I could think of a number of public meetings or public gatherings of organizations which I attended. That would certainly not mean that I support all their goals and objectives.

Actually, we as a Parliament must go beyond simply clearing the air on this particular issue. We also have to take other actions. We have to take action in our immigration offices. We have to take action in our customs offices. We have to take action through CSIS and the RCMP and through our High Commissioner in India. I am sure all Members of Parliament who have Sikhs in their communities could identify countless examples of discrimination against Sikhs, discrimination against Canadian citizens who we know very well and work alongside, but who happen to be different because their name is Singh and because they are members of the Sikh organization.

• (1250)

I heard of a sad situation the other day. A gentleman, was crossing the border coming from the United States into Canada. A Sikh was accompanying him. As he was stopped at the border the customs officer looked into the vehicle and said, "That's fine, Sir. You can go through. But we will have to question this associate of yours". When asked why the officer said, "We are under orders to do that". Presumably the only difference was that one man had a turban and one man did not, one man's name included the word Singh and the other one did not. One was a Sikh and the other was not. Because of the ability of the customs officer to identify the individual's cultural heritage meant that he would be interrogated because there were orders to do so. In a country that prides itself on its freedom, its multicultural heritage and policy, whose government puts out a report called "Equality Now", we cannot tolerate that kind of discrimination at our borders.

We all know of individual immigration cases that we work on. Again, there are subtle ways of discriminating against people of the Sikh faith. The Secretary of State for External Affairs must provide a forum in which to justify his particular behaviour in this instance, or he must apologize to the World Sikh Organization and to the Sikhs of Canada. It is now obligatory for the Government to take a number of other actions, as I said earlier, with our customs officials, our Immigration departments, in New Delhi through the High Commissioner's office, with the police and with CSIS to ensure that appropriate missives are communicated. Discrimination against those of the Sikh faith cannot be tolerated and the Sikhs in Canada should be able to play their rightful role as Canadian citizens.

Mr. Kindy: Mr. Speaker, I listened with interest to the remarks of the Hon. Member for Kamloops—Shuswap (Mr. Riis) of the New Democratic Party. I think he made some very valid points. I would like to dwell on freedom of expression and freedom of association. I think it is a fundamental right for Canadians to have this freedom. Our Charter guarantees that freedom to all Canadians. What bothers me about the whole situation is that in trying to influence other members of governments whether provincial or federal, telling them that they can or should not attend certain functions, is contrary to the fundamental principle of Canadian justice and the Charter.

Does the Hon. Member believe that we as Canadians have to uphold the fundamental principles of the Charter, the freedom of expression and the freedom of association?

Mr. Riis: Mr. Speaker, I appreciate the intervention of my hon. colleague from Calgary. Yes, not only must we take steps to ensure that the rights and freedoms of Canadians are upheld, but perhaps we should go beyond that and take extraordinarily steps at times to ensure that no Canadian is ever left with the impression that his or her rights are less than others.

This particular issue gives us that opportunity. We have heard from Members on all sides of this House. The matter has cut across partisan political lines. We have heard from Members of the Liberal Party, Members of the Conservative Party and Members of the New Democratic Party condemning the Secretary of State for External Affairs for inappropriate action, for an action, if you like, that virtually encourages terrorist activities. It works against people expressing their views in an open and free way.

There is another fundamental right that we as parliamentarians have to be particularly sensitive to, namely, being asked not to attend certain kinds of functions. We all have the intelligence to decide what groups we are prepared to discuss issues with and what organizations we are prepared to meet with. We do not need a lecture from the Secretary of State for External Affairs to indicate to Members of Parliament which are or are not appropriate groups.

When it comes to domestic affairs in India, that is the concern of the Indian Government. Our Secretary of State for External Affairs, I think, would be spending his time more appropriately taking steps to ensure that the rights and freedoms of Canadians are being upheld as opposed to being, if

you like, a voice, which in this case, obviously was for another Government.

Mr. Marchi: Mr. Speaker, first, I want to commend my colleague from British Columbia on a very well thought and articulated representation in the House on this sensible issue. I applaud the courage and the decency of stating one's convictions, which the Hon. Member for Calgary East (Mr. Kindy) did. I am pleased that the House Leader for the New Democratic Party has signalled publicly his support for the appropriate forum and inquiry, as difficult as it will be for the community and for the Canadian fabric, to try to clear the air on this issue. Hopefully we will get the Government to concede on that point, notwithstanding that the Secretary of State for External Affairs did not refuse or agree to such an inquiry. I hope my submission to the Standing Committee on Multiculturalism, which was one of the committees mentioned by the NDP House Leader, will be successful in trying to evaluate that evidence which is currently confidential and in the possession of the Government.

Could the Hon. Member for Kamloops—Shuswap (Mr. Riis) tell us why the Prime Minister of Canada would send his congratulations, recognition and best wishes publicly on June 7 to the World Sikh Organization meeting in his own province while probably at the same time—the letter was dated December 7 and as the Member knows it takes quite a bit of time to consider action, write a letter and redraft it—secretly the Government was making moves in the very opposite direction from the public endorsation of the Prime Minister?

The Acting Speaker (Mr. Paproski): I will allow the Hon. Member for Kamloops—Shuswap (Mr. Riis) to finish up briefly, please.

Mr. Riis: Mr. Speaker, I appreciate the Hon. Member's question. It points out vividly that once again the Secretary of State for External Affairs (Mr. Clark) erred in the decision to send that letter. The Prime Minister (Mr. Mulroney) obviously was indicating the Government's support for the World Sikh Organization while the Secretary of State for External Affairs was of a totally different mind. That lends more support for the need for an inquiry of some kind.

It also raises the spectre of what other letters have been sent. This one simply came into our hands as an error. It was leaked and it became public. If this letter became public, are there other letters being sent to organizations or to individuals saying, "Do not attend this or that meeting?" This is a big brother approach that I do not think we want to see continue any longer. I hope the Secretary of State for External Affairs takes seriously the suggestion made by the two opposition Parties for some kind of a hearing, either public, parliamentary, or a hearing by one of the standing committees of the House.

The Acting Speaker (Mr. Paproski): The floor will be free after Question Period. It being a little after one o'clock, I do now leave the Chair until two o'clock this day.

At 1.01 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

EXTERNAL AFFAIRS

TIBET—SUPPORT URGED FOR INDEPENDENCE AND FREEDOM

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, once again the Tibetan people are demanding their independence and freedom. It has now been 38 years since China marched into Tibet to enforce its rule on this small, peaceful country, and it is 29 years since the uprising of Tibetans on March 10, 1959, to protest the foreign domination of their country. On that occasion tens of thousands of Tibetans were killed by Chinese security forces and it is that date which they are recalling today.

It is interesting but sad to note that, while the world has given a lot of attention to the Soviet intervention in Afghanistan and to the problems in South Africa and Central America, very little attention has been given to this occupation of Tibet. Tibet and the Tibetan people have the right to freedom and I ask the Canadian Government to support their demands.

* * *

REVENUE CANADA

REASSESSMENT OF USED FARM MACHINERY TRADE-IN PRICES

Mr. Gordon Taylor (Bow River): Mr. Speaker, would any MP in this House like to have his or her income tax reassessed because Revenue Canada deemed that a garage allowed too high a sum for a used auto that was traded in three years ago? No, not one.

That is what some farmers who traded used farm machines in on new ones three or four years ago are facing. In effect, Revenue officials are asking our farmers to change the figures on bills of sale. If a company allowed too much for the used machine, why should the farmer be responsible?

All of us, and probably all Canadians, get as much as possible for used machines when buying new ones. If the company pays too much, it has the God-given right to go broke, but the farmer should not now be reassessed because some ridiculous regulation was promoted by a bureaucrat who thinks he knows more about the price of farm equipment than the farmer or the manufacturer. I urge the Minister to rescind this ridiculous regulation and to stop his officials from harassing our farmers.

EXTERNAL AID

SUGGESTION PROJECTS IMPROVING WOMEN'S LIVING CONDITIONS BE EMPHASIZED

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, in Africa where 80 per cent of the people live in rural areas, women do about 70 per cent of the work. Yet traditionally, aid funding has gone to men. Training has been provided for men despite the fact that women actually do the job. Women in developing countries need more training and land ownership, more equality in access to credit, and more legal protection.

The Government recently released a strategy paper which read in part:

> Women are half the world's population but they put in two-thirds of its work hours, receive one-tenth of its income and own less than one-hundredth of its property.

The strategy paper states that CIDA supports grassroots projects developed by and for women.

Another new report by the North-South Institute presents an overview of NGO activity under the title "Bridges of Hope". It points out that in only 33 per cent of projects were local women actually involved in project design.

We must assure Canadians that the larger percentage of money going to NGOs and businesses will be dependent to some extent on the degree to which projects improve the living conditions of women.

* * *

NARCOTICS

INITIATIVE TO STOP DRUG ABUSE IN PENITENTIARIES

Mr. Jim Jepson (London East): Mr. Speaker, this week the Solicitor General (Mr. Kelleher) made an important announcement at an international conference on substance abuse. He stated that both CSC and RCMP have launched a joint initiative to fight the flow of drugs both into and within prisons. The Minister has to be congratulated for his leadership and for his important contribution to the National Drug Strategy.

As a member of the legal and justice committee, I have visited many institutions over the last few months and have met many inmates. As Hon. Members are aware, the process of rehabilitating inmates is much more difficult when drugs are readily available. I can assure Hon. Members that the step taken by the Solicitor General is one that will really help those who want to be rehabilitated.

Fewer drugs in prisons will result in a more sound environment for inmates and prison workers, as well as a safer place within which to work. As a Canadian citizen and as a father, I am proud of the Minister's initiative. It provides Canadians with a safer society to live in and sets a good example for all citizens to follow.

* * *

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

MONTREAL REGION'S ECONOMIC RENEWAL—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the people of Montreal are becoming increasingly impatient with the federal Government's failure to act decisively on projects as important as the development of the Vieux-Port and the space agency.

We all remember that in November 1986, the Committee chaired by Mr. Laurent Picard made these projects its two main recommendations for reviving the economy of Greater Montreal. Unfortunately, on December 2 the Minister of Regional Industrial Expansion (Mr. de Cotret) responded to these recommendations with some well-meaning platitudes, and two days later, all those representing Montreal's socio-economic and political interests deplored this lack of decisive action.

Mr. Speaker, the people of Montreal want to know what the federal Government intends to do about the space agency. Is the federal Government going to announce its decision before, during or after the election campaign, which means never?

* * *

[*English*]

TRANSPORT

THREE-WHEEL ALL-TERRAIN VEHICLES NEEDED IN NORTHERN REGIONS

Mr. Thomas Suluk (Nunatsiaq): Mr. Speaker, Transport Canada has suspended the sale of three-wheel all-terrain vehicles in Canada, following as usual the lead of the United States. The suspension may be acceptable in the provinces where roads have been developed, and the suspension is enforced in areas where the vehicles cannot be used anyway. However, in the Keewatin and central Arctic regions, where there is a lot of tundra and muskeg, the three-wheel ATVs are less expensive than the four-wheel versions, and are used extensively for hunting and for work.

• (1405)

Northerners have already been hit hard financially by the anti-fur lobby. Forcing them to buy four-wheel ATVs instead of three-wheel ATVs imposes a further financial burden because the price difference can be as much as $1,000 to $3,000.

S. O. 21

Suspension of the three-wheel ATVs was opposed by all the callers to a territorial open-line program held at Rankin Inlet last Friday. Therefore, I urge the Minister of Transport (Mr. Crosbie) to allow the sale of the three-wheel version to northern residents until roads have been built.

* * *

AIR TRANSPORT

TRANSPORTATION OF PLUTONIUM—AMENDMENT OF UNITED STATES-JAPAN AGREEMENT

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, last year the U.S. and Japanese Governments signed a nuclear agreement calling for possible transportation of plutonium, a speck of which can cause cancer, over Canada. Canadians did not like this idea and said so.

From Arctic Bay to Eskimo Point to Iqualit, to Whitehorse, to Toronto, to Faro, to Edmonton, to Vancouver and to Haines Junction in the Yukon, and in many other communities, thousands of Canadians signed petitions to this Parliament opposing those flights. Letters were sent to Canadian and American government officials. NDP and Liberal MPs demanded answers. The Canadian and U.S. media followed the issue closely.

Tad Homer-Dixon, a Canadian student at Massachusetts Institute of Technology, worked to oppose these flights. John Polanyi, Nobel Prize winner, spoke out in opposition.

For those cynics who say ordinary persons cannot make a difference, here is proof positive that they can. We have learned through the U.S. Department of State that the U.S.-Japan nuclear agreement will be modified through an official exchange of letters requiring the Japanese to pursue an all-water route.

There are still concerns. Nuclear proliferation is a real threat. There are environmental dangers. The fight is not over but we can be pleased that we, ordinary people, have won a major battle.

* * *

STATUS OF WOMEN

INCREASE IN GOVERNMENT APPOINTMENTS OF WOMEN

Mrs. Mary Collins (Capilano): Mr. Speaker, as we mark the end of International Women's Week it is appropriate to bring to light the dramatic progress this Government has made in appointing women to key decision-making positions.

We have almost doubled the percentage of women appointed to federal boards, agencies and commissions. The figure now stands at 28.6 per cent, compared to 15 per cent under the previous Government.

The number of federally appointed women judges has risen to 20, a 22 per cent increase since our Government took office. Appointments of women to senior levels in the federal Public Service have more than doubled.

Twelve women have been appointed to positions as Ambassadors, High Commissioners, and Consuls General, a rate six times higher than that of the previous Government.

This is not a token gesture but clear evidence of this Government's recognition of the talents and competence of Canadian women.

* * *

TELEFILM CANADA

ANNOUNCED RETIREMENT OF CHAIRMAN

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, he finally did it.

Mr. Tobin: Did what?

Mr. Boudria: He threw in the towel.

Mr. Tobin: Who?

Mr. Boudria: I am glad the Hon. Member asked. Jean Sirois, of course. Jean Sirois, the Prime Minister's (Mr. Mulroney) friend, Tory bagman, leadership supporter of the Minister of Communications (Miss MacDonald), an all-round Tory, has decided that he no longer wants a juicy $64,000 a year political appointment as Chairman of Telefilm Canada, effective April 13. He wants to go back to his law business where he can make the real dough, such as $400,000 legal contracts which he recently got from the federal Government and his friend, the Prime Minister.

Canadians are relieved that Jean Sirois is leaving. He has long since worn out his welcome at Telefilm Canada. However, we want to know why April 13. The Prime Minister should phone him up today and tell him to leave the keys to the executive washroom before he goes home tonight.

[*Translation*]

Mr. Speaker, why wait until spring? I say we should fire Jean Sirois as of now!

* * *

[*English*]

TAXATION

NORTHERN TAX ALLOWANCES—APPLICATION TO SASKATCHEWAN

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, in December, 1986, a list of communities qualifying

for northern resident tax benefits was released by the Department of Finance. Surprisingly, the list included several villages in southwestern Saskatchewan. Because it is manifestly unfair that residents of one community qualify for the tax benefit while those all around it do not, I raised the matter in this House on several occasions in April of 1987, requesting revision of the criteria used in designating an isolated post. Unfortunately, the subsequent revisions merely exacerbated the problem by confirming the original list, while excluding all other communities.

• (1410)

The determination procedure is arbitrary, inequitable, and capricious, and requires urgent attention. I call on the Minister of Finance (Mr. Wilson) to act quickly by putting a senior person in charge of drafting common sense criteria which ensure that all residents of an area are treated fairly, evenly, and consistently.

* * *

IMMIGRATION

TREATMENT OF FOREIGN DOMESTIC WORKERS

Mr. Dan Heap (Spadina): Mr. Speaker, last week a senior immigration official spoke about foreign domestic workers as follows:

> So what we have is a half-way house, really. We bring them in, and if they prove that they are good at their job then we land them and then they can stay in that job if they want or go on to something else. But at least they have two years in which they have to stay with the family and do what we ask them to do. In the old system, when we brought them in just as immigrants, they would never stay. They would do day work, but they would never live in the house and stay, because they are out of their environment with the people of their own group.

Half-way houses are for unfortunates such as prisoners being rehabilitated, or ex-psychiatric patients, or the mentally retarded. It is wrong to speak so paternalistically about the hundreds of women, mostly Caribbean or Filipino, who come to work hard as domestics for Canadian families. Their pay is often shockingly low and they are often treated very badly. Federal or provincial laws or unions give them almost no protection. Canada needs these domestic workers. Immigration workers ought not to insult them.

* * *

ABORTION

SUPREME COURT DECISION—CALL FOR LEGISLATION TO RESPECT HUMAN LIFE

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, the Supreme Court of Canada's decision of January 28, 1988, has left the country without an abortion law. It is now possible for abortion to take place any time during the nine months after conception.

We must, as parliamentarians, move quickly to remedy this deplorable situation. Nothing in the Supreme Court of Canada's decision establishes abortion as a right. We must, therefore, find a way to give both mothers and children the right to life and freedom.

Accordingly, we must bring in legislation which respects human life at all stages of development. A human foetus in the womb at three weeks is just as valuable to society and as much human as an unborn child at 24 weeks.

On this, the great moral question of the 20th century, all Members of Parliament must state clearly where they stand on the question of life or death for unborn children. I am proud to stand with those millions of Canadians who condemn the present situation. I join their plea for protection of unborn children.

* * *

[*Translation*]

CRIMINAL CODE

FINANCING OF PREGNANCY INTERRUPTION AND FREEDOM OF CHOICE—POSITION OF BRITISH COLUMBIA SOCIAL CREDIT MEMBER OF LEGISLATURE

Mrs. Lucie Pépin (Outremont): Mr. Speaker, today I want to congratulate Miss Kim Campbell, Social Credit MLA in British Columbia, for having had the courage of her convictions.

Yesterday, Miss Campbell openly defied Premier Vander Zalm by saying she supported public financing for abortions and freedom of choice for women. "I am not for sale", said Miss Campbell.

Mr. Speaker, I admire and respect the stand she has taken. In fact, isn't this what politics is all about: Having the courage of one's own and one's constituents' convictions, whatever the political cost?

Premier Vander Zalm has publicly ignored the will of the majority of the voters in his province and has rejected the wisdom of the Supreme Court.

Miss Campbell is to be commended for her integrity and honesty. By her actions she has strengthened the democratic process, speaking up for those whose views are being ignored by Mr. Vander Zalm.

[*English*]

CHARTER OF RIGHTS

EFFECT ON DEMOCRACY—THE ULTIMATE AUTHORITY

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, the Charter is diluting democracy in Canada. We now have two kinds of government, the elected government of Parliament and the unelected government of judges. The elected government proposes, the unelected government disposes.

The fault with this does not lie in the quality of decisions. The recent decision of British Columbia was right in my judgment. The fault lies in the way that the ultimate authority is no longer the elected government and, therefore, the ultimate authority is no longer the electors it represents.

This subject will not command the headlines or the television news. It has no quick fix, but it is fundamental to the future of democracy in Canada and it should be on the forward planning agenda of Parliament.

* * *

PROVINCIAL AFFAIRS

NEWFOUNDLAND—ELECTION OF LIBERAL IN PROVINCIAL BY-ELECTION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I note that it is 2.15 and I am delighted because many Members are here to hear the good news. It has been nearly four decades since Newfoundland joined Confederation, nearly 40 years. In all of those 40 years the constituents of Waterford-Kenmount, which riding in the area of St. John's West previously went by other names, had always voted Conservative.

Wednesday night, in the middle of the riding of St. John's West, the riding of the Minister of Transport (Mr. Crosbie), the people of Waterford-Kenmount returned a Liberal, with a huge shot in the arm for the Liberal Party of Newfoundland. This is equivalent to the Riverview win in New Brunswick.

Surely, Mr. Speaker, as night follows day this means that the Liberal Party in Newfoundland and Labrador is on its way to government. I know that the Member for St. John's West, the Minister of Transport, joins me in congratulating Mr. Eric Gullage, the brand new Member in his federal riding, for a job well done and for the beginning of a brand new Liberal Government in the Province of Newfoundland and Labrador.

• (1415)

RESEARCH AND DEVELOPMENT

CENTRES OF EXCELLENCE—SUGGESTED EXPANSION INTO NETWORK CONCEPT

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the Prime Minister's (Mr. Mulroney) January announcement that Canada would spend an additional $1.3 billion on research and development and would foster the establishment of centres of excellence has been enthusiastically received by the research community, and stimulated much discussion around the centres of excellence concept.

Perhaps this should be expanded into "networks of excellence". This is the view of Professor Gilles Barbery, Director of Mines and Metallurgy at Laval University. His field of research is one in which Canada ought naturally to excel. It is, however, shared by several universities, business corporations, and both provincial and federal government research establishments such as CANMET. Instead of centering all research in a specific geographical location we should strengthen the network, each component of which could develop its own speciality.

The same of course is true for other areas of research such as medicine, communications, or space technology.

ORAL QUESTION PERIOD

[*English*]

CANADA POST CORPORATION

EQUAL ACCESS TO POSTAL DELIVERY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister responsible for Canada Post. During the last general election the Prime Minister said:

> The postal service is an essential service for every Canadian ... A new Progressive Conservative government ... will continue to improve the standards of delivery providing all Canadians equal access to postal delivery.

The Minister nods. Some promise. Three hundred thousand Canadians now have to use those absurd supermailboxes. They do not work, they are vandalized, they lower property values, and they cause serious inconvenience to thousands of senior citizens.

Rural Canadians must drive 30 to 40 miles because the rural postal routes have been closed. Rural routes are a thing of the past.

Why did the Prime Minister promise all Canadians that they would have equal access to daily mail delivery if he did not intend to keep that promise, or did the Prime Minister really mean that Canadians would get fair and equitable delivery unless they happen to live in rural Canada, in a new

housing development, or in a suburb? Is that what the Prime Minister really meant?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, there are a great number of inaccuracies in the preamble of the question by the Leader of the Opposition. I will deal with just one. No rural routes were cut, contrary to what the Leader of the Opposition has indicated.

He talks about delivering mail through group mailboxes. That in fact arose out of a decision by the then Postmaster General in 1974. I believe the Leader of the Opposition was a member of the Government that made that decision.

In order to restore door-to-door delivery in all homes now served by group mailboxes, it would cost $1.3 billion over the next five years, with ongoing expenses of $400 million a year after that. I recognize that the Leader of the Opposition is sensitive to deficits these days, but he should be applauding the Post Office for the fact that this year it will make a profit in excess of $20 million, which is what we have accomplished in our term of office so far.

Mr. Turner (Vancouver Quadra): I will admit to one inaccuracy in the preamble. It was the Prime Minister's statement. One could fill one of those superboxes with the broken promises of the Prime Minister.

PRIME MINISTER'S STATEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister said in this House on December 5, 1986: "There shall be no second class citizens in this country as long as this Government remains in office,—"

Mr. Mazankowski: Right.

Mr. Turner (Vancouver Quadra): "—postal services or otherwise". The Deputy Prime Minister may want to answer this question, since he has intervened.

• (1420)

I guess the Prime Minister was right. People in new subdivisions, people in rural Canada, people in the Deputy Prime Minister's part of rural Alberta, and people in new housing developments are not second-class citizens under this Government, they are third-class citizens.

I wish to ask the Deputy Prime Minister this. Why does the Prime Minister think that the only way to improve the Post Office is to cut postal service?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, no postal services have been cut.

Some Hon. Members: Oh, oh!

Mr. Andre: The Leader of the Opposition is as accurate about the operations of the Post Office as he was about the considerations concerning what submarines are all about.

The fact of the matter is that over the next four years there will be 6,000 new post office outlets opened to serve the public. The fact of the matter is that the Post Office finally is operating in the black. When our Government took over it had a deficit of over $500 million. I recognize that the Leader of the Liberal Party is not concerned about a mere $500 million. That is trivial. The Royal Bank can take care of that in no time at all. But as a—

Mr. Speaker: The Right Hon. Leader of the Opposition.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I have a suggestion for the Minister. Perhaps he would like to join me out in Manitoba on the rural mail routes and try to defend that proposition in the next provincial election.

Some Hon. Members: Hear, hear!

[*Translation*]

SUPERMAILBOXES—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, if I heard the Minister correctly, he said that the Prime Minister did not tell the truth during the last election campaign and did not tell the truth either before the House. What kind of answer does the Minister have for hundreds of thousands of Canadians who saw the value of their homes go down because superboxes were installed in front of those homes and because they are not getting daily home delivery? What kind of answer does he have to that?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Leader of the Opposition continues in making these false statements—

Ms. Copps: Oh, come on!

Mr. Andre: —and then asks me to justify a completely false, baseless, unprovable accusation.

Some Hon. Members: Oh, oh!

Mr. Andre: The Rat Pack behind him does not want to hear the answer.

Mr. Speaker: The Hon. Minister will answer the question.

Some Hon. Members: Hear, hear!

Mr. Andre: Mr. Speaker, as has been indicated in the House on other occasions, where supermailboxes have been in place and the users polled the approval rating is about 95 per cent.

Mr. Turner (Vancouver Quadra): Oh, sure!

Mr. Andre: There is absolutely no justification whatsoever for the statement made by the Leader of the Opposition about property values going down. He knows that that is not true.

Now that the Post Office is making a profit we are able to look at expanding the service which was cut back in 1974. It

will be done in a responsible way, not by incurring huge deficits to be paid off by some future generation.

SUPERMAILBOXES—PROPERTY TAX REDUCTION IN ONTARIO

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is addressed to the same Minister. On November 27, 1986, I warned the Conservative Government in the House that the installation of supermailboxes would reduce property values and penalize Canadian homeowners in new subdivisions. Yesterday the Ontario Municipal Board ruled to reduce property taxes by 5 per cent on houses where supermailboxes had been installed because those property owners suffer a loss of privacy.

How long will it take the Government to understand that the supermailboxes are unfair and discriminatory, and that they deprive Canadians of the most fundamental right, privacy? Who will pay for the loss of their property value because of the installation of supermailboxes? Is the Minister going to reimburse them?

• (1425)

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, as I understand it the Ontario Municipal Board specifically stated that there was no drop in property values, contrary to what the Hon. Member has said. What the Municipal Board stated in this case is that there was nuisance value to people as a result—

Some Hon. Members: Oh, oh!

Mr. Tobin: Why, were you delivering the mail, Harvey?

Mr. Andre: Apparently members of the Liberal Party are not willing to listen to the truth. They continuously make false accusations and then sit there braying like mules—

Mr. Speaker: The Hon. Member for Saint-Léonard—Anjou.

[*Translation*]

DEVALUATION OF REAL ESTATE—MUNICIPALITIES' LOSS OF REVENUE—GOVERNMENT POSITION

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, municipalities will have to cut their tax bills because of the superboxes, since the Ontario Municipal Board ruled yesterday that the boxes reduced property value. Does the Government intend to compensate municipalities for the loss of revenue? Is the Government going to compensate homeowners for the loss of property value?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I guess the real question is, is the Liberal Party going to come out in favour of a 60-cent stamp which would be required to pay for what it has just requested. Those are the facts. A 60-cent stamp will be required.

If that is the position of the Leader of the Liberal Party, let him take it honestly and go out and campaign on it, a 60-cent stamp to accomplish what he feels should be accomplished.

SUPERMAILBOXES—ONTARIO GOVERNMENT'S POSITION ON PROPERTY TAXES

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the same Minister. Is the Minister aware that the Ontario Government, not one hour ago, announced that it is not only prepared to abide by the OMB decision that was made yesterday for those residents who are unfortunate enough to have those boxes in their communities, but also for individuals in surrounding communities it is prepared to reduce property taxes by 5 per cent?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): No, Mr. Speaker.

REQUEST THAT GOVERNMENT COMPENSATE MUNICIPALITIES

Mr. Neil Young (Beaches): Mr. Speaker, if the Minister does not know, I am telling him that those superboxes do in fact reduce property values in those communities where they are located.

Will the Minister take steps to compensate municipalities and property owners because of the loss of tax base in those communities where the boxes are located, and indeed for the people who have those boxes inflicted upon them?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I hope the Hon. Member will not be offended if he allows me to wait until I get the facts before accepting what he has to say as factual.

Very specifically, the OMB stated that there was no evidence of loss in property values. There have been independent studies, and I will be glad to show them to the Hon. Member that, in fact, property values are not affected.

After all, when bread delivery was stopped and when door-to-door milk delivery was stopped there was not a horrendous drop in property values because people had to buy their milk and bread in a different fashion. So, Mr. Speaker, get with it, the times are changing.

Mr. Broadbent: There were no superbreadboxes put up. That's a great comparison, Harvie.

DOOR DELIVERY—REAL ESTATE ADVERTISEMENTS

Mr. Neil Young (Beaches): Is the Minister aware that many real estate agents are now advertising door-to-door mail delivery as a special feature for individuals who are trying to sell property? Is the Minister aware of that? If he is, why does the Minister not do the right thing and restore door-to-door delivery mail service for all Canadians?

Some Hon. Members: Hear, hear!

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, as indicated, the cost of that is $1.3 billion over the next five years. If the New Democratic Party and the Liberal Party feel that that should be done and that we should incur the additional $400 million a year continuing expenditures, or pay for it by a 60-cent stamp, let them advocate that position. Certainly, I am sure the Government would consider it. There is no such thing as a free lunch.

That is what they are advocating—an additional expenditure of $400 million a year. One has to balance that. Would we rather spend it that way, or on better child care for Canadian mothers? Make the choice. Those are the types of alternatives we are looking at.

* * *

• (1430)

FISHERIES

CANADA-UNITED STATES DISCUSSIONS ON FISH EXPORTS—PROTECTION OF JOBS

Mr. George Henderson (Egmont): Mr. Speaker, my question is for the Right Hon. Secretary of State for External Affairs. The Minister will know that the discussions with the United States which are taking place today, in Washington, regarding export restrictions on British Columbia herring and salmon, appear to be going nowhere.

Yesterday in the House the Minister said that he would protect the fishing industry and the jobs of fish plant workers.

Since the Minister had time last night to think out how he will protect those jobs, what action does he intend to take now to protect them?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as the Hon. Member for Egmont indicated, the discussions are continuing in Washington. As I tried to indicate yesterday in the House, I think it would not be helpful to the Canadian position for us to speculate on what we might do after those discussions.

We will take it one step at a time. We are involved very closely in consultations with the industry, with the provinces, and with others. The discussions are continuing today.

EXPORT TAXES—EFFECT OF CANADA-UNITED STATES FREE TRADE AGREEMENT

Mr. George Henderson (Egmont): Mr. Speaker, as the Minister knows, the workers in British Columbia are tremendously concerned about the issue, as are plant workers in the fishing industry in Atlantic Canada.

At first glance, under Article 1203 of the free trade deal, Atlantic Canada is exempt from the fish processing regulations. However, the Minister would have to agree that Article 1205 indicates that everything under the free trade agreement as far as fish exporting regulations are concerned also comes under GATT.

The Minister knows that, under Article 408 of the free trade agreement, we have given up the right to impose export taxes, in order to fight a ruling against us. He also knows that any nation only has two options to consider—first, to prohibit the export of raw resources or, second, to impose export taxes.

Will the Minister not agree and tell the House today that the Mulroney-Reagan trade deal does nothing whatsoever to protect the fishing industry and the fishing jobs in Canada? In other words, it does the reverse.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I listened carefully to that very extensive question, and the answer is no.

* * *

IMMIGRATION

IMMIGRATION APPEAL BOARD HEARINGS—FEDERAL COURT OF CANADA RULING

Mr. Dan Heap (Spadina): Mr. Speaker, my question is for the Minister of Employment and Immigration. As the Minister knows, today the Federal Court of Canada has prohibited the Immigration Appeal Board from hearing the case of a refugee claimant because the Government's Bill C-55 has created a "reasonable apprehension of bias" through its Section 38, which provides for firing all members of the board when the Act comes into force and rehiring only those whom the Government likes.

Therefore, will the Minister confirm to this House that, if the Federal Court decision stands, the fact is that the Immigration Appeal Board may be prohibited from hearing any and all cases, not only of refugees, but also, for example, of Canadian citizens seeking to appeal in an effort to bring over their relatives as immigrants? Will the Minister confirm that that is what can now happen?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I believe that the judgment of the Federal Court requires careful consideration. We are seeking legal advice from the Department of Justice.

However, I am very surprised that the Hon. Member for Spadina, who filibustered Bill C-84 for eight months, could ask any question about the status of refugees.

REQUEST THAT BILL C-55 BE AMENDED

Mr. Dan Heap (Spadina): Mr. Speaker, I am surprised that the Minister is not ready to understand this issue, since the Canadian Bar Association warned him, on October 21, in speaking about Bill C-55, that exactly this was likely to happen, and that in the last four months the Minister has not done anything to prepare himself for this.

Therefore, I will ask the Minister if he will now undertake to bring into Parliament an amendment to Bill C-55 which will assure members of the Immigration Appeal Board that they will have the normal rights and protection of tenure, that is, that they will not be dismissed during their term of office except for cause.

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I won't bring in any amendment to Bill C-84, but I will tell the Opposition that we do not have a system in the country which is operating, which is working.

For eight months Canadians have wanted legislation to deal with the status of refugees. However, systematically you are stalling and dragging your feet on the refugee issue. I hope that you will face the problem today and that you will take your responsibilities.

* * *

AIRPORTS

NANAIMO—CONSTRUCTION OF TERMINAL BUILDING COMPLEX

Mr. Ted Schellenberg (Nanaimo—Alberni): Mr. Speaker, my question is directed to the Minister of Transport. The Minister is aware, because he has been there several times, that the Nanaimo Airport needs a terminal building. It is one of the busiest airports on the West Coast, served by a half-dozen airlines operating out of a half-dozen trailers along the taxiway.

My question is simply this. When will the people of Nanaimo, of Ladysmith, and of Duncan have the airport terminal building they have been demanding for years and years and years?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I am pleased to be able to say today—

Some Hon. Members: Oh, oh!

Mr. Crosbie: —that this has been very much on my mind and that approval has been given for the construction of an air terminal building complex at the Nanaimo Airport.

Some Hon. Members: Hear, hear!

Mr. Crosbie: I cannot understand how our predecessor Government ignored this obvious need.

The complex will include a parking lot, roadways, utility services, airline ticket and baggage claim services.

TAXATION

NORTHERN ALLOWANCES—EXCLUSION OF CERTAIN COMMUNITIES

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, my question is for the Minister of Finance and it is on the subject of the tax deduction for northern residents, which is grossly unfair in its administration.

There are islands off the East Coast and the West Coast which are not on the list. Not a single community in New Brunswick is on the list. There are communities in Saskatchewan which are not on the list. As a matter of fact, his own Member for Swift Current—Maple Creek today in the House called the Minister's administration arbitrary and capricious.

Will the Minister stop being arbitrary and capricious? Will he now intervene personally, or the Minister of National Revenue, stop hiding behind an inquiry, and put on that list those communities which so obviously deserve to be there?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, in the rhetoric the Hon. Member has just used I think he is ignoring the fact that a number of people have been very favourably treated as a result of the fact that the remission order, which was very temporary and only applied to a few people in northern communities for many, many years, is now on a permanent basis.

There are pensioners, self-employed people, and native peoples who now have assurance that the benefits are being received and will continue to be received by them.

The Hon. Member has referred to some problems on the borderlines—which communities should be in and which communities should be outside the treatment for northern communities. We have called for the creation of a commission to review it, so that people can make representations to the commission on whether or not they should be in.

In the meantime, some communities might qualify which are not sure whether they qualify now. The Department of National Revenue can provide them with that sort of information, at this point in time, prior to the creation of the commission.

Mr. Rompkey: People are paying taxes now. They cannot wait for an inquiry. The system is unfair.

REQUEST THAT CERTAIN COMMUNITIES BE ADDED TO LIST

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, let me point out another thing. If one pays for a medical emergency in the North, in the Arctic, one cannot claim it on one's income tax. However, if one's employer pays for it, one can. It is that kind of inequity which needs to be rectified now.

Mr. Crosbie: Why didn't you change it?

Mr. Rompkey: As a matter of fact, the list has been revised because Trepassey in St. John's West has been added to it. We want other communities which similarly qualify to be added now; not after the inquiry, but now when they are paying their taxes.

• (1440)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think if the Hon. Member would reflect on what he has just said, instead of having a borderline here, he would have the borderline moved here. The precise point is that we want to have it assessed by an objective commissioner. With 208 ridings held by the Conservative Party in Canada, I am sure the Hon. Member would be critical of the Government for saying that this or that community is in. Because we have so many ridings it would be expected that there would be many more Conservative ridings favoured as a result. That is why we are proposing the creation of the commission to make these judgments.

There is $150 million worth of tax benefit being generated by this new provision in the Income Tax Act for people living in northern Canada. I am sure that the Hon. Member would be quite complimentary that we have made this very progressive move.

* * *

[*Translation*]

NATIONAL REVENUE

WOMEN HEADS OF SINGLE PARENT FAMILIES—EQUIVALENCE OF SPOUSE'S EXEMPTION—GOVERNMENT POSITION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Minister of National Revenue and concerns women who head single-parent families and live together to save money. These women cannot claim the equivalent to married exemption. My question is this: Is this a fair and reasonable way to treat women living in such difficult circumstances? Why not amend the regulations to allow these women to claim the equivalent of the married exemption?

[*English*]

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, in answer to my colleague, I will study this representation.

The Minister of Finance has pointed out that our Government has brought a lot of tax equity into situations where previously none existed. I will take her question as a representation.

EQUIVALENT OF MARRIED STATUS REQUESTED

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, it is not a representation. It is a request that has been around for a long time.

Would the Minister tell us about the principle that it should be possible for women in these circumstances, who are the prime members of the poverty group, single parents with children, trying to stretch their very few dollars as much as possible, to get the equivalent of married status? How soon will the Minister respond on the practicality if he agrees with the principle?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, this Government has always agreed with the principle of tax equity. That is why we brought in some very progressive measures, such as child tax credits, and as the Minister of Finance has just said, benefits for people who live in the northern regions of the country.

We have studied the situation concerning women, single parents, who are living in conditions of poverty, and we will continue to do so.

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CORPORATE AFFAIRS

FOREIGN OWNED COMPANIES—CORPORATE CITIZENSHIP—MAINTENANCE OF CANADIAN VOICE IN DECISION MAKING

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Finance. Yesterday I spoke of the trend for foreign owned firms in Canada to buy out their Canadian minority shareholders.

Since management will clearly find it easier to integrate Canadian and North American operations under the new trade agreement when there are no minority shareholders to deal with, does the Minister intend to take action such as issuing guidelines for good corporate conduct to encourage publicly traded companies to maintain a Canadian voice in decision making?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I believe there are guidelines that have been outstanding for some while now on the question of good corporate citizenship which include, among other things, just what the Member has said.

As my colleague pointed out yesterday, it is important to realize, looked at in the broadest sense, that investment in Canada expanded last year and it appears this year we will have very, very positive results. Investment intentions are up by 17 per cent this current year over last year. As one commentator said, "There are sure no signs of recession on the horizon this year".

Oral Questions

OFFERS TO BUY OUT MINORITY SHAREHOLDERS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question was not concerned with investment per se but with the behaviour of foreign owned companies within Canada.

Since Toronto based CIL Inc. has accepted a $184 million offer from its British parent to buy out CIL's minority shareholders, and an offer by a major pillar of Canada's food service industry, Nabisco Brands, to buy out minority shareholders closed on March 2, is this not evidence of a trend to buy out Canadian minority shareholders about which the Government should do something? We know the guidelines have existed since the previous Government, but are they being honoured and does the Government believe in them?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, before the Nabisco transaction took place there were discussions with Investment Canada, as there have to be under the guidelines, and Nabisco gave additional undertakings in areas such as world product mandates and increased capital investment that will significantly improve the longer term growth potential of the Canadian business and will secure additional employment for Canadians and maintain existing employment.

There are guidelines. Those guidelines were followed by the company in question. They were reviewed by Investment Canada and finally approved by the Minister responsible. Everything was done according to the law and according to the rules which govern the behaviour of foreign corporate citizens in this country.

* * *

CANADIAN WHEAT BOARD

TWO-PRICE WHEAT POLICY—REGIONAL MARKET SHARES

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, my question is for the Minister of State for Grains and Oilseeds. The Government has indicated that it intends to change the two-price wheat policy in such a way that producers will continue to receive support.

Two years ago an all-Party committee of this House recommended to the Minister of State that he explore, in conjunction with the Canadian Wheat Board and other wheat producer representative bodies, mechanisms to ensure that the two-price wheat policy continues to reflect historic regional market share of all wheat types. Has he had meetings in regard to this recommendation concerning historic regional market share as a basis for distribution of the benefit?

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): Mr. Speaker, we said before Christmas that we wanted to change the way the producers receive the benefit to do two things: to see the producer simply continue to enjoy the benefit, and to make the industry competitive with product coming in from the outside. In line with that, I have had consultations with the industry and three meetings with producers in an attempt to arrive at a solution that takes as many points of view into account as possible, with the over-all objective of treating producers fairly whether they produce wheat in Prince Edward Island, Ontario, Quebec, on the Prairies or in British Columbia.

We are presently finished our consultations and are going through the process of determining how we will accomplish that, again in line with the basis of treating producers, no matter where they are in the country, as fairly as we possibly can.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF ONTARIO MINISTER OF INDUSTRY, TRADE AND TECHNOLOGY

Mr. Speaker: I wish to draw to the attention of Members the presence in the gallery of the Hon. Monty Quinter, Minister of Industry, Trade and Technology of the Government of Ontario.

Some Hon. Members: Hear, hear!

* * *

LABOUR RELATIONS

CANADIAN PACIFIC RAILWAY—JOB ACTION TAKEN BY SHOPCRAFT UNIONS IN WINNIPEG

Mr. Les Benjamin (Regina West): Mr. Speaker, I am sorry that the Minister of Labour cannot be here today. Therefore, I would like to ask a question of the Minister of Transport. I am sure he knows that the shopcraft unions have taken job action against CP Rail in Winnipeg which will not affect CN or VIA in any way and will, according to CP officials, only affect CP Rail in a limited way.

Could the Minister assure the House that he, the Minister of Labour, and the Cabinet will not, I repeat will not, proclaim Parts 2 and 3 of Bill C-85 passed last fall in order to force the shopcraft unions from not taking job action?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I can only say that I am sure the Minister of Labour and the Government will look at the situation and make an assessment. I certainly cannot state that we will not take any particular action that might be authorized by legislation, but we will certainly examine the situation carefully first.

COLLECTIVE BARGAINING PROCESS

Mr. Les Benjamin (Regina West): Mr. Speaker, since those shopcraft unions were not involved in any strike last year but were lumped in with all the others, will the Minister see to it that the collective bargaining process is allowed to proceed with those unions? In light of the hundreds of millions that poor old CPR made the last couple of years—

Mr. Nystrom: Poor?

Mr. Benjamin: Yes, poor—it asked for 17 job concessions and then refused to negotiate for a year, would the Minister see to it that those unions are allowed to continue the collective bargaining process, and quit coming to the rescue of Canadian Pacific and the railways to the jeopardy of thousands of railway workers?

• (1450)

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I hate to see one Hon. Member of the House attack another Hon. Member like the hon. gentleman just attacked the Right Hon. Leader of the Opposition who, of course, was a director of CP before he came back into the House.

The hon. gentleman knows that we believe in the collective bargaining process and I am sure the Minister of Labour will not want to intervene unless there is some compelling reason why he must in the national interest. I can only repeat that we will look at the situation very carefully.

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REGIONAL INDUSTRIAL EXPANSION

CAPE BRETON DEVELOPMENT CORPORATION—PICTOU COUNTY COAL MINE PROJECT

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion, the Minister responsible for the operations of the Cape Breton Development Corporation. The Minister will know of a document which was submitted to the Government of Canada and the Government of Nova Scotia in December of 1987 with regard to the new coal mine for Pictou County. The document said that DEVCO's board of directors believe that they have a duty to respectfully advise both levels of government of DEVCO's considered opinion that a deep coal mine in Pictou County would not give benefit to Nova Scotia's economy, and that the impact such a mine would have upon the province's existing coal industry would offset any benefit.

I would ask the Minister whether or not he agrees with that particular opinion, since he and his Government appointed the senior management of DEVCO as well as the members of the board of directors.

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I think I answered that question fully yesterday. I acknowledged that we have received that opinion and I also acknowledged that we did receive a request from Westray Coal Inc. for the development of a coal mine in Pictou County.

As in any case, whether it be in mining or any other industry and whether it be in Pictou County or anywhere else in Canada, every company has the ability to put in a request to the Department. That request is under study. No decision has been made. We have the point of view of the DEVCO board and the DEVCO management as of the date the report was submitted to us. We also have the point of view of local members of the community, including the Government of Nova Scotia.

I can only assure the Hon. Member that all these considerations are being looked into. I can only tell him once again that no decision has been taken and I have yet to see the final financial and marketing results of the studies that are under way.

REQUEST THAT MINISTER REJECT WESTRAY COAL INCORPORATED PROPOSAL

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, in view of the fact that the board of directors and senior management submitted this report to the Minister, it would seem to me to be a lack of confidence in that senior management and board of directors if the Minister does not accept their findings.

In view of the Minister's commitment yesterday that he believes in the fundamental principle of not shifting jobs from one poor area of a province to another poor area, and in view of the recommendations which clearly spell out dislocation of 275 jobs and a lessening of revenue of $20 million annually to the Cape Breton Development Corporation, does it not logically follow that he ought to do the reasonable thing and reject outright the proposal submitted by Westray Coal Inc.?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, first, I still stand by the statement I made yesterday. As Minister of Regional Industrial Expansion I do not believe that it is a good policy to shift jobs from any region of the country to any other region of the country, let alone from one region of a province to another region of a province. That goes without saying. I have mentioned it before and I stand by that statement.

What the Hon. Member is suggesting is preposterous. He is trying to say that we should deny outright the rights of a corporate group to be heard. By extension, he is asking me to suggest that the Government would deny the rights of any Canadian to be heard before any tribunal, administrative or otherwise, in Canada. That I refuse. We are looking at the proposal, and as soon as I have the financial analysis I will be in a position to make a decision, taking into consideration the report the hon. gentleman has just mentioned.

Oral Questions

THE ECONOMY

INTEREST RATE LEVELS

Mr. Jim Jepson (London East): Mr. Speaker, my question is directed to the Minister of Finance. Thousands of Canadian small businesses and indeed hundreds of thousands of Canadians are grateful that we have seen a drop of 360 bases points in interest rates since the Government has come to office, and nearly 1,300 bases points since the height of 22 per cent interest rates under the previous Government. However, in light of the very strong dollar, there still remains a 2 per cent gap between interest rates in Canada and those in the United States. I wonder if the Minister can explain why we do not see interest rates dropping more these days.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the Hon. Member has pointed out, interest rates have come down quite considerably since we took office. I should point out that he has made one comparison between interest rates in Canada and those in the United States. If he were to look at the prime bank rate of the two countries, I believe he would see that the gap is 1.25 per cent.

I have indicated and the Governor of the Bank of Canada has indicated that we are watching this very closely. We do have some concerns about the incipient inflationary pressure and we want to make sure that we deal with that now, rather than allow it to become a major problem in the future. This is contrary to what had been done in the past. In 1981-82 we saw the results of that inactivity. That is the basis of the interest rate policies of the Government of Canada, but I do appreciate the concern the Hon. Member has expressed, and we will be watching it very closely.

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INDIAN AFFAIRS

POLICE PROGRAM ON ONTARIO RESERVES

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, in the absence of the Minister of Indian Affairs I would like to ask the Solicitor General a question concerning the status of Indian policing in the Province of Ontario.

The Solicitor General may or may not know that the federal Government has refused so far to increase its share of funding of the present program and that the Indian chiefs of Ontario do not want to see this program become dependent on the provincial Government for its funding for obvious constitutional reasons. Since half the reserve communities in Ontario do not have resident police protection, I wonder if I could ask the Government what it is prepared to do to extend that police protection to those communities that need it.

Mr. Stan Schellenberger (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the Minister of Indian Affairs is aware of the difficulty and is in consultation with the Minister of the Ontario Government. We are looking very closely at what alternatives are available, but I will take the Hon. Member's question as notice and seek further advice for him from the Minister.

* * *

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

OPPORTUNITY TO ESTABLISH SPACE AGENCY IN MONTREAL—QUERY WHEN GOVERNMENT WILL ANNOUNCE DECISION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, for months, representatives of the business community in Montreal, including employers, unions and politicians, have had to use advertising to ask the federal Government to locate the space agency in Montreal. On television, we see the director of *La Presse*, Mr. Landry, and the owner of the *Journal de Montréal*, M. Péladeau, saying: "Montréal c'est spatial".

My question is quite simple, and in the absence of the Minister of State for Science and Technology I will direct it to the Minister of Regional Industrial Expansion.

The people of Montreal want to know whether the decision about the space agency will be made public before, during or after the election campaign, which means never.

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, first of all, I would like to point out to the Hon. Member for Montreal—Sainte-Marie that the Minister of State for Science and Technology is indeed in the House and is now about to answer his question.

Second, I would like to explain to the Hon. Member that agencies are not created in a vacuum. They are created to accomplish certain tasks. In this particular case, the existence of a space agency will depend basically on whether the Government decides to proceed with a space station.

As soon as we in the Government have reached a decision on participating in the space station or the European Space Program or similar programs, an announcement about creating an agency will be made.

Unlike the previous Government, we do not create agencies with no purpose or mission in life. We create agencies to administer programs.

Mr. Speaker: The Hon. Member for Montreal—Sainte-Marie on a supplementary, but very short please.

AEROSPACE—MONTREAL—ECONOMIC SPINOFFS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I think and the Minister will admit that the Montreal

people will be very disappointed, for they were expecting a firm commitment that the space agency would be located in Montreal.

In view of his reply, I should like to know who decides about all the contracts which are awarded in all space research areas. The available information indicates that Quebec is getting only what trickles down. If there is no space agency and if there is no decision, could the Minister tell the House how come although "Montréal est spatial", that city is not getting the economic spinoffs it is entitled to?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I can simply tell you that as far as research and development, science and technology are concerned, funds are very equitably distributed throughout Canada. Clearly an exception should be made for the National Capital region which is getting more than its fair share because of the historical evolution of an organization such as the National Research Council and its laboratories here in Ottawa.

I will be most pleased to try to obtain for my hon. friend precise figures, province by province, excluding the National Capital area; figures for the National Capital area will be given as well. I can tell you, however, that as far as science and technology expenditures are concerned, Quebec has never been and shall never be overlooked.

• (1500)

[*English*]

Mr. Speaker: This will be the last question. The Hon. Member for Humboldt—Lake Centre.

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WESTERN GRAIN STABILIZATION ACT

FUND DEFICIT—CASH NEEDS OF CERTAIN FARMERS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is directed to one of the Ministers of Agriculture. As part of the farm aid package to western farmers last December the Government announced $750 million would go to reducing the deficit in the western grain stabilization fund. Since that fund was designed to be self-financing with approximately two government dollars matching each producer dollar, and since only 80 per cent of western farmers who participate will receive the benefit of this assistance, can the Government explain what, if anything, it is proposing to do to meet the cash needs of the other 20 per cent?

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): Mr. Speaker, the Hon. Member raises a very valid question. We said at the time that in order to keep the fund solvent we wanted to do two things: write down the deficit; at the same time, realizing not everyone participated, we wanted to give them an opportunity to join as of August 1, 1987. About 13 per cent of producers do not participate. We will very shortly be introducing amendments to take into account as best we can the concerns raised by the Hon. Member. He raises a very legitimate concern on behalf of producers who are not now participants in the western grain stabilization fund.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I presume the Deputy Government House Leader must recognize that in rising I am confirming that today is Thursday and he therefore has to give us a statement of government business for the coming week.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I thank the Hon. Member very much for his information about the day.

I am pleased to advise the House that tomorrow we expect to deal with two Bills. The first one is Bill C-76 at report and third reading stage. Then we will move to C-109, the borrowing authority, at report and third reading stage.

On Monday we anticipate we will call Bill C-82 for further debate. It is our understanding there might be a disposition to wrap that up reasonably soon during the day and then move to further consideration of a motion which would deal with the subject matter of the Western Diversification Act passed earlier this week.

On Tuesday we will call Bill C-93, the Multiculturalism Act. We hope that very important Bill can receive second reading approval on Tuesday. On Wednesday it is our intention to call second reading of Bill C-79, the Elections Act.

At the present time it is our intention to designate Thursday and Friday as allotted days.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—SIKH ORGANIZATIONS—GOVERNMENT POSITION

The House resumed consideration of the motion of Mr. Marchi:

> That, in the opinion of this House, the Secretary of State for External Affairs erred seriously in urging upon the Provincial Premiers a political boycott of three Sikh organizations in Canada, thereby condemning entire groups on the basis of unsubstantiated allegations against individuals and, consequently undermining the multicultural fabric of Canadian society;

That this House, while condemning violence and terrorism as political instruments, affirms that all Canadian citizens, regardless of origin must not be subjected to any coercion, intimidation or other action by the Government designed to prevent their free and peaceful expression of their opinions and concerns about events and issues in Canada or in other lands; and

That this House therefore demands that the Government provide Parliament with all relevant information that led to its aforementioned communication with the Provinces and provide the Canadian Sikh community with a full, public opportunity to defend its honour and integrity and that the Government immediately withdraw its allegations and issue a full apology to all Canadians, and to the Canadian Sikh community in particular, for initiating an unprovoked attack on the rights and freedoms of Canadian citizens and for thereby subverting federal multiculturalism policy.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I am anxious to participate in the debate today on the motion put forward by the Official Opposition. We have put forward this resolution because we want to bring to the attention of the Canadian people and the Government that a policy has been introduced by the Government which amounts to nothing less than a betrayal of the policy of multiculturalism. It is also a violation of the rights of free speech and free association, not just of the Sikh community which is the target for the Secretary of State for External Affairs' attack, but of all minority groups and all ethnic groups.

I participated in the debate earlier today when I had the opportunity to have some exchanges with the Minister. In the 20 minutes I have to participate now I want to deal with two questions in the context of this outrageous letter from the Minister. First, what is the proper role for the Government of Canada in the face of some or all members of any ethnic community espousing as a cause the separation of all or part of their historic homeland from its present arrangements? What attitude should the Government take toward that situation? Second, how is that affected by the intrusion of violence or unlawful means to effect that end?

The advocacy and promotion of separation in any part of the world can be democratic. When we are looking at the question, we ought to give that the first look. Then we should turn to how the position of the Government of Canada should be affected when it appears that violence or other unlawful means are associated with the cause.

The Minister made clear the position of his Government on that question. There is not much doubt about it. He said the official government position is to oppose the dismemberment or dismantling of friendly states, and then he added, "particularly through violent means". I will deal with that, but let us just deal with the dismemberment of friendly states.

I do not think it ought to be the official position of the Government of Canada, and I insist it has not been in the past, that Canada was in favour of or opposed to dismemberment of any particular state by peaceful, lawful means. Surely that is an issue for the people in the country concerned to decide. They have to decide on the shape and extent of their nation. However, here is the important additional point. People living in Canada have a right to their views about the situation in other countries, whether they are elected or not. That has nothing to do with the official position of the Government of Canada which, as I say, should be neither for nor against. Within our country, I argue that the people have the right to have views, to promote their views, to advocate their views, peacefully, lawfully, as to the separation or otherwise of some other country.

The Minister made one particularly outrageous statement in his remarks and I want to explore it. I will give the House the tenor of the statement because I do not have the exact words in front of me. He said the vast majority of Sikhs want to come to Canada to live their lives peacefully. The implication was that they did not want to have anything to do with the situation in the homeland. He could be right about that; maybe the majority do, maybe some do, but that is their business. However, the idea that somehow or other it is wrong for them to have views about the arrangements in their historic homeland is so fundamentally offensive to our notion of multiculturalism that it has to be challenged right here in this place. The Government of Canada has no business suggesting that nice boys and girls who come to this country from another country should live their lives in Canada with nothing to say and nothing to think about their historic homeland. Just to put the proposition is to show how offensive it is.

• (1510)

People come to this country from many troubled places in the world. They bring all kinds of baggage with them including how they feel about the way their country is developing, their relatives, and their former fellow citizens, or perhaps their present fellow citizens because they may continue, under the laws of Canada, to remain citizens of both countries. Mr. Clark is telling the multicultural communities of this country—

The Acting Speaker (Mr. Paproski): Order. I would like to bring to the attention of this long-term Member, who knows better, that he should not be using the Minister's name.

Mr. Kaplan: Mr. Speaker, I am rarely as outraged as I am by this and I apologize to you for referring to the Secretary of State for External Affairs (Mr. Clark) by his surname.

He is telling these people to come to Canada, to make this their homeland, to bring us their ideas, their songs, their dances, and their dishes, but not to open their baggage. He is telling them to leave their suitcases closed, to lock them up in their cupboards and not to start bringing out the things which bothered them when they were living in their historic homeland.

What nonsense that is. It is completely unacceptable to limit multicultural communities to living their lives in Canada now, to tell them that now that they are in Canada they must be good boys and girls and forget about the problems in the part of the world from which they came.

Well, Mr. Secretary of State for External Affairs, the communities which come to Canada are entitled to have their

views, to form associations, and to express their views without being told that that is somehow un-Canadian and without having officials of the Government of Canada, elected officials, and provincial premiers warned not to visit a group because it espouses the dismantlement of a friendly state.

We know something about the possibilities of separation in our country; we lived with that. It is always a possibility on the horizon of any great federal state that there will be a movement which will want to separate. What attitude should countries that are friendly to Canada take? Should they take the view that Canada has no business going through a debate about separation, that they are in favour of our country remaining united, or the opposite?

I draw a distinction between the official position of a country and the position of other elected people in the country or other prominent opinion leaders in the country. The official position should be neutral. When the President of France came to Canada and said "*Vive le Québec libre*" meaning "I, France, am in favour of Quebec being an independent country" he was kicked out, and quite rightly, because he was speaking for France. He was the head of a country visiting our country and taking sides. That is wrong. However, to suggest that members of the French society should not have views on whether Canada should be separate or together, or advocate or promote them, is a totally different thing. I urge the Secretary of State for External Affairs to reconsider that position and to return to the traditional view that we do not take sides on the shape or extent of nations, friendly or unfriendly.

The Minister has picked on the Sikhs who are, unfortunately, the targets of a lot of criticism in this country, undeservedly so as far as the vast majority are concerned. What about the Armenians who live in Canada? They advocate the separation of that part of Turkey and the Soviet Union and the creation of an independent state. What about the Ukrainians? Do you think that Ukrainian Canadians are happy watching the nationalism of their homeland being snuffed out? Do you think they must remain silent about it and that no Ministers or Members of Parliament should listen to the aspirations of Ukrainian Canadians to have their historic homeland returned to an independent country? There are the Croations, the Basques in Spain, the Estonians, the Lithuanians, and the Latvians. The list is endless. For the Government of Canada to tell all of those ethnic groups to keep their baggage closed if they want to be considered good Canadians, not to let out these ideas which make certain foreign powers uncomfortable, is not the Canadian way to handle irredentism, to handle separatist aspirations or democratic nationalistic aspirations which multicultural communities have.

There are some rules. This type of recognition can create some tensions in our country. There is no doubt that it can. However, we fortunately have some rules for guiding the debate in our country. They do not include the kind of smarmy letter, to which I referred earlier, which the Secretary of State for External Affairs had the crust to read in his debate. The rules we have are not his fancy opinions. The rules we have are the laws of this country and the Charter of Rights and Freedoms. That, Mr. Speaker, brings me to the other point which I wanted to make.

The Secretary of State for External Affairs read a letter that I sent while I was Solicitor General, which I was pleased to hear and which I endorse. I reminded the House that we must be vigilant to oppose and stamp out violence, terrorism, or unlawful means, even if the target is outside of Canada. If we allow terrorist activities to be planned in our country, to be practised in our country, to be financed and provisioned from our country, we risk bringing terrorism to Canada and increase the threat to innocent people around the world of being killed and injured. We have a policy in that area, a policy of opposing the use of violence. When a group espouses violence we should oppose the whole group.

The Secretary of State referred to the case of the FLQ. He tried to suggest that somehow or other that was like the three groups about which I am going to speak in a minute. The FLQ was a secret association dedicated, by its constitution and its common bond, to the violent overthrow of the established government in the Province of Quebec and in Canada. It participated officially in secret meetings, bombings and dynamiting. The Minister tried to draw an analogy between that and these three organizations, a meeting of one of which I and some of my colleagues attended. Wives, spouses, and children were present and it was a far cry from anything which could be called a terrorist organization.

On March 16, 1987, the Secretary of State for External Affairs wrote another letter warning Canadians about another group in the Sikh community called the Federation of Sikh Societies in Canada. What happened to them? I am not suggesting that he should have targeted that group, but why was the menu last year the Federation of Sikh Societies in Canada when this year the menu is three other Sikh groups in Canada? What is the Minister trying to tell us? What kind of consistency is coming from the Government? How can the Minister call a group a terrorist group on the basis that, as is indicated in the letter, although it is hard to believe, "some of their members have promoted or engaged in acts of violence"?

I want to pick a group which is beyond criticism to use as an example. Take the Roman Catholic Church and look at what some of its members are doing in Northern Ireland. They are terrorists. What does that tell you? Does that tell you that the Roman Catholic Church is a terrorist organization? Does that mean that Ministers of the Crown, Members of Parliament, and provincial premiers should stay away from Catholic organizations because some of their members are dedicated to the violent overthrow of the Government of Northern Ireland, the British Government, and to the establishment of an independent state there or an annexation or whatever? That is ridiculous. Yet that is exactly what he has done in this case.

• (1520)

The fact that he designated three groups, without adding the one group from last year, shows how mischievous this type of approach is. It has been alleged that some of the members of these groups have engaged in violence. For my purposes, I will not contest that, but what I am contesting is drawing a generalization about the group as a whole from the activities of a few members.

It would be different if these were terrorist groups. If the Minister or the Solicitor General were telling us that these were terrorist groups, he would even be fulfilling a duty because we should be warned by the Government of Canada about these matters. The Government has the powerful instruments of the Canadian Security Intelligence Service and the RCMP to learn about these activities which happen in Canadian society. It would be doing a service to Members of Parliament and provincial Premiers to warn us off from groups like that.

However, it is going too far for a Minister to draw a conclusion, from alleged facts that some members have engaged in or promoted terrorist activities, that the whole group is contaminated, irrespective of its goals, its membership and *modus operandi*.

My colleague, the Member for York West (Mr. Marchi), already stated that there are 20,000 Sikhs in one of these three organizations. It is an atrocious slur against a group of 20,000 people to say we should stay away from their meetings because some of their members—one, two or ten of the 20,000—have promoted or were engaged in terrorist activities.

The Government has betrayed us on multiculturalism. It has betrayed us on the proper approach to take in the face of separatism in other countries around the world. I hope this debate will lead the Government back to a more sensible, restrained and appropriate approach for a country like Canada toward the communities that live here and want to live freely and make all their views and values known in a law abiding manner, respectful of the Charter of Rights and Freedoms.

Mr. Friesen: Mr. Speaker, I think I listened carefully to what the Hon. Member said and tried to grasp the full meaning of his remarks. Setting aside the whole issue of terrorism, he spent a good deal of his time dealing with what he believes is a legitimate role for Canada, that is, to use Canada as a base of operations to promote separatism in other countries as long as it is peaceful dissent, as I understand him, in a land of free speech.

Will he enlarge on his concept of franchise operations in Canada from around the world who would feel free to use Canada as a base to promote separatism in other countries?

Mr. Kaplan: Mr. Speaker, I am not sure if "franchise operations" is a term of art. Unless it has some special meaning, I have no objection to that.

Let us take any particular ethnic community in Canada, including mine, for example. I am a member of the Jewish community. I am a Zionist. As a member of the Jewish community and as a Zionist, I have a view of how events in the Middle East should unfold. I am interested in it, I make financial contributions to it. I attend meetings on that subject and talk about how I feel that portion of the world should resolve its problems. Surely I am free to do that in this country.

I have Armenian friends and recently attended an important meeting at the Armenian Hall. They have ideas and expressed their views about what Turkey should do in relation to a very troubled province in their country.

The Government of Canada could be interested when manipulation of these groups occurs. Occasionally, foreign governments and international organizations may try to stage-manage the way in which a group would conduct itself. They may conduct various activities in an attempt to undermine some of the leaders of the community, for example, or in some way undermine the authenticity of the program of that community group. When that happens I think there is a role for the Government of Canada.

For example, when I was Solicitor General I learned how a community that was advocating independence in one part of the world was infiltrated by a foreign government opposed to that type of independence. There is a role for the Government to play in that circumstance. However, the Secretary of State has made statements about a group with 20,000 people, the World Sikh Organization, whose objectives as stated in its charter are, "To strive through peaceful means for the establishment of a Sikh nation Khalistan—". I am not suggesting that the Government or the RCMP must take that at face value. Perhaps a group will put in writing that it wants to use peaceful means in order to disguise the fact they are a terrorist organization. In this case, I do not believe that they are, nor does this group. The Government is not saying they are a terrorist organization, it is simply referring to some members out of that 20,000.

I am pleased to have this question because I want Government Members to at least see what it is they are rejecting. They are rejecting the idea that an ethnic community ought to be able to advocate what I call change in a certain part of the world. I have named a dozen areas where Canadians from those areas want change. I think the Government should not take sides officially, but certainly should not try to deter the groups by keeping other Canadians away from them.

Mr. Friesen: Mr. Speaker, there are Tamils living in Canada who are concerned about the situation in Sri Lanka. There are Spanish people living in Canada who are concerned about the Basque and an area in France. There are Irish people concerned about what is happening in Northern Ireland. There are probably very few countries in the world today that do not have some group advocating separatism.

Toronto is a place where many immigrants and refugees have found a home but who still have legitimate domestic ties to their homeland. How many countries would the Hon. Member estimate should be encouraged, in one way or other, to carry on this kind of activity in Canada that would encourage separatism in another country? How many countries in the world can be represented in our country, which is then used as a base of operations to carry on strategic goals in another country?

Mr. Kaplan: Mr. Speaker, I wonder whether the Hon. Member, in asking that question, has a number in mind? I can only say that as long as these are authentic feelings being expressed by ethnic communities, the number will be the bottom line after freedom of expression is recognized for all the groups that care to express themselves.

• (1530)

I think it is also worth noting that there may be many other groups in the country or members of the community who feel that the country should stay together. A great many people who have come from India and Canada feel that India should stay together and remain one country. They have other ways of solving the grievances that are being put forward by the World Sikh Organization. Maybe there are even Sikhs—and I know there are—who feel that that country should stay together.

Is the Hon. Member suggesting that somehow or other the Government should take their side, that it should support that organization, that Members of Parliament and provincial Premiers attend their meetings while they boycott the meetings of the other side? Just to put the proposition is to show how ridiculous it is and how the position of the Government of Canada on this subject has not been thought out. Leave it to them, provided that they are bound by the fundamental code that they obey the laws of our country and respect the Charter of Rights and Freedoms. If we cannot say that they do not, then they have to be recognized as being allowed to do that.

Mr. Robinson: Mr. Speaker, the Hon. Member for York Centre (Mr. Kaplan) has understandably been very critical of the policy of the federal Government as expressed in the letter from the Secretary of State for External Affairs (Mr. Clark). I fully support the anger and the outrage of the Liberal Party and of the Official Opposition on this matter.

If the Hon. Member and his Party feel so deeply that this letter was unfair and unwarranted, as we New Democrats certainly feel, why is it then that the Liberal Premier of Ontario indicated that he would in fact respect the wish of the Secretary of State for External Affairs? The Premier of Ontario, David Peterson, who received a copy of the letter from the Secretary of State said, "Yes, we will take it seriously. Obviously, we do not want to cause some kind of international incident or something embarrassing to the Secretary of State".

If this was such a destructive policy, if it was so deeply offensive, as it is to the World Sikh Organization and to the other organizations which are singled out in the letter, that is, Babbar Khalsa and the International Sikh Youth Federation, why is the Liberal Party in Ontario saying one thing and the Liberal Party nationally saying something quite different?

Mr. Kaplan: Mr. Speaker, of course I am not in a position to speak for the Government of Ontario. However, neither is the Secretary of State for External Affairs in that position. He characterized the language to which the Hon. Member just referred as an endorsement of his policy. I characterize it as a polite reply, an indication that the letter will be examined. I think any letter that is sent by a Minister of the Government to a provincial Government ought at least to be received with respect, but the proof of the pudding will be in the eating. I assure the Hon. Member that no Liberal will be able to accept the advice contained in that letter when it is considered on reflection.

Mr. Robinson: Mr. Speaker, I have a supplementary question. The Hon. Member for York Centre indicates that the Premier of Ontario stated that he would examine the request of the Secretary of State for External Affairs. That, with respect, is simply not the case.

The Premier of Ontario indicated that in fact he would obey the request of the Secretary of State for External Affairs. I am now asking the Hon. Member for York Centre this: Has the Liberal Premier of Ontario had a change of heart? Have there been some consultations and is it now the position of the Liberal Premier of Ontario that, indeed, he will not obey the request of the Secretary of State for External Affairs? In fact will he not take the request seriously but, rather, reject it as being a totally unwarranted and unfair attack on a community which has contributed a great deal to Canada?

Mr. Kaplan: Mr. Speaker, the Hon. Member for Burnaby (Mr. Robinson) is wrong. The letter does not say that the Government of Ontario or the Premier of Ontario will obey the letter that was received from Ottawa.

The Acting Speaker (Mr. Paproski): The time allotted for questions and comments has now terminated. The Chair recognizes the Hon. Member for Lachine (Mr. Layton) on debate.

Hon. Bob Layton (Lachine): Mr. Speaker, I am pleased to have the opportunity to participate in the debate arising from the motion of the Hon. Member for York West (Mr. Marchi). This motion states that the Secretary of State for External Affairs (Mr. Clark) urged upon the provincial Premiers a political boycott of three Sikh organizations in Canada. This potentially inflammatory interpretation of the Minister's remarks is an injustice to both the intent and the substance of his message which was to caution provincial Premiers who might be "drawn inadvertently" into activities associating them with individuals who condone acts of violence as a means of achieving political ends.

I wish to stress the word "individuals". It is of course evident to the Secretary of State for External Affairs and to all Hon. Members that the Government condemns the violent actions of certain individuals within a community, and not the community as a whole. Under no circumstances are we prepared to accept the notion that threats or actions endangering the life or well-being of any Canadian citizen, or any other person, are justified.

This Government embraces the belief that all Canadian citizens of every origin, including the Sikh community, many of whom live and worship in my riding of Lachine, have the constitutional freedom to be full and equal partners in the political, social, cultural and economic life of Canada. This nation was founded on that belief.

From the time of its first occupation by our aboriginal peoples to the arrival of British and French settlers and then immigrants from Europe and all parts of the world this country has been defined by a diversity of cultures, traditions and beliefs. It has promised certain freedoms to all those who choose to live here. As Canada grew and became a nation the ideal of a truly free country in which the rights of all its citizens are respected and protected grew with it.

Writing in 1865, Sir Hector Langevin, who became Canada's first Secretary of State, declared the principle, "Justice to all races, to all regions, to all nationalities and to all interests". That principle not only became a primary feature of government policy and legislation in the years to come, it became one of the fundamental values of our society as well.

On August 4, 1960, the values of equality of opportunity and participation for all members of our society were upheld by law when the Canadian Bill of Rights was approved by the House of Commons and signed by that great parliamentarian and Prime Minister of the day, John G. Diefenbaker. The Bill affirmed privileges to which all Canadians are entitled. It states:

> In Canada there have existed and shall continue to exist without discrimination by reason of race, national origin, colour, religion or sex . . . human rights and fundamental freedoms.

Again, in 1982, the Bill's guarantee of human rights was greatly strengthened with the proclamation of a new Constitution Act which contained the Canadian Charter of Rights and Freedoms. In both spirit and wording the Charter provides the guidance through which this Government seeks to ensure the full and equal partnership of all Canadians in the life of their country. It also clearly states the rights and responsibilities of all citizens. I want to remind Hon. Members of some of the Charter's basic commitments.

Article 15 affirms equality rights for every individual. Article 25 recognizes aboriginal rights. Article 27 is an affirmation of the multicultural heritage of Canadians.

After the current Government took office in September, 1984, it initiated a review of existing multiculturalism policy and programs with the aim of developing a new policy based on the realities of today and the expectations of tomorrow. But even while this review was under way the Government was taking significant steps to reinforce multiculturalism as a cornerstone of Canadian life.

They include establishing the House of Commons Standing Committee on Multiculturalism; convening the first national conference on policing in urban multicultural societies held in Vancouver in 1984, and continued collaboration on a national strategy on police-minority relations; holding the first federal-provincial-territorial conference of Ministers responsible for multiculturalism in Winnipeg in 1985; and introducing the Employment Equity Act of 1986, which required federally-regulated employers to provide improved access to employment opportunities for women and the disabled, as well as for aboriginal peoples and racial minorities.

• (1540)

Also included is the launching of a program within federal Departments and agencies to ensure the hiring and promotion of members of racial minorities; increasing the rate of appointments of qualified members of Canadian cultural communities to federal boards and commissions in order that they better reflect the cultural diversity of Canada; and finally, proclaiming Canada's participation in the second decade for action to combat racism and racial discrimination. In regard to this latter initiative, the Department of the Secretary of State has a mandate for implementing Canada's international human rights obligations. It carries out that mandate in co-operation with various federal and provincial authorities.

The Department co-ordinates Canada's federal-provincial monitoring of how we are complying with measures guaranteeing the rights contained in the United Nations international convenant on civil and political rights, and the international convenant on economic and social rights, as well as certain other human rights treaties.

Through the Department of the Secretary of State the Government focuses on promoting human rights throughout the population at large. It is concerned with creating a wide-ranging awareness of understanding of basic human rights and freedoms. It concerns itself with the voluntary sector, with community-based projects that safeguard human rights, with public education and curriculum materials promoting knowledge of human rights. At the same time, the Department is concerned with enshrining justice in law.

In fact, the preamble to the Canadian multiculturalism Act, Bill C-93, tabled in this House on December 1, invokes the minority and racial rights provisions of the international convenant on civil and political rights, and the international convention on the elimination of all forms of racial discrimination.

The proposed multiculturalism Act is an historic piece of legislation which will be debated fully in this House next week. I wish to remind Hon. Members of some of its highlights and its provisions to ensure the preservation of cultural heritage of

all Canadians of every origin, to promote the full participation of all Canadians in our society, and to enhance harmonious race relations and cross-cultural understanding.

The multiculturalism Act acknowledges the vital contribution to Canada of all its cultural and racial communities. It lays out the framework in which everyone will be able to participate in the business of the nation on a basis of complete equality. The supremacy of human rights is the essence of equality.

Far from boycotting any of Canada's racial communities, this Government seeks to affirm in law that all Canadian citizens are full and equal partners in our society. It seeks to recognize multiculturalism as a central feature of our society, not only for today but for the 21st century and beyond.

As the Prime Minister (Mr. Mulroney) clearly stated:

> Multiculturalism is an affirmation of our commitment that Canadians of all ethnic and racial backgrounds have the right to equal recognition and equal opportunity in this country. Thus multiculturalism lies at the very heart of the idea of Canada, of our sense of country . . . It reflects where we have come from and where we are going.

The Canadian multiculturalism Bill sets forth the multiculturalism policy of Canada and it entrenches in law a government-wide commitment to implement that policy. It states that the federal Government will provide leadership to Canadian institutions and people to reinforce an appreciation and understanding of multiculturalism throughout the country.

The Bill sets out a clear mandate for the Minister responsible for multiculturalism. In particular, it assigns to the Minister the responsibility to encourage and promote a co-ordinated approach to multiculturalism throughout the federal Government. The Bill provides in legislation a clear and direct process of accountability through the tabling of an annual report to Parliament on the implementation of the multiculturalism policy of Canada, and the review of this report on a permanent basis by a parliamentary committee.

When passed, the multiculturalism Bill will not only preserve the diverse heritage of this country's identity, it will provide a means of improving intercultural relationships in the present. The Bill provides a legislative base for programs that will assist cultural preservation, combat discrimination, and promote institutional change.

For many years the Government has supported programs which preserve and promote multiculturalism and which work to protect human rights in Canada. But the proposed Act gives legal substance to those programs. It underlines the commitment of the Government of Canada to help to create a fair and tolerant society for all Canadians in which the principles of equality, diversity, and community are an overriding characteristic.

The Government has reason to be proud of its record. It is a Government that refuses to accept discrimination, intolerance or bigotry against any racial or cultural community or individual member of that community.

It has been proven again and again that Canada's unique multicultural character helps to give this country a healthy and dynamic social life, cultural life, and business life. Our diversity is one of our greatest national assets. It has brought us enormous economic benefits and increasing international respect.

We have shown the world that we are a nation committed to fairness, equality, and freedom. That conviction may be our most valuable natural resource, and one that we can be proud to export to the world.

Mr. Manly: I was interested in the Hon. Member's comments in favour of multiculturalism. Would he be willing to address the following issue. What does he think about the fact that the Secretary of State for External Affairs (Mr. Clark) sent a letter to seven Premiers in which he indicated that, in his opinion, they should not attend meetings organized by three Sikh organizations? By sending this letter there was a secret process involved, not a public one, which had the effect of shutting off a whole group of people from access to public officials and to provincial politicians. It shut them off from having any access to being able to raise issues that are of importance to them. It tarred them all with the terrorist brush.

Would the Hon. Member address that issue, as well as the broader issue of multiculturalism? When it comes right down to it, the degree to which we deal with individual situations like that is the degree to which our whole policy on multiculturalism stands or falls. It is fine to have policy written on paper, but what do we do in a concrete situation? I would like the Hon. Member to address that concrete situation.

Mr. Layton: In response to the question posed by my colleague, as I understood it, the interpretation of the letter that was quoted in the motion and also by the Secretary of State for External Affairs this morning in the debate was to caution provincial Premiers who might inadvertently be drawn into activities or being associated with individuals who condone acts of violence as a means of achieving political ends.

What we have heard in the debate today was that this was not a representation to avoid contact with the Sikh or other cultural communities across the country, but rather not to be drawn into situations which condone acts of violence as a means of achieving political ends.

Mr. Robinson: Mr. Speaker, the Hon. Member who just spoke indicated that it was not the intention of the Secretary of State for External Affairs (Mr. Clark) to ask elected officials to avoid events which may be sponsored by the three Sikh organizations in question. I have in front of me a copy of the letter that was sent by the Secretary of State for External Affairs. I invite the Hon. Member who has just spoken to read the letter as well. In the letter he says:

• (1550)

—I would appreciate your co-operation in avoiding events and activities which could be perceived as supporting the Sikh organizations mentioned above or their objective in the creation of an independent Sikh state.

Quite clearly the Minister is saying, avoid, stay away from events which are sponsored by these organizations. Does the Hon. Member agree with that suggestion?

Mr. Layton: Mr. Speaker, it is interesting to hear the emphasis placed by my hon. colleague on the words of the Secretary of State for External Affairs. "Despite these difficulties, I would appreciate your co-operation", he said in writing to the Premiers and offering his counsel from his position as official Secretary of State for External Affairs, "in avoiding events and activities which could be perceived as supporting the Sikh organizations mentioned above or their objective in the creation of an independent Sikh state". The emphasis is on those activities and events which occur.

Like many of my colleagues, I have enjoyed the community of Sikhs living on the West Island of Montreal. They are very peace-loving and very appreciative of the role they play as full Canadian citizens.

Mr. Friesen: Mr. Speaker, I think it is important to get back to the text of what the Minister actually said in the letter. I should like to read, again for the record, the opening paragraph of the letter:

I am writing to you concerning possible invitations to you or members of your government to attend functions organized by members of the Canadian Sikh community. The majority of these invitations are valuable in ensuring that your government is kept informed of developments in the Sikh community and that the community is encouraged to participate fully in Canadian life.

I should like to ask the Hon. Member who has just spoken the following: What in this letter or in that particular paragraph of the letter could be construed to mean that the Minister is trying to cut off the circulation of honourable Canadian citizens in the full participation in Canadian life?

Mr. Layton: Mr. Speaker, in response to my colleague, the interpretation which I place upon the words used by the Secretary of State for External Affairs is that we are encouraged, as we are with all cultural communities, to enjoy, to participate in, and to be informed about the events and the activities of these societies.

I think the Secretary of State for External Affairs was alerting his colleagues, political officers of the provincial Governments, to the possibility that some of these events might be organized to take advantage of their official roles in society. When these events are for engaging in conversation and enjoying the activity, I do not see any restriction.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart)—International Year of Shelter for the Homeless—Shelter centres—Government position/Need for rooms—Request for more funds; the Hon. Member for Kenora—Rainy River (Mr. Parry)—External affairs—Query why Government authorized Canadian company to become main supplier to Iranian artillery/Government export controls; the Hon. Member for Western Arctic (Mr. Nickerson)—Fur trapping industry—British plans to label fur projects—Effect on livelihood of Canadian trappers.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—SIKH ORGANIZATIONS— GOVERNMENT POSITION

The House resumed consideration of the motion of Mr. Marchi:

That, in the opinion of this House, the Secretary of State for External Affairs erred seriously in urging upon the Provincial Premiers a political boycott of three Sikh organizations in Canada, thereby condemning entire groups on the basis of unsubstantiated allegations against individuals and, consequently undermining the multicultural fabric of Canadian society;

That this House, while condemning violence and terrorism as political instruments, affirms that all Canadian citizens regardless of origin must not be subjected to any coercion, intimidation or other action by the Government designed to prevent their free and peceful expression of their opinions and concerns about events and issues in Canada or in other lands; and

That this House therefore demands that the Government provide Parliament with all relevant information that led to its aforementioned communication with the Provinces and provide the Canadian Sikh community with a full, public opportunity to defend its honour and integrity and that the Government immediately withdraw its allegations and issue a full apology to all Canadians, and to the Canadian Sikh community in particular, for initiating an unprovoked attack on the rights and freedoms of Canadian citizens and for thereby subverting federal multiculturalism policy.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to participate in the debate on this very fundamental question of human rights, a question which really goes to the core of Canada as a multicultural nation.

Canadians across the land were shocked when they learned of the attempt by the Conservative Secretary of State for External Affairs (Mr. Clark) to dictate to elected officials at the provincial level, and presumably to officials at the local level and even officials in his own caucus, which organizations they could meet with in Canada.

Let us clear up the confusion right now. The Hon. Member for Lachine (Mr. Layton) who spoke just a few minutes ago suggested that the Minister was simply saying that there may be certain functions which might be inappropriate to be attended. That is simply not the case.

The letter—and I have a copy of it before me—sent by the Secretary of State for External Affairs to the Premiers states that the majority of invitations received from the Canadian Sikh community indeed can be accepted and would be valuable, but it goes on to say:

> There are, however, three Sikh organizations which exist largely to advocate the creation of an independent Sikh state, known as "Khalistan". These . . . organizations are the Babbar Khalsa, the International Sikh Youth Federation . . . and the World Sikh Organization.

The letter goes on to suggest:

> Some members of these organizations have also engaged in or promote violent activities aimed at Indian interests in Canada or elsewhere. The activities of these organizations have been a significant irritant in our relations with India. The government of India has taken particular exception when elected officials attend functions sponsored by these organizations.

Who is it that is running the foreign affairs policy of Canada? Is it the Secretary of State for External Affairs of Canada, or is it the Government of India?

When we examine the response of our Secretary of State for External Affairs, it seems that in fact our policy in respect of this very important question is not being dictated by Canadians, by Canadian interests, but rather is a policy which is being dictated by the Government of India itself. I take exception to that suggestion, and I believe that many Canadians take exception to it.

The letter goes on to indicate that the Secretary of State for External Affairs believes that elected officials should avoid "events and activities which could be perceived as supporting the Sikh organizations mentioned above or their objective in the creation of an independent Sikh state".

Many of us thought that we had a Charter of Rights and Freedoms which respected freedom of speech, which respected freedom of association, and which respected the multicultural heritage of Canadians. However, this kind of insulting, degrading attack on a community which has contributed an enormous amount to Canada is fundamentally unacceptable.

I would have hoped that the Secretary of State for External Affairs would have recognized that, would have stood in his place and said: "I am sorry, upon reflection I realize that I was tarnishing an entire community", a community of some 200,000 Canadians who have contributed an enormous amount to our society, I might say, in the face of considerable adversity over the years.

It was early in this century, just after the turn of the century, that the first Sikhs came to Canada, to my own Province of British Columbia, to work in the forest industry. From the very beginning the Sikh community in Canada was the subject of government-sponsored, government initiated racist policies. The vote was denied to them, even though they were all British subjects and other British subjects were entitled to the vote. They were forbidden to bring their wives and their families to join them. They were forbidden to own any timber-cutting rights or to hold any public office.

In an incident that we remember particularly vividly in British Columbia in 1914, some 376 would-be Sikh immigrants were kept stranded aboard a freighter, the *Kamagata Maru*, for some two months without water, without food, and were finally turned around and sent back to Asia, leaving the local community in turmoil. That long history of racism is one which we should recognize and take steps to overcome.

Evidently we have seen other disturbing illustrations of unfair attacks on the Sikh community in Canada. CSIS, the civilian security intelligence service, and indeed the RCMP, in their response to certain violent incidents, have effectively branded an entire community as being unlawful or as supporting terrorism. Members of the Sikh community are law-abiding, upright, outstanding Canadians who have contributed a great deal to Canadian society. That community itself is the first to denounce violence and acts of terrorism. It is for that reason that the community has taken such strong exception to some of the actions of CSIS and the RCMP in recent months.

• (1600)

I have been privileged to attend a number of functions at Sikh temples in the lower mainland of British Columbia at the Khalsa Diwan temple, the Akali Singh Sikh and others. I have spoken at various public meetings. In attendance at those public meetings have been representatives of organizations which the Secretary of State for External Affairs has singled out. I make no apology for that, Mr. Speaker. I was proud to have been invited to participate in those functions and proud to be invited to speak to Canadians who have contributed a great deal. Many of my constituents are from the Sikh community in Burnaby. Indeed, there are 60,000 Sikhs in British Columbia out of a population in Canada of some 200,000. It is precisely because of the strong history of respect for the law that this kind of attack on these three organizations is so unacceptable.

I noted in the letter from the Secretary of State for External Affairs that the Government of India has taken particular exception when elected officials attend functions sponsored by these organizations. There are some who are concerned. I have heard a number of representatives at the Sikh community voice this concern that, indeed, agents of the Indian security service may, in fact, be participating in actions here in Canada to undermine the credibility and respect of the Sikh community. We know that the Canadian Government sent back to India rather quickly certain people who supposedly were diplomats working out of the consulate, I believe, in Toronto. I want to flag this as one area of concern that Canada not in any way permit agents of the Indian security service to work on Canadian soil, whether they be acting as *agents provocateurs* or in any other capacity whatsoever.

The implications of this letter written by the Secretary of State for External Affairs are deeply troubling. If this very dangerous policy is applied in other sectors of Canadian society, where will it stop?

I recently returned from a visit to the Middle East. While there I visited the occupied West Bank, and Gaza, Israel. I met with Palestinians who are part of a national tragedy whose plight has been ignored for far too long by the community of nations, Palestinians who are seeking the right to self-determination, the right to decide for themselves on their own future, to decide who will represent them in international forums and ultimately to have the right of statehood accepted. Is it, in fact, the policy of the Government of Canada that Palestinian organizations in Canada that advocate an independent state for the Palestinians should be boycotted by elected representatives? That would be deeply offensive and would be an unwarranted interference in the lives of those particular organizations.

The implication of what the Secretary of State for External Affairs is doing is very dangerous. He is cutting off the channels of communication through various organizations, the World Sikh Organization, the Babbar Khalsa and the International Sikh Youth Federation. One can only imagine who else is on the list. He is cutting off communication with these organizations, which are certainly advocating a number of important policies but which are advocating them in a peaceful and open way. If these organizations are being told that they cannot communicate with other Canadians, that they cannot communicate with elected representatives then, in effect, the Secretary of State for External Affairs is encouraging the very kinds of acts that he purports to be opposed to. That is the danger of this approach.

It is through these organizations that the Sikh community in Canada can communicate its concerns to elected representatives. If then the organizations are treated as *persona non grata*, if they are driven underground and dealt with as if they do not exist, then as sure as I am standing here other organizations will surface which say, "If the Government of Canada will not speak to our elected representatives then we will take action". That action may be precisely what the Secretary of State for External Affairs indicates he wants to avoid. I suggest that, from that perspective alone, this policy is not only insulting but is counterproductive.

Where do we go from here, Mr. Speaker? I would suggest that this matter must not be allowed to rest with a one day debate in the House of Commons. I would suggest rather, as my colleague the House Leader for the New Democratic Party has proposed during his very thoughtful remarks earlier today, that either a special parliamentary committee be struck or that a standing committee be given a mandate to inquire into the implications of this matter from the perspective of human rights, of the multiculturalism policy in Canada, and, most important, of the implications for a proud and law abiding community of Sikhs in Canada that has been tarnished and insulted by the actions of this Minister.

I was disappointed that the Premier of Ontario in responding to the letter of the Secretary of State for External Affairs chose to indicate that the Liberal Government in Ontario would respect that decision. I quote from a story in *The Globe and Mail*, a respected national newspaper, for February 26, which reads:

> Ontario Premier David Peterson promised yesterday to obey Mr. Clark's request. "We will take it seriously", he told reporters outside his office. "Obviously we don't want to cause some kind of international incident or something embarrassing to the Minister of External Affairs".

If the Hon. Member for York West (Mr. Marchi) wants to get up and disagree with the Premier of Ontario, certainly that is his right to do so.

Mr. Marchi: Check with your colleagues.

Mr. Robinson: He will have the opportunity to do that. I know, for example, that the Premier of Quebec has certain views on the question of free trade which are at variance with the Member's leader. These differences exist within that Party and we understand that. It is a broad church, Mr. Speaker.

I think it is important and it is regrettable that the Liberal Premier of Ontario apparently has jumped into bed with the Tory Secretary of State for External Affairs in a way that does no credit whatsoever to the Sikh community in Canada. I would urge the Government to reconsider and recognize that a mistake has been made, not just a mistake that can be remedied by the Secretary of State for External Affairs standing up saying Canadians are free to attend whichever organizations they want, but one that can be remedied by the Secretary of State for External Affairs standing in his place in the House saying, "I was wrong, Mr. Speaker. I made a mistake. I tarnished and insulted the Sikh community in Canada unfairly. I recognize that and I want to apologize to that community".

That would be the honourable and noble thing to do. That is what we hoped the Secretary of State for External Affairs might have done today. In the absence of that, we are left with the alternative of proceeding to a parliamentary committee. Certainly we in the New Democratic Party intend to take this matter up in the appropriate parliamentary committee. It should not be left to the Sikh community to sue for libel. It has been suggested that there may be a lawsuit. Lawsuits cost money. When the community has been attacked, why should it have to spend resources to defend itself? Surely that is the role of the Government. The role of the Government is to stand up for the multicultural traditions of Canada and not to attack a community that has contributed an enormous amount to Canadian society.

• (1610)

I support the motion and I join with my colleagues in condemning this attack on the Sikh community of Canada.

Mr. Marchi: Mr. Speaker, I was not intending to rise because I agreed with many of the points the Hon. Member

raised earlier. However, not surprisingly, he then got into his sanctimonious monopoly on virtue. That was a carry over from an earlier question he asked the Hon. Member for York Centre (Mr. Kaplan) about Premier Peterson's position.

The Hon. Member is basically twisting and turning the words the Secretary of State for External Affairs (Mr. Clark) used in the House to suggest that a Premier of a province simply said that he would consider a letter sent to him by the Secretary of State for External Affairs, and it is not every day that a Secretary of State for External Affairs writes to a Premier. What Premier Peterson said was that he was neither endorsing nor supporting, publicly or privately, the letter. I checked with his office as late as yesterday. All he said was that he was still in the process of generally considering the letter. I would suggest to the Hon. Member that to say otherwise would be to play a game of intellectual dishonesty.

Moreover, I think it ill behooves the Hon. Member to play that little game when, for the last week or so, his Party has not had the courage to ask questions on this issue. One Statement Pursuant to Standing Order 21 was made by the NDP multiculturalism critic, whom I applaud. Yet day in and day out, we have at least had the interest to ask approximately six questions. Two members of the Government's own caucus have asked more questions on this subject than did members of the NDP.

When the Hon. Member wants to be sanctimonious, I would ask him to check with his own colleague, the Hon. Member for Vancouver—Kingsway (Mr. Waddell), on his position on Mr. Clark's letter. While the Hon. Member for Burnaby (Mr. Robinson) has been away on other business for the last little while—

The Acting Speaker (Mr. Paproski): Order, please. I would hope the Hon. Member would address the Secretary of State for External Affairs (Mr. Clark) as the Secretary of State for External Affairs, not by his surname.

Mr. Marchi: You are correct, Mr. Speaker. I would ask the Hon. Member for Burnaby, who has been away on other business during the last week, to check with the Hon. Member for Vancouver—Kingsway about why, in his humble opinion, Mr. Clark was right, why he continued to badger—

The Acting Speaker (Mr. Paproski): Order, please. I have said it twice and I will not say it a third time. The Hon. Member has been here for a while now. He should know that he should address the Hon. Minister by his title, that of the Secretary of State for External Affairs.

Mr. Marchi: You are absolutely correct again. Again, I would ask the Hon. Member for Burnaby, who laughs and shakes his head, why it is that his own colleague, the Hon. Member for Vancouver—Kingsway, agrees with the Secretary of State for External Affairs and why that same Hon. Member continued to badger our side when we were asking pertinent questions of the Minister and why the NDP Member for Vancouver—Kingsway feels that his statements are correct when he says that the Secretary of State for External Affairs is correct that there are radical, violent groups within the Sikh community in British Columbia.

Rather than being sanctimonious and rather than trying to twist and turn the words of the Premier of Ontario, why does the Hon. Member not have the courage and decency to try to turn around the members of his own political Party who disagree with the motion and agree with the statements made by the Secretary of State for External Affairs? That is probably why in the last 10 days the NDP caucus has not found the courage to ask one single question in the House on this issue.

Mr. Robinson: Mr. Speaker, in the limited time available to me to respond, I will try to be brief and focus on the issues as opposed to the rhetoric. First, with respect to the suggestion that we as New Democrats have not aggressively pursued this issue, I would note that it was my colleague, the Hon. Member for Thunder Bay—Nipigon (Mr. Epp), who on February 29 made a very eloquent statement in the House, I believe the first statement made on this particular subject. In his statement, my colleague called upon the Secretary of State for External Affairs (Mr. Clark) to reconsider his discriminatory and divisive action and to withdraw his letter to the Premiers.

I would like to pay tribute to the Hon. Member for York West (Mr. Marchi) for having aggressively pursued this matter in the House. Certainly he has done an excellent job in ensuring that this matter remain at the forefront of the parliamentary agenda. My colleague from Thunder Bay—Nipigon has worked on a variety of issues. He has worked on the establishment of the Chair of Sikh studies, and I know that my colleague for York West would want to join with me in congratulating him on the hard work and dedication he showed in seeing that particular project through to fruition.

With respect to the question of the stance of the Ontario Liberal Government, I am glad that the Liberal Premier of Ontario clarified his position to my colleague for York West yesterday. I accept his words, though the position he took with the reporter from *The Globe and Mail* was obviously different. Now he has had a chance to reflect and I am very pleased that he has had an opportunity to reflect on this matter.

With respect to the alleged position of my colleague from Vancouver—Kingsway, I would simply ask the Hon. Member for York West where, anywhere on the record, he can point to my colleague from Vancouver—Kingsway having said that. My colleague has been a strong and eloquent defender of the Sikh community on many occasions and has spoken in the Sikh temple in Vancouver on many occasions. Where, anywhere, in newspapers, in *Hansard* or in letters, can the Hon. Member point to any suggestion that my colleague has indeed supported the policy of the Secretary of State for External Affairs in the letter he circulated? I suggest that the Hon. Member either put up or shut up.

The Acting Speaker (Mr. Paproski): I will allow the supplementary question. I am just trying to figure out who is asking who questions here. Does the Hon. Member for York West (Mr. Marchi) have a question for the Hon. Member for Burnaby (Mr. Robinson)?

Mr. Marchi: Mr. Speaker, I am answering his. He asked me to either put up or shut up. I am asking him to get his colleague for Vancouver—Kingsway to come to the House and put up or shut up because I have put up.

I was not looking for applause from the Hon. Member nor from any other Hon. Member for any action I have taken. That was not my point. My point was that it seemed to me that this Hon. Member is certainly not aware of the nuances of this debate which has taken place over the course of the last seven days or so. He is certainly not aware of the actions of the Hon. Member for Vancouver—Kingsway. Perhaps his comments were picked up by *Hansard* in his constant badgering during Question Period—

Mr. Robinson: Where?

Mr. Marchi: In his discussions with individual Members of Parliament and in discussions with our own leader, we have heard the very real concerns and feelings expressed by the Hon. Member for Vancouver—Kingsway. I think if anyone ought to put up or shut up, it is certainly members of that Party who should try to tell us why there has been silence and inaction over the last week.

Is this the Party that shows qualified support for minority groups? Is this the Party that qualifies its support for certain minorities depending upon which way the winds of popularity are blowing? I take great offence at the sanctimonious words of this Hon. Member, given the record of his Party on this issue, and given the expressions of the Hon. Member for Vancouver—Kingsway. I think the Hon. Member has to put up and provide the answers rather than ask the questions.

The Acting Speaker (Mr. Paproski): I will allow the Hon. Member for Burnaby (Mr. Robinson) to rebut.

Mr. Robinson: Just very briefly, Mr. Speaker, I can understand the sensitivity of the Hon. Member. Of course, given the drop in the recent Gallup poll and the fact that his Party is dropping like a stone, there is a certain sensitivity there and I respect that.

• (1620)

I come back to the fundamental point.

Ms. Copps: We are in first place.

Mr. Robinson: The Hon. Member has not been able to point to one example anywhere in *Hansard*, or anywhere else, of the Hon. Member for Vancouver—Kingsway (Mr. Waddell) doing anything other than standing up and vigorously promoting and defending the Sikh community in Canada. I am still waiting.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, it is perhaps fortuitous that I have a chance to enter the debate at this moment. The Hon. Member will know that I am a person who speaks the truth. I heard his colleague, the Hon. Member for Vancouver—Kingsway (Mr. Waddell), say on more than one occasion that the Liberals were barking up the wrong tree, that we were trying to score cheap political points and we should not ask questions on this issue. He shouted those remarks from his seat. I heard them quite distinctly. He said the Secretary of State for External Affairs (Mr. Clark) was right. I suspect that is why the NDP has not asked any questions on this issue in the House.

However, I am happy the Hon. Member for Burnaby (Mr. Robinson) is here. I hope he can get his colleague on the right track and that he will lead the charge with questions in the House. He can join with some Members on the government side who have displayed courage in standing up to the Minister. He is a very powerful Minister in the Government, and even some Conservative Members stood up and questioned his wisdom in this letter and its slur on the Sikh community.

I welcome the participation of the NDP in this debate. I am glad they have finally seen the light. I can only say, thank God for Members like the Hon. Member for York West (Mr. Marchi) who continued to pursue this issue in the House. Thank God for Members like the Hon. Member for Vancouver Quadra (Mr. Turner) as well. If they had not continued to pursue the issue in the House, I dare say we would not be having this debate today, which debate I think is very important to the fundamental principles of democracy in this country.

In his letter the Minister points out a number of reasons why he claims that we as Members of Parliament should not attend functions of the International Sikh Youth Federation, the World Sikh Organization, or the Babbar Khalsa. One reason is that these organizations exist largely to advocate the creation of an independent Sikh state known as "Khalistan". I suggest that if Members of Parliament follow that advice and refuse to attend functions of any organization that wishes to dissociate itself from a Government under whose umbrella it is currently found, we would not be allowed to attend Ukrainian functions or functions of many eastern bloc countries including Lithuania. We would not be allowed to attend functions of organizations promoting the freedom of the people of Afghanistan. This weekend I am going to be attending a function in my riding dealing with a small community in eastern Europe known as the Slovaks. If I took the words of the Minister to heart and substituted the word "Slovak" for the word "Sikh", then I should not go to that function. They would like to see the creation of an independent Slovak state. The same thing applies to Ukrainian Freedom Fighters and the Canadian Polish Congress.

There are many nations around the world fighting for an independent cultural and political identity. Are we as Canadians then to say that we will attend no functions organized by the Tamil community? I dare say that Members of Parliament not only have a responsibility but a right to attend cultural functions of people in our communities who represent various political points of view. They may represent viewpoints which differ from that of their respective Governments. That is why we live in a democracy. That is why Canada is the greatest country on earth. People come to this country and they have an opportunity, if they disagree with the Government of their homeland, to form an organization to that effect.

The *Parti Québécois* had as one of its founding principles the separation of Quebec from Canada. They exercised their democratic right to express their point of view and they represented the majority in certain legislatures at certain times in our history. I did not agree with them or that principle, but I defended to the utmost their right to express those views in a free and democratic society.

If you listen to the remarks of the Minister in the House in responding to the questions of the Hon. Member, he keeps going back to the fact that these organizations exist largely because they support a political viewpoint different from that of the Government of India. Frankly that is no answer at all. That response eliminates any involvement by Canadian politicians with Ukrainian Freedom Fighters, the Canadian Polish Congress, or dozens of other Canadian-based organizations which exist in whole or in part to promote freedom from enslavement in their own countries. That is the kind of expression of support for freedom that we as Canadians support and want to foster.

That is one part of the Minister's letter which is absolutely and totally false and groundless. Let us get to the second part which deals with his contention that:

> Some members of these organizations have also engaged in or promote violent activities—

The Roman Catholic Church is a very large organization in Canada. I happen to be a member of that church. Does that mean that if another Roman Catholic is caught robbing a bank or in some way breaking the law of the land, somehow all members of the Roman Catholic Church are now *persona non grata*? If you apply the logic, or the lack of logic, of the Minister in this letter, that is the position all Canadians must take. If any person in any organization is involved in any criminal activity, then *de facto*, Members of Parliament are supposed to refuse to associate with other members of that organization.

Does the Minister not realize that this kind of slanderous accusation against the whole community is a blight on what we respect and know as democracy? Surely there is not a Canadian, whether of Sikh, Ukrainian or other origin, who would not want to see terrorism in this and other countries stamped out, terrorism of any stripe by any organization. However, the Minister does not cite individuals in his letter. No individual charges have been laid. If they are, then let them be dealt with in a court of law. What he is doing is appealing to the lowest common denominator. He is appealing to a sense of racism which says that this organization will be blackballed by all Canadians because the Minister claims some members are involved in so-called violent activities.

• (1630)

The Member for York South—Weston (Mr. Nunziata) put it best when he said that if people are involved in violent activities, whether they be members of these organizations, the Canadian Legion, or whatever, we must seek them out, lay charges, and prosecute them in a court of law. That is why we have a justice system. The system is not such that the Minister, who is supposed to represent the interests of Canada, can issue a letter which, in one fell swoop, discredits the hard work of a whole community and the thousands of Canadians of Sikh origin who are working hard to build lives for themselves and their children in Canada and have the right to belong to cultural and social organizations which give them some link with their past and the futures of their families and their own cultural heritage. I do not think we deny that right.

I will speak next April at a rally to be held by the Armenian community in this country. We do not want to see the day when the Secretary of State for External Affairs will write a letter saying that someone has been involved in something. Armenians have been subject to that kind of blasphemy, not by the Secretary of State for External Affairs but by allegations that an individual was involved in a terrorist act. Yes, Mr. Speaker, individuals in every community will, from time to time, break the law. They will, in a misguided way, decide to take out their frustrations in a violent fashion. They should be prosecuted with the full force of the law of this country.

However, we do not want to create a system similar in many respects to what many of these people have left behind. We do not want to create a system where, by virtue of sanction of the Government of Canada, we are blackballing a whole people, a whole community, a whole culture, a whole racial group because of the activities of a few and, in this case, the unproven allegation of the activities of a few.

I cannot tell you, Mr. Speaker, how offensive I find the contents of this letter. The Secretary of State talked about Members of Parliament lending their good offices or stature to organizations by attending functions and supporting, or at least involving themselves in, the work of those organizations. What disturbs me most is that the Secretary of State does not realize that this letter, written in his capacity as the Secretary of State for External Affairs, is, in my opinion, a travesty of democracy. It should be the bane of every freedom-loving individual in this country. It should be rejected by every person who has chosen to come to Canada or been born in Canada because of the freedom which we have here. The Minister should realize that when he lends his name, his Department, and his reputation to the attack present in the allegations made in this letter he is discrediting the whole country of Canada.

As a country we have developed a certain reputation, sometimes warranted and sometimes not. Last night we saw a very sad story on the CBC with regard to our native community. Sometimes our record is not what we would like it to be. However, as a nation we have developed a worldwide reputation for tolerance, justice, and understanding. When Canadians go to Europe or other countries they receive a warm welcome as Canadians and this is very special for this country. We are the only country which, as a nation, has been awarded international recognition for our work in accepting refugees as a result of the involvement of church groups and individuals in the exodus of the boat people from Vietnam. We have a long and proud tradition, and the Minister does not realize that in one fell swoop, with a single letter, he can destroy that whole tradition.

No one is asking Members of Parliament to support the objectives of the World Sikh Organization. No one is asking Canadian Members of Parliament to say yea or nay, to say that they believe that there should be the creation of an independent Sikh state or that they believe that there should not. However, as Canadians and parliamentarians we owe our constituents the right to a climate within which to express their point of view. We should join them and point out the activities which we have seen, including the questionable activities of the police of the state of India with regard to search and seizure and the transfer of information between the RCMP in Canada and the police in India. We have a responsibility to ensure that the RCMP or CSIS is not aiding and abetting the persecution of the families of Canadian nationals back in their homeland as a result of the exchange of erroneous information.

We have a job to do. I have met on many occasions with representatives of the Sikh community in my riding. I have written to the Secretary of State for External Affairs to express my concern, and I consider that to be part of my responsibility. If I have the opportunity to support the work of freedom-loving people in all parts of the globe I consider it my responsibility to do so. Surely that is all that Members of Parliament ask from the Secretary of State for External Affairs. They do not ask for a blanket condemnation of an entire group of people based on the alleged actions of a few which, if proven, must be illegal and therefore must be dealt with properly in a court of law.

[*Translation*]

Mr. Speaker, I don't think there is anything surprising about the fact that in this country, where people have found the freedom they sought... I did not agree with the Parti Québécois. I did not agree with their desire to create a political party here in Canada for the purpose of separating from Canada. However, Mr. Speaker, in a democracy, and that is the whole point of a democracy, we can fight it out in the House of Commons or, in the case of the Parti Québécois, in the National Assembly. We can do that, and we can go to the people and ask them to decide. This does not deny them the right to express their views and to say that the aim of the Parti Québécois is to separate from Canada. Everybody knew about it and it was not illegal. However, if you read the letter sent by the Secretary of State for External Affairs (Mr. Clark), it claims that Members of Parliament may not in any way associate with the World Sikh Organization or other organizations such as Babbar Khalsa and the International Sikh Youth Federation, the reason given being that they want to separate from India.

Mr. Speaker, it is not up to us here in Parliament to decide whether a new Sikh State will be created. As Canadians, however, we at least have the right to ensure that our Sikh population has the same rights as all other Canadian citizens, and that there is no unlawful exchange of information between the Canadian Security Intelligence Service and the Indian police, which have more or less resolved to kill members of Sikh families in that country. I think that is the point, Mr. Speaker. If we live in a democracy, and if we believe in democracy and want to keep that democracy, we can never accept this kind of letter, and the only way to deal with this problem is to ask the Secretary of State for External Affairs to withdraw what he said, to apologize to the Sikh population in Canada and to start rebuilding trust in the Canadian people. Here in Canada we have freedom of speech, and we live in a democracy, not anarchy.

[*English*]

Mr. Marchi: Mr. Speaker, I listened attentively to the Hon. Member for Hamilton East (Ms. Copps) and I want to commend her for her articulate and emotional intervention on this subject.

• (1640)

I would like the Hon. Member to give us her views on a question which I raised earlier. On June 7, 1987, the Prime Minister (Mr. Mulroney) sent a letter to the World Sikh Organization which was having its conference in Vancouver. His letter essentially recognized the worth of that organization, the role that it played within the Canadian family and recognized the strength that the group brought not only to the Sikh Canadian community but to the Canadian community as a whole.

Then we have a letter dated December 7, 1987, sent secretly by the Secretary of State for External Affairs (Mr. Clark) to seven of the ten Premiers, advocating the very opposite, which is the political boycott of this organization. He was asking that the Premiers treat this organization as a political leper.

I suggest that this letter was probably in the mill during the summertime, subject to consultations between the Minister and External Affairs officials about whether or not it should be written and to whom it should be written. What does the Hon. Member make of a public statement by the Prime Minister, recognizing the value of this organization, while at the same time a secret letter was sent advocating the very opposite of what the Prime Minister was promoting publicly?

Ms. Copps: Mr. Speaker, that would not surprise me. It would be completely in character.

[*Translation*]

Mrs. Anne Blouin (Montmorency—Orléans): Mr. Speaker, within today's debate it is important in my view to stress this government's performance in the area of human rights.

As you know, the Secretary of State is responsible for co-ordinating human rights in Canada. In that capacity, he works with his Cabinet colleagues and the provincial ministers responsible for human rights to ensure the fulfilment of our national and internationl commitments in that area.

Promoting human rights is not the specific responsibility of any one level of Government or interest group. It is of basic importance to all human beings on the planet. We should all be concerned with promoting better public awareness and understanding of human rights matters. Awareness helps preserve those rights we fought at home and abroad to protect an improve upon. Canada is party to a number of international agreements dealing with human rights, including the International Covenant—Economic, Social and Cultural Rights, the International Covenant on Civic and Political Rights, the International Convention on the Elimination of all Forms of Racial Discrimination, the Convention on the Elimination of All Forms of Discrimination against Women, the Convention against Torture and other Cruel, Inhumane and Degrading Penalties or Treatments.

Co-operation with the United Nations, Canada is taking an active part in the implementation of special projects, including the Decade for Action to Combat Racism and the Racial Discrimination and the Decade on the Handicapped. Those are programs extending over 10 years and promoting public awareness of those specific problems.

In that respect, during the coming Federal-Provincial-Territorial Conference of ministers in charge of human rights, that will be chaired by the Secretary of State, participants will have an opportunity to discuss the second Decade for Action to Combat Racism and Racial Discrimination.

As you can see, Ministers and officials responsible for human rights within federal, provincial and territorial administrations meet regularly to consider issues raised by the implementation of international treaties related to human rights and, more generally, to keep abreast of new developments in that field.

Mr. Speaker, I should like to quote brief passages from some of the instruments and covenants to which Canada is a signatory, just so you may fully appreciate the scope of our country's commitments.

First, the Universal Declaration of Human Rights provides that nations, and I quote:

> —shall strive by teaching and education to promote respect for these rights and freedoms and by progressive measures, national and international, to secure their universal and effective recognition and observance—

Canada also ratified the International Covenant on Economic, Social and Cultural Rights. Here is article 13(1):

> Member States recognize the right of everyone to education. They agree that education shall be directed to the development of the human personality and sense of dignity, and to the strengthening of respect for human rights and fundamental freedoms.

Canada simply cannot take such commitments lightly. We are expected to report to international organizations on progress we make in honouring our commitments.

We discharge this obligation through reports drafted in close co-operation with the provinces and territories, as well as with federal ministries and organizations responsible for implementing various measures specified in treaties.

In 1986-87, the Human Rights Directorate of the Department of the Secretary of State contributed substantially to Canada's delegations when the United Nations was examining the report on Sections 13 to 15 of the International Convenant on Economic, Social and Cultural Rights, in April 1986, in New York, and also when the United States was studying Canada's Seventh and Eighth Report concerning the Convention on the Elimination of all Forms of Racial Discrimination, in Geneva in March 1987.

Mr. Speaker, the reports were well received. Canada was commended by the United Nations for taking its international obligations very seriously and for the quality and depth of its reports.

Perhaps I may take as an example a passage from the report tabled by the UN Committee on the Elimination of Racial Discrimination during the forty-second session of the UN General Assembly in 1987.

The reports were presented by Canada's representative, who referred to various constitutional and legislative mechanisms that for ensuring respect for human rights, including the Canadian Charter of Rights and Freedoms as incorporated in the Canadian Constitution Act, 1982, the Canadian Criminal Code and the Quebec Charter of Human Rights and Freedoms.

He emphasized the leading role played by Canada, more specifically within the Commonwealth, in the fight against apartheid as well as his Government's commitment to continue to put pressure on the South African Government to abolish this system. He informed members of the Committee of measures taken by the federal Government and the provincial and territorial governments to achieve the objectives of the second decade of the fight against racism and racial discrimination, and he mentioned the Special Committee on Visible Minorities created by the Parliament of Canada as well as special measures to promote and protect vulnerable groups with respect to employment and training.

New legislation had been passed concerning employment equity, which obliged federally regulated employers to establish action plans guaranteeing equality in the workplace for visible minorities, women, the disabled and native people. In the case of the latter, Canada's representative informed the

Committee that important initiatives had been taken for their benefit.

Committee members stressed the quality of the reports submitted and commended the Canadian Government for its efforts in implementing the Convention and recognizing the ethnic character of a multicultural society.

The mass of information they contained deserved the attention of all other nations party to the Convention. Those reports could be taken as models by all federal states where the responsibility for human rights is shared between the Federation and its component parts.

You will probably agree with me, Mr. Speaker, that it is quite encouraging to receive such praise from the United Nations on the implementation of human rights in Canada.

Canada has a lot to offer to the international community. In that respect, the Secretary of State for External Affairs (Mr. Clark) announced in December 1987 the government's intention to establish an international co-operation center for the promotion of human rights and the development and strengthening of democratic institutions. That new Crown corporation will be called the International Centre for Human Rights and Democratic Development. It will deal first and foremost with co-operation between Canada and developing nations, and will be funded as such under Official Development Assistance. Eventually, the new centre may call upon other public and private sources to enter, if it so wishes into co-operation with developed countries.

The establishment of such an institution was first proposed in 1986 by the Special Joint Committee of the Senate and House of Commons on Canada's external relations, and accepted in principle by this Government in December of the same year.

The Secretary of State for External Affairs announced a month ago the appointment of two eminent Canadians, Professor Gisèle Côté-Harper and Mr. John Courtney, to undertake a series of consultations across the country with non-governmental organizations, labour unions, religious groups and interested individuals. Those consultations are aimed at obtaining views and suggestions on the establishment of such an institution and on the ways and means of promoting co-operation with Third World Countries in the area of human rights and democratic development.

The Secretary of State for External Affairs and the Prime Minister (Mr. Mulroney) took every opportunity during their journeys through foreign lands to state clearly what we think of human rights violations. The Secretary of State for External Affairs pleaded directly with Messrs. Gromyko and Shevardnadze, here and in the Soviet Union, to secure the release of political and other prisoners.

In recognition of his efforts, Mr. Speaker, last November the Association of Canadian Lawyers and Jurists for Soviet Jewry presented him with its annual human rights award.

During his recent visit to Zimbabwe and Senegal the Prime Minister met with six heads of African governments, including the President of the Front Line States and the former President of the Organization of African Unity.

In his discussions with the African leaders, reference was often made to the rapidly deteriorating situation in South Africa and its impact on neighbouring nations. Considering that the problem may not be solved through negotiations, the Prime Minister again set forth Canada's position as he had explained it in his October 1985 address to the United Nations, namely that existing sanctions will indeed be maintained.

The Prime Minister made it quite clear that Canada would bring pressure to bear in support of those who seek to restore justice in South Africa. As you may recall, Mr. Speaker, it was in December 1986 that the United Nations High Commissioner for Refugees presented the Governor General with the Nansen medal. The decoration was not meant for a Canadian citizen in particular but for the entire Canadian people as acknowledgement of their essential and lasting contribution to the refugee cause.

I might point out that it was the first time the medal, created in 1954, was awarded to a country. We can all stand proud.

Mr. Speaker, I am grateful for this opportunity to highlight some of the achievements of our Government and to tell the Canadian people that their Government's performance in the realm of human rights is second to none.

The Acting Speaker (Mr. Paproski): Questions and comments. Debate. The Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly).

• (1650)

[*English*]

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I appreciate this opportunity to make a few comments on the motion of the Hon. Member for York West (Mr. Marchi). I think that he has moved a very good and valuable motion, and I would like to read it into the record one more time. It states:

> That, in the opinion of this House, the Secretary of State for External Affairs erred seriously in urging upon the Provincial Premiers a political boycott of three Sikh organizations in Canada, thereby condemning entire groups on the basis of unsubstantiated allegations against individuals and, consequently undermining the multicultural fabric of Canadian society;
>
> That this House, while condemning violence and terrorism as political instruments, affirms that all Canadian citizens, regardless of origin must not be subjected to any coercion, intimidation or other action by the Government designed to prevent their free and peaceful expression of their opinions and concerns about events and issues in Canada or in other lands; and
>
> That this House therefore demands that the Government provide Parliament with all relevant information that led to its aforementioned communication with the Provinces and provide the Canadian Sikh community with a full, public opportunity to defend its honour and integrity and that the Government immediately withdraw its allegations and issue a full apology to

all Canadians, and to the Canadian Sikh community in particular, for initiating an unprovoked attack on the rights and freedoms of Canadian citizens and for thereby subverting federal multiculturalism policy.

The reason for the Hon. Member's motion is the letter that was sent last December by the Secretary of State for External Affairs (Mr. Clark) to seven provincial Premiers. In that letter he states:

> There are, however, three Sikh organizations which exist largely to advocate the creation of an independent Sikh state, known as "Khalistan". These three organizations are the Babbar Khalsa, the International Sikh Youth Federation, and the World Sikh Organization. Some members of these organizations have also engaged in or promote violent activities aimed at Indian interests in Canada and elsewhere. The activities of these organizations have been a significant irritant in our relations with India. The government of India has taken particular exception when elected officials attend functions sponsored by these organizations.

Later on in the letter he states:

> —I would appreciate your cooperation in avoiding events and activities which could be perceived as supporting the Sikh organizations mentioned above or their objective in the creation of an independent Sikh state.

When we consider the fact that this letter was sent secretly to seven Premiers we have to ask some very serious questions about what the Government is trying to do in terms of its relationship to the multicultural community in Canada, in particular its relationship to the Sikh community. What we are dealing with is a secret memo, a memo that would have the effect of subverting the access that members of the Sikh community would have to elected provincial officials.

They would not know what had happened to them. It was as though a whispering campaign had taken place saying that such and such a person has some grave disease and no one should associate with him and yet no one would come out in the open to make any accusations. In effect, that is what the Government has done with the Sikh community and with these organizations. It is a silent denial of access. It is a whispering campaign.

I know that it is not considered good parliamentary form to mention the Secretary of State for External Affairs by name. However, I would like to point out that he seems to have taken his namesake rather too seriously. I refer to his name, Joe. He seems to be taking rather seriously his relationship with another Joe, Joe McCarthy, because this kind of tactic smacks of McCarthyism. It is the sort of tactic that Joe McCarthy would use. It is not worthy of the Secretary of State for External Affairs. It is an attempt to smear an entire organization by association.

• (1700)

We could ask where it will all end. Different Hon. Members have asked that and have pointed out that Members attend meetings of Ukranian, Estonian, Latvian, and Lithuanian organizations. The Eritreans have been involved in a long-term struggle against Ethiopia for independence. There are Members of the House who meet with the Eritrean organizations, and I presume that there are Members who give funds to Eritrean relief.

Where will it all end? What will be considered to be beyond the pale as far as the Secretary of State for External Affairs is concerned?

We must recognize that all Members of Parliament, all public officials, be they provincial, municipal, or federal, must exercise some discretion when it comes to meeting with different organizations. However, to put some groups beyond the pale and to circulate a memo suggesting that elected officials should not meet with them raises very serious questions about the openness of our democracy.

A few weeks ago I attended a kind of ethnic organization dinner and was seated next to a person who spoke with a fairly heavy accent. He was advocating the dismemberment of a country with which we have very close relations. In fact, he was a Scottish nationalist and I was attending a Burns' dinner. He was advocating Scottish nationalism, the breaking up of the United Kingdom. We have very close relations with the United Kingdom. Many of us are members of the Commonwealth Parliamentary Association. There I was sitting next to someone who was a Scottish nationalist. Perhaps that is beyond the pale as well. I see that Your Honour recognizes that that is a rather ludicrous situation, but I submit that what we have here is a ludicrous situation which has tragic implications for the Sikh community.

When we step back a little and look at what has happened, we realize that a people have been maligned unjustly. Sikhs form a very important cultural and religious community within my constituency, within my Province of British Columbia, and within Canada as a whole. They have a long history in the Cowichan Valley. They first arrived in the Cowichan Valley at the turn of the century and were very involved in the sawmilling industry. Because of the racist immigration policies of Canada at that time, there was a long period of time when they were not allowed to bring in their families. There was also a time when they were denied the vote, even though they were British subjects. They were not allowed to have timber licences. They were really confined in a ghetto or ghettoized, yet they continued to work and to add to the prosperity of British Columbia.

These early immigrants worked to build a union and fought for better conditions for all woodworkers in British Columbia. Since 1967, when the immigration laws were changed, more immigrant families have come to the area. I think that this has changed the whole perception of the Sikh community in the Cowichan Valley. They used to be forced to live as single males in bunk houses. Now we see them as family people, people concerned about their families, about their communities, about building their temples, and about maintaining their religious faith. Of course, being long established in the Cowichan Valley, they diversified. They are no longer simply involved in the woodworking industry. They are involved in business and in the professions as teachers, lawyers, and public sector workers.

Two years ago the first member of the Sikh community was elected to the Legislature of British Columbia. Mo Sihota, from the constituency of Esquimalt—Port Renfrew, which takes in part of my constituency, I am proud to say is a New Democrat. I am also proud to say that he is one of the most outstanding members of the British Columbia Legislature today, which is recognized by people right across the board. He is an outstanding member of the Legislature, coming from the Sikh community with its history.

It has been my privilege at different times to attend worship services in three of the Sikh temples in my constituency. It is worth-while reminding Canadians of some of the basic Sikh beliefs. They believe in one God. They believe in equality for all people. After every worship service there is a communal meal at which people share food. This is important in our world where food is not shared, where large numbers of people go hungry. It is important to have that sacramental sense of sharing food and tying it in with worship.

It is important to recognize the contributions of Sikhs to my particular area, to my province, and to Canada as a whole. Also it is important to emphasize the fact that they are family people. They are community people. They are hard working and they are thrifty.

As I said, recently we have had more immigrants from India, mainly from the Punjab, the traditional homeland of the Sikhs. I remember in the late 1970s, when I was first becoming involved in running for federal office, talking with the late Tommy Douglas who pointed out that most Sikhs in our area were supporters of the All-Indian Congress Party, the forerunner of the Congress I Party. This meant that at that time they were supporters of a united India. Many of them believed in a united India, which was part of the vision of Mahatma Gandhi. The Sikhs had worked with other Indians in support of that ideal.

However, there was the growth of a separatist movement in India, a movement for a separate state called Khalistan. Unfortunately, that movement has been tragically mishandled, and I think that there have been tragic mistakes made on both sides of the issue. We can say that, looking at the situation from the security and comfort of Canada. One tragedy seemed to lead to another. When, on the orders of Indira Gandhi, the troops stormed the sacred temple, the Golden Temple at Amritsar, 1,000 people were killed. That destroyed any sense of confidence of the people in the Congress I Party. The Sikhs were no longer able to have faith in that kind of situation. Then, when two Sikh bodyguards assassinated Indira Ganghi, the tragedy was compounded. To compound it even more, it unleashed a fury of violence, which resulted in the massacre of some 3,000 Sikhs in India, mostly in the capital of Delhi. The Government took no real action to protect them at that time.

Naturally it had an effect upon Canadian Sikhs, particularly upon more recent immigrants who still had relatives and friends back in India, and naturally this feeling was exploited by militants who looked to the establishment of Khalistan.

Certainly there have been some very well publicized instances of violence. There have been suggestions that perhaps some of those instances of violence were caused by *agents provocateurs* from the Indian Government. I do not know. There is sufficient doubt at least to place questions on the issue, and the Canadian Government has requested that some people be sent back to India from our consulates.

• (1710)

In my own riding, there was a police raid on the Sikh temple at Duncan, which was highly publicized. We had great difficulty in trying to get information as to what was behind the raid. For months and even years the police refused to release information. Here we have this letter from the Secretary of State for External Affairs saying:

> There are, however, three Sikh organizations which exist largely to advocate the creation of an independent Sikh state, known as "Khalistan".

I can understand that there might be organizations that want to promote a separate state, but I do not see that that is necessarily wrong, even within Canada. The letter goes on to say:

> These three organizations are the Babbar Khalsa, the International Sikh Youth Federation and the World Sikh Organization. Some members of these organizations have also engaged in or promote violent activity.

Some members of the Conservative Party have been involved in violent activities. Some members of the New Democratic Party have been involved in violent activities, and even some members of the Liberal Party have been involved in violent activities. Does that mean we tarnish all these organizations as being violent? The letter goes on to say:

> The activities of these organizations have been a significant irritant in our relations with India.

I can appreciate they might be an irritant in our relations with India. Some of the activities of the Ukrainian organizations are irritants in our relations with Russia, but that does not mean that we feel that we have any right or obligation to boycott those organizations. Some of the activities of some of the solidarity groups, solidarity groups from Central America, are significant irritants in our relations with the United States. The letter goes on:

> The government of India has taken particular exception when elected officials attend functions sponsored by these organizations.

I can understand that the Government of India might take exception. So what, Mr. Speaker? Are we not an independent nation? Are not our elected officials elected to be responsible to the Canadian people? We are not talking about getting involved in subversion in India. We are talking about elected officials meeting with legitimate Canadian organizations. The letter continues:

> I would appreciate your co-operation in avoiding events and activities which could be perceived as supporting the Sikh organizations mentioned above or their objective in the creation of an independent Sikh society.

"Activities which could be perceived", and the question is perceived by whom? Perceived by the Indian Government?

Obviously the Indian Government is supersensitive on this whole issue.

Reference was made earlier by my colleague, the Hon. Member for Burnaby (Mr. Robinson), to the establishment of a chair of Sikh studies at the University of British Columbia. My colleague, the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) encouraged the Government to fund the chair. Out of sensitivity to what the Indian Government might perceive as support for the Sikhs, the Department of External Affairs dragged its feet all the way and put up roadblocks against the creation of a chair of Sikh studies at UBC.

A *Globe and Mail* article for December 13, 1986 points out:

> Documents obtained under the Access to Information Act reveal that an External Affairs official believed a federal grant for a chair in Punjabi literature and Sikh studies at the University of British Columbia would be misunderstood by the Government of India.
>
> "While I fully understand that Canada's multiculturalism policies will be guided primarily by Canadian domestic considerations, the implications in terms of foreign policy must also be considered, "E. G. Drake, an Assistant Deputy Minister in External Affairs, wrote in April, 1985 to a Secretary of State official.

Multiculturalism here is being subject to foreign policy considerations. Mr. Drake continued:

> "I hope, therefore, that the Indian Government's likely reaction can be taken into account before any conclusion is reached", "he stated.
>
> Mr. Drake wrote that, should federal financing materialize it "would likely be misunderstood by the Government of India and might well cause damage to our bilateral relations with India."

A few weeks ago, when she was resigning, a former assistant to the Secretary of State for External Affairs referred to the Department of External Affairs as a hotbed of cold feet. I cannot think of a better characterization for this Department. A hotbed of cold feet, and so afraid of our relationship with India that it attempts to subvert our multiculturalism policy.

Mr. Layton: No.

Mr. Manly: We see the same kind of cold feet in regard to standing up to France on the St. Pierre-Miquelon issue. We see it in regard to the United States on our Central American policy. We are just not prepared to stand up as a nation. We are so concerned about our bilateral relations with India that we are not prepared to fund a chair of Sikh studies at one of our Canadian universities, which is fully in accordance with Canadian multiculturalism policies.

I was glad to see that the Secretary of State for External Affairs finally went over External Affairs on that issue and a year ago in February there was a grant for the funding of the chair at UBC. Credit has to go not only to the Sikh community, which pushed and advocated the chair but also to my colleague, the New Democratic Party critic for multiculturalism, the Member from Thunder Bay—Nipigon.

What we have with this letter is a slight on an entire community, a slight with no proof. Allegations are made of individual violence but no proof was made of that, and from that the entire three organizations are placed beyond the pale for provincial politicians. It is a form, as I said earlier, of McCarthyism.

I object to the effect that this letter has had on my constituents, my friends, on the entire Sikh community and on the entire multicultural community in Canada. Who knows what other letters similar to this one might be in effect? It is an insidious sort of thing. The letter was written in secret. We did not even know what the Secretary of State for External Affairs was thinking about.

I fully support the suggestion by my House Leader, the Hon. Member for Kamloops—Shuswap (Mr. Riis), that the entire matter should be the subject of investigation by a parliamentary committee. The parliamentary committee should have access to whatever proof the Government thinks it has that these organizations are subversive. It should give access to the Sikh community so that it can come before this organization and state its goals and methods and clear itself. This letter has had the effect of maligning not only these organizations but, by implication, the entire community.

Finally, there should be very clear directions given to the Canadian government organizations that deal with Sikhs and with other multicultural communities, to CSIS, to the RCMP, to the Department of Immigration and to Customs to quit hassling and harassing them and to recognize their rights.

• (1720)

I think it would be in the interests of this House and of the parliamentary democracy of Canada and in the interests of the multicultural policy for the Secretary of State for External Affairs to step back a little bit from his involvement in this issue. I know that he has a personal emotional investment, having written the letter and having had to defend it. If he could step back a little bit and look at the implications of the letter, what it means for the Sikh community, and perhaps get a bit of perspective on his actions, then I think he would want to apologize through the House to the Sikh community.

I believe that the Secretary of State for External Affairs is a person who basically seeks what is best for the Canadian community. I do not think that this letter is worthy of the Secretary of State for External Affairs when he is at his best. I would hope that he would step back, look at the situation, recognize that he made a mistake and apologize to the Canadian people and in particular to the Sikh community.

The Acting Speaker (Mr. Paproski): Questions or comments? Since there are no questions or comments, debate.

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, the motion we are discussing today is a serious motion. I give the Hon. Member for York West (Mr. Marchi) credit for the seriousness of his intent. The motion contains within it several items with which I propose to deal separately.

The first paragraph of the motion contains the assertion that the letter in question urges a political boycott of the Sikh

organizations, and there is a further implication later on that Sikhs in general are being affected by this. I would like to remind the Hon. Member that, as he acknowledged earlier in today's debate, I intervened directly on this issue in the House and the Secretary of State for External Affairs (Mr. Clark) indeed confirmed that it was not his intention in any way, shape or form to inhibit Members of Parliament from meeting with members of these organizations, from listening to their concerns or from becoming informed as to their views or concerns either about the situation in Canada or the situation abroad.

The second paragraph of the motion indicates that this is designed to prevent free and peaceful expressions of the opinions and concerns of Canadians of all origins about events and issues in Canada and in other lands. I am sure the Hon. Member is well aware that there is no prohibition at all on members of these communities meeting with the press, with the media, with Members of Parliament, with provincial Members of Parliament or with Premiers. Nor is there any ban on public meetings or on expressing views very forcefully, nor has there been censorship by the media. Indeed, members of the World Sikh Organization have been able not only to meet with MPs regularly but they have been able to meet with officials of the Department of External Affairs to brief the Department briefly on their particular concerns.

The letter issued by Mr. Clark deals with one specific issue, and that is the issue—

The Acting Speaker (Mr. Paproski): I must bring to the Hon. Member's attention that it is the Secretary of State for External Affairs (Mr. Clark).

Mr. McCrossan: Mr. Speaker, you have been consistent in your rulings on that all day, and I should have picked it up.

The letter from the Secretary of State for External Affairs deals with the specific issue of attending, on a public platform, a meeting organized by one of the three organizations mentioned and somehow appearing to endorse unwittingly the aims and objectives of the organization. Should there be any doubt as to the aims and objectives of the organization, I would point out that Objective 2.0.2 of the World Sikh Organization is to strive, and I do emphasize, through peaceful means, for the establishment of a Sikh nation, Khalistan, in order to protect the Sikh identity and faith as ordained by the Guru Panth in the daily prayer "Raj Karega Khalsa". The organization clearly calls for the establishment of a separate state in India and in fact for the dismemberment of the country of India. I merely point this out because we in Canada ourselves took offence in 1967 when another foreign power appeared to endorse the aims of groups within our own country which sought the separation of Canada.

I also want to raise another general issue and that is that the United Nations has established codes of conduct for relationships between friendly Governments and for co-operation. One of the principles established by the United Nations in the twenty-fifth Assembly was that states should refrain from actions aimed at the political independence or the territorial integrity of any state.

We as Canadians were very conscious of outside endorsement of actions which might represent a threat to our territorial integrity. Indeed, because of the general principles established by the United Nations, principles to which we subscribe, we must also be very conscious of appearing to endorse an action which threatens the territorial integrity of another friendly member of the United Nations.

I did mention that while an objective of the World Sikh Organization is to strive to establish Khalistan, it is striving to do this through peaceful means. However, my understanding is that senior members of the organizations, and as the Hon. Member for Hamilton East (Ms. Copps) indicated, not just ordinary parishioners in the Catholic Church, made emotional statements following Operation Blue Star in 1984, statements which indeed advocated violent activities. To the best of my knowledge, these statements have never been repudiated. This information has been communicated to the organization involved, and certainly I would encourage it to repudiate these alleged statements because they certainly do not conform with my understanding of the group's aims and objectives at this time.

I wish to devote the remainder of my discussion to the assertion which is at the bottom of the first paragraph of the motion which is, that the letter constitutes a demonstration that the Government is undermining the multicultural fabric of Canadian society. In the four years since this Government took office, it has demonstrated time and time again its fervent belief in the concept of multiculturalism. It has done so because it has a deep-rooted belief in human rights and in the equality of all people.

Racism and discrimination have no place in Canada and, in numerous ways, the federal Government has sought to combat and root out manifestations of intolerance and social injustice. While the task is not yet done, we can take pride in what we have accomplished so far. When I say we, I refer not only to the Government but also to all Canadians from coast to coast who are working hard as the Hon. Member for York West who presented the motion today is working hard to make this a land of civility, generosity and openness.

No Government can achieve tolerance and racial harmony by ignoring the situation of its own agencies and Departments. For this reason, the Government has worked hard to see that the multicultural nature of Canada is reflected in the make-up of the federal Public Service. As Members may know, the percentage of our appointments to boards, agencies and commissions from the ethnocultural communities is something like 50 per cent higher than that of the previous Government. At Treasury Board numerous initiatives have been developed to promote employment opportunities for visible minorities. Indeed, the Government introduced an affirmative action program for visible minorities, including the setting of

numerical targets. The Public Service Commission is in the process of establishing a network of visible minority co-ordinators responsible for recruitment, inventory maintenance, marketing and counselling of visible minority candidates. These and other initiatives represent an important start in correcting the imbalance which has long existed in the federal Public Service.

• (1730)

The Government also brought in employment equity legislation in 1986. Under the legislation, Crown corporations and federally-regulated employers with more than 100 employees will be required to provide equitable employment opportunities for designated groups such as women, persons with disabilities, aboriginal peoples, and members of visible minorities. Recently this House gave first reading to Bill C-93, Canada's first multiculturalism Bill. Soon it will receive second reading. When passed, the legislation will affirm a central feature of Canadian life. It will reflect our national conviction that regardless of origin, every Canadian citizen has an equal chance to participate in and contribute to the social, economic, political and cultural life of the country.

Because the Government of the Prime Minister (Mr. Mulroney) is committed to fairness, it brought in a multiculturalism Bill. Because it stands for equality of opportunity, it brought in an employment equity Bill. Because it clearly appreciates the multicultural reality of Canada, it brought in special measures to promote the employment of visible minorities in federal structures. Therefore, let no Member of the House attempt to mislead Canadians about our Government's commitment to a multiculturalism policy. Let no one attempt to deny our commitment to racial harmony and social equality. Let no one accuse us of attacking anyone's rights, for we sought to do precisely the reverse and safeguard and enhance the rights and opportunities of Canadians.

The concern this Government has shown for minority communities encompasses all groups, religions and ethnic backgrounds. The Sikh community in Canada, like other communities which make up our national fabric, has received financial support for its worthy undertakings in recognition of the contribution it has made to Canadian society. Sikhs have been part of our multicultural nation for many years. They began emigrating to this country at the very beginning of this century. Since then their numbers have grown steadily and they have established roots all across the country. Today Sikh Canadians represent nearly 200,000 Canadians in all provinces, with particularly strong representation in British Columbia and Ontario. With their strong sense of family and their religious belief in morality, selflessness and responsibility, Sikhs have made a contribution to Canadian society greater than their numbers would indicate. They have shown a strong sense of entrepreneurship and made a very real impact on business and in the professions.

Sikhs have integrated well into Canadian society. They have also been diligent in passing on their linguistic and cultural heritage from generation to generation. For example, virtually all second generation Sikh Canadians can understand Punjabi. Despite their record of achievement and their exemplary citizenship, Canadian Sikhs, like other visible minorities, are from time to time faced with problems of discrimination, ignorance or prejudice. I personally have been involved in some of these issues for over 10 years, beginning with some of the hard hat cases when I first became an MP 10 year ago, to establishing an immigration policy for Sikh priests and others because their religious needs were not being adequately recognized by the Government.

Equality of opportunity in the workplace and in society generally is of major concern. Sikhs are naturally concerned by the reporting of events in the Punjab and by what they feel is often a stereotyped depiction of their people, one which tends to overlook the very real contribution they have made to Canadian society. Indeed, I can cite a personal example of this in my own riding where the Sikh community is in the process of attempting to construct a new church. The reaction from the community was, my gosh, these are violent people, they must not build this anywhere close to our neighbourhood. Indeed, I took the opportunity to testify in Scarborough Council of my personal knowledge of the congregation and their belief in peace and their positive contribution to society.

In working to combat prejudice and discrimination, Canada's Sikh community, like other minority groups, received a good deal of direct and indirect support from the Canadian Government. The federal Government, through the Secretary of State's multicultural program, provided and continues to provide strong support to Canadian Sikhs. During the past two fiscal years, for example, more than $500,000 in grant money has been provided for some 64 individual projects. Many of those grants have gone toward school and educational projects to help new generations of Sikh Canadians understand and appreciate their heritage and retain and reinforce their traditional language skills. Others have gone to support cultural activities and programs aimed at better educating and informing other Canadians about Sikh Canadians.

One particularly important step was the Secretary of State's agreement to provide major financing support for the establishment of the chair in Punjabi language, literature and Sikh studies at the University of B.C. This chair, established last fall, received a $350,000 federal grant covering 50 per cent of the total required funding. Establishment of this chair represents the culmination of some four years of discussions and co-operative planning in which I was deeply involved, involving the Federation of Sikh Societies in Canada, the University of British Columbia, and the Department of the Secretary of State. Its goal is to initiate and promote research, both at the graduate and at the undergraduate level, in the areas of Punjabi language and literature as well as Sikhism, Sikh history and other aspects of Sikh studies.

The chair has established a focal point for generating a better understanding of Canada's pluralistic and multicultural

nature, and of Sikhs and Sikhism in Canada. It will conduct research into the contributions Sikhs have made to Canadian society and will encourage publication of this research so Canadians will have a better understanding and appreciation of this contribution. All in all, this new chair will make a valuable contribution to our knowledge and understanding, and I am proud our Government has played such a major role in its development and to have been involved so personally in seeing it established.

I might also mention that our Government provided major funding for a conference of Sikhism at the University of Toronto just over a year ago. This Government has given more support and encouragement to Canada's diverse ethnic communities than any other in our history. I think the Secretary of State summed it up well when he said a multicultural Canada is an enriched Canada. The more successfully we share our different cultural backgrounds, the more harmonious and unified we become as a society. The Sikh community, he said, has contributed much to our society. They have strived to meet the complexity and challenges of integration into the mainstream of Canadian life while still retaining the essential qualities of their own unique heritage.

Hard-working Sikh people have contributed much to Canada's economic prosperity and cultural richness. This Government will continue to work with vigour with all our culture minorities, as we have over the past three and a half years. We will help them retain their distinctive qualities, their cultural and language. We will also help them to integrate and achieve full participation in Canadian society. We will work with them to combat prejudice and ignorance wherever they exist in society. This is a commitment we have lived up to in the past and we have reaffirmed that commitment in the multiculturalism Bill which this House will be considering next week.

In summary, I do not think that when one examines the actions of the Government one can conceivably sustain the assertion in the first paragraph of the resolution that this Government has been undermining the multicultural fabric of Canadian society.

The Acting Speaker (Mr. Paproski): Questions or comments.

Mr. Marchi: Mr. Speaker, let me first pay respect to the Hon. Member for his participation in the issue of Canadians of Sikh origin. I know his record in Toronto and it speaks highly of his commitment and the values he holds dear.

The debate is now winding down and I was just wondering what his thoughts were about a standing committee of Parliament providing a forum to evaluate the information which prompted Mr. Clark's letter, and at the same time providing the members of those organizations a forum to defend their honour and their actions as a community. Does the Member favour such a forum in one of our standing committees?

• (1740)

The Acting Speaker (Mr. Paproski): I will recognize the Hon. Member for York Scarborough (Mr. Stackhouse), but the Hon. Member for York West (Mr. Marchi) has struck out today. That is the fourth time that he has referred to the Secretary of State for External Affairs (Mr. Clark) by his name.

Mr. McCrossan: Mr. Speaker, I will try not to repeat the mistake. The Member asks whether I think it would be appropriate to establish a special committee. I think it may be, but not as a first step. I met for over three hours yesterday with representatives of Sikh organizations. There are two issues that have been raised.

First, the community has a feeling that it is being harassed by statements in the press or, indeed, by activities of CSIS. I told the members that, with regard to the activities of CSIS Parliament made a decision when it established CSIS that, unlike in the United States where the CIA and the FBI are subject to congressional oversight, a different mechanism would be set up in Canada with regard to CSIS. That mechanism was to provide a special committee of former Members of the House, Privy Councillors all, of different Parties under the chairmanship of the Hon. Ron Atkey, a former distinguished Member of this House. I suggested that an appropriate first step for the organizations involved would be to approach the CSIS oversight committee and take up their allegations with it, which is not directly in Parliament.

With regard to the other issues as to whether there were or were not statements made which advocated violence, which certainly run contrary to the constitution of the World Sikh Organization in Canada, those allegations were brought to the attention of members of the organization yesterday. I am sure that they will want to take the time to examine whether the statements were made by senior members of their organization. If so, since they run contrary to the constitution of the organization, they may feel that it is an opportune time to state categorically that these do not represent the aims and objectives of the organization in order that the WSO would not be seen to be in a position of advocating violence even though in the past, in a very emotional moment, individual senior officers might well have made statements which have that direct interpretation.

Finally, if the organizations involved cannot achieve resolution of their problems through the first two steps which I think should be taken, I would indeed be willing to meet with them again to discuss the possibility of further pursuing the issue in one of the standing committees.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I do not take part in this debate with any great satisfaction in being able to criticize the Secretary of State for External Affairs (Mr. Clark). I regard him as a decent man with great respect for people and I am sorry to see him embroiled in this kind of a controversy. I cannot imagine why he signed the letter that

went to the provinces. I would normally have expected him to be very much more sensitive.

The Hon. Member for York Scarborough (Mr. McCrossan) who has just spoken made reference to how Canadians felt when a French visitor seemed to be encouraging separatism. Perhaps it is reasonable for the Secretary of State for External Affairs to tell provincial Premiers what his views are on certain sensitivities and how he would like them treated. However, unfortunately the form of this particular letter was such that it caused a great deal of pain to Canadian citizens.

What was wrong with the letter? For one thing it pointed to three Sikh organizations. However, organizations do not commit terrorist activities or cause difficulties for the host country; individuals do. The World Sikh Organization has some 20,000 members. The International Sikh Youth Federation is only two years old and has perhaps 2,000 members, and Babbar Khalsa has perhaps 200 members. Therefore, a very large and established organization was included, perhaps inappropriately, with two other organizations. In any case, to talk about organizations as if they were all-embracing, as if every individual who belongs to an organization shares the same views, surely is not realistic, as has been pointed out several times today.

The pain which was caused to Canadians of Sikh origin by the release of this letter added to the pain which they have been suffering ever since the Air India disaster. Many people have forgotten that terrorists do not spare their own. There were Sikhs who died in the Air India disaster too.

I was privileged to attend a religious service last July which was sponsored by many groups including the Vishnu Temple, the Kannada Sangha, the Hindu Sabha Mandir, the Bharati Kala Manram, the Hindu Prarthana Samaj, the Hindu Federation, the Zorastrian Society of Ontario, and the Association of Women of India in Canada. It was a memorial service for the victims of the Air India disaster, a most moving expression where prayers were offered by, among others, Sikhs. Prayers were also offered by Christians, Islamics, Hindus, Jainists, Buddhists, and people from the Jewish and Zorastrian faiths. It was a most poignant expression of grief for the deaths of many people but it was grief without bitterness. As one person who lost his two sons said:

> The fact we are all victims here together sharing our grief makes life liveable.

That is the kind of spirit that I have seen in the Sikhs whom I have come to know well since that Air India disaster. Sikhs in Canada are, for the most part, peaceful people. They have been horrified by the terrorism from which they too have suffered. They do not condone it. They have been pained by the assumption that they accept terrorism.

I have here a statement of the objectives of the World Sikh Organization. The first is to promote and follow the teachings of the ten gurus. The second is to strive through peaceful means for the establishment of a Sikh nation, Khalistan, in order to protect the Sikh identity. The fourth is to work for the promotion of ideals of universal brotherhood, peace, justice, freedom of worship and speech, respect for cultural diversity and human dignity for all, without any distinction as per the instruments and covenants of the United Nations Organization.

• (1750)

These are very worthy objectives. As has been said, in an organization of 20,000, one cannot guarantee that every individual subscribes to those objectives. However, those are the objectives of the organization.

The organization has taken some steps over the years to dissociate itself from violence. I have a copy of a letter dated May 14, 1985, from the General Secretary of the World Sikh Organization to the National Councils of the U.S.A., Canada and the United Kingdom. It reads:

> WSO constitution lays down that we are a peaceful organization working for human rights of Sikhs in India. Therefore, Membership Screening Committee in your countries should be instructed not to accept membership from known or proved terrorists and any member who is guilty of terrorism should be removed from WSO membership according to our constitution.

Another letter dated April 2, 1985, from the General Secretary to the National Councils of Canada, the United States and the United Kingdom reads in part: "We would appeal that the utmost care should be taken to avoid violence and provocation. Meetings and processions should be strictly in accordance with the laws of the land". It goes on: "We must fully co-operate with the authorities and abide by the laws of the land". Those are the stated purposes of the World Sikh Organization.

We are all aware of the violence in the Punjab. I was there a year ago and the situation indeed is one where grievances over riparian rights and religious differences have escalated over the years. They are not being solved by political or democratic means. There is violence on the part of Sikh terrorists and there is violence on the part of others. It is a country where the *habeas corpus* does not operate and people are detained without trial for very long periods. There are allegations of torture and mistreatment.

Surely citizens of Canada are entitled to talk to their Members of Parliament and provincial politicians about their concerns for the human rights of their relatives and friends in another country.

This has been the case with people in a long list of countries. There are many organizations here which exist to keep us aware of conditions in their country of origin. We have always claimed that this is part of their democratic rights.

Of course, none of us wants to encourage violence. None of us will have much time for anybody who is acting in any way against the laws of our land. However, I suggest that Canadians of Sikh origin by and large are excellent citizens. They are thrifty, hard working, peaceful people who are very family oriented. It has been a source of great pain to them that there

is so much violence in their own country of origin and that some of that violence has shown in Canada.

The statements I have read make it clear that the World Sikh Organization does not condone violence. I think it behooves all of us to ensure that Canadians are able to exercise their democratic rights and express their concerns about conditions in their country of origin as long as they do it in peaceful ways. Whole communities should not be tarred with the excesses of a few, the excesses which the communities themselves have condemned and made clear they do not support.

The Acting Speaker (Mr. Paproski): Order. It being six o'clock, the proceedings under Standing Order 82(12) have expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

INTERNATIONAL YEAR OF SHELTER FOR THE HOMELESS—SHELTER CENTRES—GOVERNMENT POSITION/NEED FOR ROOMS—REQUEST FOR MORE FUNDS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I believe it is important to recall my intervention this evening. As you know, 1987 was the International Year of Shelter for the Homeless and my question to the Prime Minister (Mr. Mulroney) dealt with the fact that, according to the figures of the Canadian Council on Social Development, over 100,000 people in Canada were homeless and had to seek shelter in night hostels.

Moreover, on January 22, 1987, a flash survey carried out throughout Canada showed that nearly 8,000 people had used emergency hostels that night. First, there were 100 in Montreal.

[*English*]

There were 1,800 in Toronto, 700 in Winnipeg, 400 in Vancouver, 400 in Moncton and even more homeless people who every night go to sleep on the park benches.

• (1800)

[*Translation*]

As usual, Mr. Speaker, the Minister of National Health and Welfare (Mr. Epp) did not provide a satisfactory answer to my question about the needs of these people, and I adressed a supplementary to the Prime Minister to explain what should be done, as outlined by the groups that care for the homeless in Montreal. These groups have asked the federal Government to finance, through the Canada Mortage and Housing Corporation, about 10,000 housing units consisting simply of rooms, not two-room apartments, and so on. What these people need are not rental apartments, but room and board as well as human services.

I think that everyone listening to us and everyone in this House knows quite well that the homeless are people with problems caused either by alcohol, drugs or something else. These people need assistance and I believe that they should receive this assistance from the Government. In passing, I would like to take this opportunity to congragulate those who devote their time and energy to the care of these people because their work is not easy and it is the duty of Parliamentarians and Governments to give them financial assistance. I think this project deserved a satisfactory answer.

Speaking of people with problems, Jean Lapointe who is a well-known Quebec artist—as a matter of fact, he is quite famous and has quite a reputation in the arts community—had a drinking problem, and today, we have a home called *la Maison Jean Lapointe*, and on the weekend I will be glad to make my contribution, and Quebecers will have a chance to do so on Sunday's telethon, to help *la Maison Jean Lapointe* with donations so that it and similar homes and shelters will be able to provide not only a place to sleep but also social and technical assistance.

Mr. Speaker, the Conservative Government has yet to respond to this need, unfortunately. The only thing that happened in 1987 was a national conference. The Government did very little to meet the demand for housing units, and I would like to know whether since that time, the Government has revised its housing policy. I recall the requests that were made, and this weekend, in my riding, my future riding of Laurier—Sainte-Marie and Montreal—Sainte-Marie, I will be meeting with people who work to provide shelter for the homeless. One parish has set up a very useful project in a church basement. The basement was under-utilized, so the archdiocese, together with various organizations, turned it into a set of rooms. There are also resource persons to help the homeless find shelter, and meals are provided as well. I personally contribute to this project. We can help through the New Horizons Program, but I think it is high time the Government decided to have a straightforward assistance program, a comprehensive program, instead of piecemeal assistance, to help the homeless and try and reduce the problem and help these people improve their circumstances. I think it should be the Government's role to inject money into the construction of rooming houses, and provide funding to help resource persons encourage and educate these people to become responsible citizens and also to help co-ordinate all these activities.

I hope the Parliamentary Secretary to the Minister of Public Works will have some good news and some good answers, not necessarily for me personally but for the homeless, so that they will see the Government intends to help them.

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) is wont to exaggerate and I am very pleased to have this opportunity to discuss the federal Government's initiatives to assist homelessness in Canada.

Homelessness in Canada is not exclusively a question of affordable housing. It includes a range of social problems such as health care, job skills of young people and family violence. To resolve these problems, a concerted effort must be made by governments, social agencies and a wide range of community based groups. The federal Government has committed itself to work in partnership with these groups to find permanent, lasting solutions.

During 1987, the International Year of Shelter for the Homeless (IYSH), Canada Mortgage and Housing Corporation provided $1.7 million to various projects for research to measure the extent of homelessness, clarify its causes, identify successful solutions and explore new approaches.

Although it is necessary to provide transitional shelter, emphasis on finding a permanent solution is required.

[*English*]

CMHC has been providing permanent housing for Canadians through its social housing programs for the last 40 years. Over 500,000 units have received assistance under various social housing programs. In addition, almost 400,000 homes have been saved from deterioration through rehabilitation assistance. The federal Government is now spending $1.5 billion annually on social housing.

• (1805)

[*Translation*]

It was not until the housing directions were announced in December 1985, that all social housing assistance was targeted to those households most in need, of which the homeless are the extreme.

Agreements were signed with the provinces and territories which are now participating through cost-sharing and delivery, resulting in more units being directed to low income people than previously.

Housing assistance is provided for transitional and permanent shelter mainly under the non-profit, Rental Residential Rehabilitation Assistance Program (RRAP) and rent supplement programs.

The Non-Profit Housing Program addresses the needs of many Canadians, including the working poor, senior citizens, single-parent families, natives and the disabled. It generally creates new units including hostel beds.

Federal funding is also being directed to the repair of rooming houses, hostels and self-contained accommodation under the RRAP program.

Rent supplement assistance is available to assist individual tenants in private accommodation and in co-op projects. Through construction or rehabilitation, some 55,000 social housing units are funded annually.

The provinces and territories are responsible for the provision of social services including the administration of financial assistance programs which provide basic incomes for the most needy Canadians.

Mr. Speaker, the federal Government supports the provinces and territories in these endeavours by offering substantial funding through the cost-sharing provisions of the Canada Assistance Plan.

The program, which is administered by the Department of National Health and Welfare, enables the federal Government to reimburse provinces 50 per cent of select costs which these jurisdictions incur in the provision of a wide range of personal social services and financial assistance programs to needy persons.

Currently, annual expenditures under the Canada Assistance Plan exceed four billion dollars.

[*English*]

FUR TRAPPING INDUSTRY—BRITISH PLANS TO LABEL FUR PRODUCTS—EFFECTS ON LIVELIHOOD OF CANADIAN TRAPPERS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, we all know that when it comes to animals, the English are afflicted with what might best be described as collective nuttiness. On the one hand, that fair country is the home of blood sports where lords and ladies delight in seeing harmless foxes ripped to shreds by vicious hounds. On the other hand, they engage in sugary sentimentality and ascribe to animals almost human sensibilities.

I read in an English paper not too long ago about them providing tunnels underneath roads for hedgehogs to travel through so that they would not get squashed by passing trucks.

However, this nuttiness was best demonstrated earlier in February when they proposed the fur labelling rule. We are all familiar with what it is, so I do not need to describe it.

This prompted me, on February 10, to question the Secretary of State for External Affairs (Mr. Clark) in the House of Commons about what action the Government of Canada was proposing to take to countermand this action on the part of the British authorities.

The Minister's reply was excellent. It was forceful. It showed that he was familiar with the issue, that we were not going to be caught off guard as we were with the seal skin issue, and that our High Commissions and Embassies in Europe would be fully aware of the position of the Government of Canada on the issue. Headlines in various newspapers the next day reflected this.

[*Translation*]

—*La Presse* on February 11: "Fur trade: Ottawa will protest British regulations".

[*English*]

The headline in *The Globe and Mail* read: "Clark to protest plan to tag fur items in U.K.".

The importance of the issue in northern Canada, where the fur industry is still very important, is indicated in a letter from the Hon. Titus Allooloo, Minister of Renewable Resources with the Government of the Northwest Territories, addressed to the Secretary of State for External Affairs and dated February 15. I would like to read most of the text of this letter into the record. It commences:

• (1810)

> The Government of the Northwest Territories wishes to express its strongest objections to proposed actions by the British Government to legislate a requirement of retailers to prominently display labels on products which contain the pelts of wild animals that may have been caught with a "steel-jaw leghold trap".
>
> Once again, we experience the highest levels of frustration and, indeed indignation that foreign governments and/or agencies are taking actions without due regard to the detrimental consequences their actions have on the basic livelihood of groups of people around the world.
>
> I request your assistance on communicating to the British Government our total rejection of such a proposal. In addition, we would offer to, once again, present our positions to them in the most effective manner possible, including direct representation.
>
> We have appreciated your high level of support in the past to counter these measures. The funding support to lobby organizations, such as the Fur Institute of Canada and Indigenous Survival International, are good examples of your dedicated support.
>
> We thank you also for your prompt statements in the House of Commons and the media. Your proposed meeting with Sir Geoffery Howe is of special interest to us as we feel it may prove to be a most effective action.

The Right Reverend John Sperry, Anglican Bishop of the Arctic has also been very active on this issue, Mr. Speaker. He wrote to *The Times* of London. If you want to influence British opinion, that is one of the avenues available to you. In his letter of February 23, 1988 to *The Times* he states:

> Perhaps there has been no news item causing greater dismay and incredulity among Canada's northern native people in recent times than the announcement that the British Government proposes legislation to label all fur products imported by the United Kingdom as to their precise method of being harvested.

In his final paragraph he wrote:

> —Sir, to exalt the animal kingdom on the wreckage of human distress and enforced poverty, however noble the intention, is an affront to both the Biblical and Christian precepts in regard to human/animal relationships.

In a similar letter, the reverend gentleman wrote to the Prime Minister of Great Britain, Mrs. Thatcher. In part, his letter reads:

> My plea, Mrs. Thatcher, is that for the sake of all our harassed and bewildered native people at least the British Government will delay any precipitous action on this issue—

Despite all the good efforts on the part of Government and other agencies, we do not seem to have made very much progress on this issue. The CBC in a news item, dateline London, February 19, 1988 says:

> A delegation of Canadian native people have failed to persuade the British Government not to go through with a campaign to put labels on fur coats from half a dozen species of wild animals . . . although the British Government felt Erasmus presented his case very well they feel public opinion cannot be ignored and the labels will be put into effect as planned in May.

The Erasmus referred to is George Erasmus, the co-chairman of Indigenous Survival International.

What I would like the Parliamentary Secretary to do in his response now is to tell us what other actions the Government of Canada might be taking on this issue, how we might eventually get the Government of Great Britain to see reason on this most important issue.

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, on February 9, the Minister of International Trade for the United Kingdom announced his intention to enact regulations requiring the labelling of bobcat, coyote, lynx and certain species of fox with the notation "includes fur from animals commonly caught in leghold traps". The response from the Secretary of State for External Affairs (Mr. Clark) was immediate. On February 10, in the House of Commons, he stated:

> Mr. Speaker, I was surprised by that announcement by the British Minister. We will oppose it, and we will fight it. It constitutes a very serious threat to the livelihood of Indian, Métis, and Inuit Canadians who depend upon the fur industry to live.
>
> I must say that I particularly regret that there was virtually no advance warning to this Government by the Government of Great Britain in bringing in this matter. I will be pursuing it personally with the British Foreign Secretary, and with others.

• (1815)

His words reflect the Government's very serious concern over the proposed regulations which threaten the livelihood of 100,000 Canadian trappers, half of whom are aboriginal Canadians. Fur harvesting constitutes the major economic activity in the Yukon and Northwest Territories. The fur industry over-all is a $1-billion industry and 50 per cent of that fur is from wild sources.

The Government of Canada has taken a number of steps to respond to this threat to the Canadian fur industry. In addition to high-level meetings of Canadian officials with their British counterparts in the foreign and home offices and in the Ministries of International Trade and of the Environment, an official note of protest has been delivered to the British Government.

The Department of External Affairs has also helped co-ordinate meetings with British officials for representatives of the Canadian fur industry, including Indigenous Survival International and the Fur Institute of Canada as well as for Canadian Parliamentarians, including the Yukon's Minister of Renewable Resources, the Hon. Dave Porter, the Minister of Renewable Resources of the Northwest Territories, the Hon. Titus Allooloo and Manitoba's Minister of Northern Affairs, the Hon. Elijah Harper.

In addition, the Department of External Affairs has been actively working with other nations with important fur interest such as the U.S.A. and the Nordic countries to convince the United Kingdom to abandon its proposed regulations.

In closing, I would add that the Department of External Affairs, which in October of 1987 provided almost $1.5 million in funding to the Canadian fur industry to develop an international communications strategy to promote the industry, will continue to do everything it can to support and to promote this vital Canadian industry.

EXTERNAL AFFAIRS—QUERY WHY GOVERNMENT AUTHORIZED CANADIAN COMPANY TO BECOME MAIN SUPPLIER TO IRANIAN ARTILLERY/GOVERNMENT EXPORT CONTROLS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, on November 20, I asked a question in the House of the Deputy Prime Minister (Mr. Mazankowski) which was replied to by my colleague, the Hon. Parliamentary Secretary to the Secretary of State for External Affairs (Mr. Hudon). This question concerned Expro, a company in Valleyfield, Quebec, which apparently had an order at that time, very shortly to be fulfilled, to ship approximately 1,250 tonnes of explosive powder to a Portuguese company over a six-month period. At that time, the CBC apparently claimed that a link had been identified between that Portuguese company and the Iranian Government.

On November 20, I asked the Deputy Prime Minister and my hon. colleague replying for the Government, first, whether or not Canada had any control over the possible re-exportation and, second, whether the Government would instruct an ambassador in Lisbon to determine if in fact the explosives were re-exported. I was quite dissatisfied with the responses given to me that day by my hon. colleague, so I would like now to take the opportunity to ask three questions in the hope that he will be able to reply to them directly.

First, I would like to ask if the Government cares about what happens to explosives after they leave the country. Second, in order to obtain a Canadian export permit, does the importing country or company not have to provide any details as to the eventual use of those explosive materials? Third, did the Government in fact instruct our Ambassador in Lisbon to attempt to determine whether or not this particular explosive was re-exported from Portugal?

• (1820)

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, in November 1987, the Hon. Member for Kenora—Rainy River asked why the Government had authorized Expro to become the main supplier of the Iranian artillery. The answer to such an irresponsible and bizarre allegation is simple: We have done no such thing. What we did was to authorize a company in my constituency to export a propellant for military use to responsible corporations located in NATO countries.

Before issuing these permits, Mr. Speaker, we obtained from the Netherlands and Portugal import certificates, which are official Government documents, clearly stating that these materials were to be used only by the recipient country and were not to be re-exported or diverted without the express consent of the issuing country, in this case the Netherlands and Portugal. We had obtained these certificates. As both countries are allies of Canada and members of NATO and as they benefit from various co-operation arrangements to promote the state of preparedness of inter-allied defence, there is nothing improper about shipping propellants to these countries. These procedures for monitoring exports between allies have existed for some time and are considered most effective in preventing the diversion of exports.

Muiden Chimie, the Dutch company involved, has exclusive marketing rights to this specific propellant in Europe and sells it to various NATO countries. It frequently orders the product from Expro, which, in passing, holds the license for this product in North America, to meet large orders in Europe which exceed its own capacity. This is why the shipments were made directly to Portugal. Muiden Chimie is a respected Dutch company whose board of directors includes Government appointed members.

As was indicated in the House in November last, the RCMP and our embassies in those countries further studied the matter. While there is evidence of an illegal re-shipment to Holland that is now under investigation by Dutch police, no proof has been presented to Canadian authorities of any offence by a Canadian company. I have no reason to believe that the Canadian company acted irresponsibly. It got all the required authorizations, and the Canadian Government was prudent in seeking assurances from importing governments. Our export control system is very efficient.

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing order 3(1).

The House adjourned at 6.24 p.m.

HOUSE OF COMMONS

Friday, March 11, 1988

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

EMERGENCY PREPAREDNESS ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-76, an Act to provide for emergency preparedness and to make related amendments to the National Defence Act, as reported (with an amendment) from a legislative committee.

Hon. Perrin Beatty (Minister of National Defence) moved that the Bill be concurred in.

Motion agreed to.

Mr. Beatty moved that the Bill be read the third time and passed.

Mr. Bud Bradley (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, on June 26 of last year the Minister of National Defence (Mr. Beatty) tabled Bill C-76 in the House and announced that the federal Government had withdrawn the Emergency Planning Order of 1981 and was introducing new federal emergencies legislation to replace it.

As events continually show, emergencies do not wait for any timetable; they can happen at any time anywhere in Canada. With the adoption of Bill C-76, Parliament will be moving a step closer to a highly effective emergency planning and response system.

The Auditor General's annual report for the fiscal year ending March 1, 1987, included a special examination of emergency preparedness arrangements. He specifically recommended that consideration be given to providing statutory authority for federal emergency planning, and for the Government to declare a national emergency in peacetime. More explicitly, Mr. Dye said, "Co-ordination and the testing of specific national emergency plans between federal entities and between the federal Government and the provinces should be made the responsibility of a designated federal agency.

Emergency Preparedness Canada, the agency responsible for co-ordinating this response, has never had its role, responsibilities and mandate set out in an Act of Parliament; it has been acting under a series of *ad hoc* authorities that were not subject to parliamentary scrutiny.

This Bill will go a long way toward meeting the Auditor General's concerns. On behalf of the Minister responsible for emergency preparedness, I wish to thank Members of the legislative committee who reviewed this Bill carefully. It is a tribute to their understanding of the importance for the federal Government to be able to act swiftly and decisively in emergencies that they moved Bill C-76 forward so quickly. I am sure that the other place will see fit to deal with Bill C-76 as expeditiously.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my remarks will be very brief and to the point. Bill C-76 is essentially a Bill that is administrative in nature to replace the Emergency Measures Organization. The Official Opposition has no difficulties with the Bill as it reports to the House. As we have indicated earlier, it simply establishes the rules under which provinces will be entitled to declare an emergency, and it utilizes all of the resources of the federal institutions to aid the provincial authorities in dealing with emergencies.

Frankly, Mr. Speaker, we have no difficulty with Bill C-76. I would imagine that the debate will lie in committee on Bill C-77 where there will be a clause-by-clause examination in the coming days and which will then report back to the House on Bill C-77.

• (1010)

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I must say that I breathed a sigh of relief this morning when the Government introduced its amendment.

The amendment was necessary because when the Bill was first introduced it sent a shudder through the country. As the House will recall, Clause 5(1) in part indicated the following:

> The functions of Emergency Preparedness Canada with respect to the development of civil emergency plans are . . .
>
> (f) to provide for the continuity of government during and after an emergency.

The Government was saying that if an emergency occurred, Emergency Preparedness Canada would become the Government of Canada. It would set aside our constitutional rights and our parliamentary rights. It would do away with the House of Commons and the other place—the whole institution of Parliament.

I hope that it was simply a drafting oversight, but it sent a shudder throughout the country. I think the Government was about to set up what would essentially be a dictatorial panel to run Canada.

However, that has been clarified this morning, thank goodness, through the amendment with which we have already dealt.

Mr. Turner (Ottawa—Carleton): Are you for or against it?

Mr. Riis: I hear my friend across the way from Ottawa—Carleton. He can bet that I am for it. We already have a Government which has lost some of its senses in terms of some of its powers, but to give it emergency powers into the future to do away with Parliament—

Mr. Frith: Nelson, that clause was their only hope, given the polls.

Mr. Riis: As my hon. colleague indicates, given the polls, perhaps it was their only hope for staying in government for some time beyond the next few months.

However, setting that aside, I do not want to sound flippant as it is a very serious piece of legislation. Having made those comments with regard to Bill C-76, I want to applaud the Government for having brought it forward.

As we know, the previous Government was going to deal with emergency situations through Privy Council Order 1305, which was a very worrisome piece of legislation. For example, it allowed for such ridiculous things as the planning of civilian internment camps. In other words, it would give the Government, with no accountability whatsoever, the right to set up civilian internment camps around the country, presumably to herd Canadian into during a state of emergency. The previous Liberal Government had no mandate from Parliament or legislative authority for such action. Parliament would have had no way to monitor what was going on even after the fact.

While Bill C-76 is a housekeeping Bill in many respects, it is certainly very welcome and long overdue when we consider what the Liberals had introduced for their so-called emergency preparedness.

While we are fortunate to live in a peaceful and relatively prosperous country, we tend sometimes to take these conditions for granted. However, we have had reminders in the past little while, such as the Edmonton tornado, the very serious Mississauga train derailment, and the ongoing discussions on the West Coast about a possible earthquake and the damage and chaos which would result from such an event. Obviously we must be prepared. We need emergency planning to guarantee help for those people stricken by a disaster and to ensure a rapid return to normal circumstances. This has really been put off for too long, which basically means that Canada and Canadians have been put at risk.

Thank goodness that Privy Council Order 1305 has now been put aside. Bill C-76 changes all this. The Minister of National Defence (Mr. Beatty) will be responsible to Parliament for emergency planning. Essentially he will become the lead Minister during a crisis in the country. However, as a result of the Bill, parliamentarians will be able to scrutinize government activities and government spending in the area of emergency planning to ensure that the plans are appropriate, protect Canadians, and do not threaten the rights of Canadians.

One component of the Liberal initiative a few years ago under Privy Council Order 1305 concerned many of us who pride ourselves on being parliamentarians. I am referring to the opportunity to set up civilian internment camps. At that time questions were asked in the House about why the Government felt it was necessary to set up such camps and why it was necessary to have this particular power as a result of the Privy Council Order. It caused a lot of concern for Canadians who remembered their previous experiences in other countries when Governments had the right to set up internment camps for civilian populations.

Obviously the amendment is welcome because it supports the principle of constitutional government. The amendment itself indicates that we will establish arrangements for ensuring the continuity of constitutional government during an emergency. This is what we struggled to have included, and I thank the Government for seeing the wisdom in doing just that. It will ensure that emergency planning will aim to restore Parliament as soon as possible. I think it is a very appropriate measure.

Once the Bill has passed, Parliament will have told the Government to ensure that necessary measures are taken to protect Canadians in an emergency. As Canadians, people have a right to expect peace, order, and good government. While they have the right to expect peace and order, I guess Canadians are wondering whether in fact they have good government. In principle that is something we certainly want to see in place. When the situation is disturbed by some unforeseen disaster like the Edmonton tornado, Canadians expect their Government to be prepared to come to their assistance quickly or expeditiously. They expect their Government to have a great deal of tentative planning in place to provide for such an emergency, and Bill C-76 gives the Government the proper mandate from the Parliament of Canada to plan for such protection.

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

* * *

BORROWING AUTHORITY ACT, 1988-89

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-109, an Act to provide borrowing authority, as reported (without amendment) from the Standing Committee on Finance and Economic Affairs.

Hon. Michael Wilson (Minister of Finance) moved that the Bill be concurred in.

Motion agreed to.

Mr. Wilson (Etobicoke Centre) moved that the Bill be read the third time and passed.

He said: Mr. Speaker, in my weakened condition today, I should like to make some very brief remarks on Bill C-109, an Act to provide borrowing authority.

First I should like to thank very much members of the House of Commons finance committee for the expeditious way in which they have dealt with the Bill. Certainly their co-operation will assist the Government in moving ahead with the process of an orderly debt management program in dealing with the substantial cash requirements of the Government of Canada.

As a Government we have fulfilled our responsibilities following the budget process as I outlined in the discussion paper some three years ago. We said that we wanted to have a Budget, the Main Estimates, and that thereafter we would present a borrowing authority Bill and look for speedy passage in order to allow us to proceed with our financial program.

Also the finance committee has fulfilled its responsibilities by dealing with the Bill expeditiously in committee as part of the budget debate. I thank Hon. Members. It is a good example of Members of Parliament from all Parties showing how Parliament can work in a very effective manner.

• (1020)

Miss Aideen Nicholson (Trinity): Mr. Speaker, I would like to begin by commenting briefly on the Minister's statement that the opposition Parties had co-operated in speedy passage of this Bill. We in the Official Opposition did this because the Government must be able to carry on its business in an orderly way. While we may not always agree with the way in which that business is carried on, the Government does have a mandate from the Canadian people and we respect that and have not delayed the Bill unusually. But I must point out that when the Minister was in opposition, his Party generally kept the borrowing authority in the House for weeks.

I must also remind the House that when the borrowing authority Bill was introduced a couple of weeks ago, it was introduced after the presentation of an insubstantial, empty Budget, which was replete with self-congratulation. In fact, one newspaper commentator wondered if the Minister might have slipped a disc patting himself on the back. This approval we were initially asked to give on faith because we had not even seen the Estimates.

I listed my misgivings in my speech at second reading and during the Budget debate. This morning I wish to reiterate just a few crucial points and raise others concerning the financial management of the Government.

For this particular Bill, the Government asks for authority to borrow $25.3 billion after a Budget which was long on self-congratulation and short on substance. The Government really is asking to borrow too much money when one considers that it has not kept its promises, a key one being that taxes would not be raised and the deficit would be lowered.

We initially said we would not pass this Bill until we saw the Estimates. Indeed, having seen the Estimates did not inspire any great confidence either. There were a number of items the Government announced which were not covered in the Estimates, and obviously later in the year there will be Supplementary Estimates. There is also some money on reserve which has not been defined and, again, there is a mystery about how this money will be spent.

I want to talk a bit about the federal sales tax. In the February 10 Budget, the Minister spoke of new rules concerning the manufacturers' sales tax. This is a tax which has been described by the Minister of Finance (Mr. Wilson) as a killer of jobs and is to be replaced sometime in the future by a new consumption sales tax. That date though is being put farther and farther back. Officials at the Department of Finance are now talking about a three to four year time frame for the new consumption sales tax, so that the increased use of the manufacturers' of sales tax, which was supposed to be an interim measure, will clearly be with us for some time. The Government is continuing to raise taxes, yet the public debt is not being reduced.

Here are some of the increases Canadians have experienced since 1984. There was an increase of 1 per cent in the sales tax in 1984, which brought $1 billion to the Government's Treasury. In 1986 there was a second increase of 1 per cent in the sales tax, bringing another $1 billion to the Government's Treasury. In 1986, we had a third increase of 1 per cent in sales tax, bringing in a further $1 billion. In 1985, we saw an increase of 2 cents a litre on gas, bringing in $930 million in revenue. In 1987, there was a second increase of 1 cent a litre on gas, bringing a further $450 million in revenue. In 1987, the equalization of sales tax on leaded and unleaded gasoline netted the Government $30 million. In 1985, we had the extension of sales tax on candy, soft drinks and pet food, netting the Government $400 million. In 1987, the extension of sales tax on snack foods brought the Government $60 million. In 1985, we saw the first increase in cigarette and tobacco taxes, amounting to $320 million in revenue to the Government.

In 1986, there was a second increase in tobacco and alcohol taxes, netting $150 million to the Government this time. In 1987, we had a third increase of 4 per cent in tobacco taxes, amounting to $70 million. In 1985, we saw the elimination of the Registered Home Ownership Savings Program, which captured for the Government $105 million in revenue. In 1986, there was the deindexation of the personal income tax system, which brought the Government $635 million. The elimination of the federal tax reduction in 1986 captured $650 million. Changes to marital exemptions in 1986 brought in $20 million.

The general 3 per cent surtax in 1986 netted $1,200 million, and that surtax is still there.

Many of the measures which I have described go on from year to year silently. They are no longer shown specifically in Budgets because they have been built into the system. While this Government raises and raises taxes, the public debt is not being reduced. We have also seen some creative accounting to indicate that the debt is lower than it is. I spoke on this point before and it has been commented on by external, more objective authorities perhaps, such as the Bank of Montreal and in Peat Marwick's tax letter.

Then we come to the question of fiscal transfers to the provinces. Not long after this Government came to power, it said a cap would be put on the growth of fiscal transfers to the Government. The Government did not like calling this a cut. It said it was limiting growth. That was the statement in Canada. However, in February, 1986, in a special glossy publication called *The Canadian Budget in Perspective*, which was distributed to our embassies overseas, the Government stated:

> The rate of increase of federal transfers to provincial Governments for health care and post-secondary education has been reduced.

This information was not in the 1986 Budget Speech, but the provinces are certainly aware of it and are feeling the effects now.

The Government has certainly made some absolutely enormous tax grabs. The question is, can the taxpayers be assured that the Government is practising sound financial management? Unfortunately, we cannot assure them of that. The amount required to finance the national debt has risen steadily since this Government came to power. In this, our sixth year of recovery after the recession, we are not likely to see the rapid growth that we experienced in pre-recession years. That is why the Government must be particularly responsible when managing its expenditures and managing the national debt.

• (1030)

In the past, Canada and other western democracies relied on increased economic growth to redress social disparities. We are not likely to see again the kind of very rapid growth that was experienced some years ago, but we still want to maintain our social programs and equality of opportunity in the workforce and in the educational system. Canadians should not have to come from wealthy families in order to obtain post-secondary education and equip themselves for satisfying careers. We also need to be aware of regional disparities, but all these services must be delivered effectively, efficiently and economically.

My Party and I have always regarded as an essential plank of Liberalism the goal of social betterment. Therefore, in consideration of future generations of Canadians and in consideration of having options to develop programs that make for real equality of opportunity, we must not compromise our future by anything less than prudent financial management.

Let us look at some of the frivolous expenses we have seen the Government approve. We have seen one plane following another when the Prime Minister (Mr. Mulroney) travels. We have seen a plane to carry video equipment. We have seen extraordinarily increased travel expenses.

Mr. Edwards: Nonsense.

Miss Nicholson: In these times—yes, the Conservative Member says, "nonsense". I absolutely agree with him. Indeed, it is nonsense to spend money frivolously when there are still Canadians who are living in poverty, there are still children who are living in poverty and who will not be able to achieve their full potential.

With those remarks, I would exhort the Government to make some real attempt to manage better, to spend money in the best interests of Canadians, to develop sound public policies, to limit the frivolous expenses and to stop this policy of tax more and spend more.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I am less than happy to have the chance to make some remarks today about this borrowing Bill. I know that the Minister of Finance (Mr. Wilson) is here, so I will say the good thing I have to say right off the top.

For many years, while the Liberals were in government, borrowing authority Bills would trickle in throughout the year. We would be asked to approve $5 billion here, $10 billion there and $6 billion there. This was done to try to give the impression that the Liberals were not borrowing very much. Estimates and Budgets were brought in at all times of the year in an attempt to destabilize the management of the country's finances.

At that time, we advocated that the Budget should be brought in at a particular time each year and that the borrowing requirements ought to be identified and the Estimates and tax expenditures provided all in one fell swoop. By and large, the Government is doing that. That is the good news, and I think we have made some progress in enabling parliamentarians to understand the nation's financial arrangements.

Today the Government is asking us to approve the borrowing of $25.3 billion. I do not think that we need to borrow $25.3 billion. I think it is unfortunate that so much of this is going to servicing a debt that keeps going up and up. While the deficit has stabilized somewhat, it is still too large.

I cannot for the life of me understand why the Minister of Finance does not rise later today, perhaps close to midday, to announce that he is concerned about the high interest rates that went up this week, as a matter of fact. They marginally increased again. There is a tremendous gap that exists between Canadian short-term interest rates and short-term interest rates in the United States.

If the Minister of Finance were to say that he was concerned about the deficit and the increasing debt and that one of the ways to deal with that quickly and efficiently would be to

reduce interest rates so that the cost of servicing the debt is reduced, that one decision could start reducing the debt of Canada by billions of dollars. I would hope that we would see some action on that front taken by the Minister of Finance shortly. That is to say nothing of the benefits that would accrue to many Canadians if there were to be another drop in the interest rates of 1 per cent or 2 per cent.

I was hoping that the Minister of Finance would use the opportunity today to explain what the $2.5-billion slush fund will be used for. In the Estimates, there is a very clear listing of $2.5 billion, with no indication of what government programs will be used for. Some of us call it a pre-election slush fund which gives the Government the ability to dish out a few million dollars here, a few million dollars there, for this project and that project, to try to enhance the Government's image. As the Gallup poll reminded us yesterday, that image still needs enhancing. At 28 per cent, the Government still has a long way to go.

Quite frankly, I am astounded by that figure, considering that the Government has 208 Members of Parliament going across the country selling their policies. They have unlimited government expenses to sell their policies, and still the people of Canada are able to see through all of this. They know that the Government does not represent the ordinary Canadian but represents instead a very select, small group of Canadians, a very influential, powerful, wealthy minority. That minority is represented well, but ordinary Canadian citizens must look to other Parties, and I suspect that they will probably look to the New Democratic Party the next time they go to the polls.

My hon. friend from Trinity started to outline the long list of silly expenditures of this Government. If we are interested in reducing government spending, we could reduce interest rates, the most obvious initiative. The second most obvious initiative would be to eliminate the slush fund. A third initiative would be to do away with the silly spending the Government has done. The Hon. Member for Trinity (Miss Nicholson) indicated that the Prime Minister (Mr. Mulroney) feels that he has to lug an extra plane along filled with movie and video equipment in order to catch the few good things he does across Canada, presumably for election purposes. There is a long list of other such expenditures.

Some of the most powerful people in Canada built the West Edmonton Mall, and they came to the Government and asked for $5 million. The Minister of Finance said: "Right on, here is $5 million," wrote out a cheque and gave it to them. They did not need $5 million to build the West Edmonton Mall. Again, this is one of the richest families in Canada, one of the most influential business families, and the Government wrote them out a cheque for $5 million. Quite frankly, time does not permit me to go through the long list of peculiar government expenditures.

I noticed with interest today that the unemployment rates in parts of Canada have increased. Let me talk about the constituency that I represent. Back in September of 1984 when the present Government was elected, the unemployment rate in Kamloops—Shuswap was 16.3 per cent. This morning, the unemployment rate is at 20.9 per cent. In other words—

Mr. Wilson (Etobicoke Centre): An effective Member of Parliament.

Mr. Riis: That is indicative as well of constituencies surrounding Kamloops—Shuswap including the Kootenays area and the northern part of British Columbia. I could list constituencies right across the country.

We appreciate that prosperity has returned to pockets in Ontario. However, that prosperity does not exist in other parts of Canada. In fact, since the Progressive Conservative Government took office, the unemployment statistics indicate that in Kamloops—Shuswap, there has been an increase in unemployment of over 4 per cent. In other words, when the question is put to people in the regions: Is your life better today than it was in September of 1984? The answer is clear: Absolutely not.

• (1040)

Mr. Turner (Ottawa—Carleton): Absolutely yes.

Mr. Riis: If you ask that question in a select few centres in Ontario, the answer is yes. Not all of Ontario. With the big closure of Massey, thousands of people are going to be out of work. Thousands of other people who depend upon that industry will be out of work. Look at northern Ontario, northern Quebec, Atlantic Canada, the North, the West, including British Columbia. As you well know, the situation for most Canadians living in the regions is not better than it was back in September of 1984. That is the proof of the pudding. That is why I am puzzled that the Minister of Finance did not stand in his place today and say: We recognize this reality. We recognize that the economic prosperity we find in parts of Ontario does not exist in the regions. We, as a compassionate, concerned, caring Government, are going to take steps to overcome that. Yet, no, the Minister was mute on this issue.

When you add up the regional development expenditures of the Government you see there have been cuts in the percentage of money going to the regions. When you look at the funding of the western diversification fund you find there has been a reduction in relative terms in funds set aside for regional economic expansion in western Canada.

This is a very serious issue and there are so many initiatives the Government could take to assist the regions. I just want to go through two or three to help the Minister of Finance if he is looking for initiatives the Government can take to assist people in the regions. Let me suggest a few that would apply to one part of British Columbia.

There is a major dependency on the forest resource in that province. The resource needs to be improved. It needs to be nurtured, supported, developed, husbanded. The forest requires

thinning programs, spacing programs, fertilizing programs, disease and pest control programs, road building, research and development. Provincial foresters say there are thousands and thousands of jobs that need to be done to husband that resource; not could be done, but must be done if we are going to maintain the industry as we know it today, let alone expand it.

What about agriculture? When you look at the farms across the country you recognize that we are rapidly approaching what for many farmers can only be described as a debt crisis. The cost of growing food overshadows the revenue. Our farmers are in a very serious situation these days. What is the Government doing about it? Is it providing long-term low interest loans to farmers? No. Do the interest rates of the Farm Credit Corporation make sense for the farm community? No. It is time that the Minister of Finance and his colleagues recognized that for the farm sector to survive, and it is quite capable of doing so given its human and natural resources, it has to have money at acceptable interest rates. That means around the 6 per cent level. That can be done. Other countries do it. Yet the Government of Canada refuses to take this step.

What about all of the other programs that could be put in place? For example, a decent child care program. We learned just the other day that over 60 per cent of the women of this country are in the workforce, yet decent child care facilities are just not in place. It disappoints me to have to say that my province is one of the worst offenders. There are tens of thousands of young children in inappropriate child care facilities because there are no alternatives. Their parents have to work to maintain the family. Yet there are very few adequate child care facilities in that province.

Why does the federal Government not take some steps to provide some leadership in child care so those hundreds of thousands of young children in inadequate child care facilities every day are properly cared for? One spin-off would be job creation. Another would be the peace of mind for the parents. Here is an initiative which must be taken in a progressive country in the 1980s.

I wanted the Minister of Finance to indicate today that he had rethought his tax reform program. I think most Canadian families now know that since the Conservative Government took office in September of 1984, the average family, regardless of tax reform, will be paying at least $1,000 more in federal taxes. That means $1,000 out of the pockets and purses of every Canadian family. That money is just taken to Ottawa. It does not circulate in the Chicoutimis and Red Deers and Thunder Bays. The money should be distributed to where it can be used most appropriately and effectively and that is in the hands of Canadians. Stop gouging. Stop prying every cent out of families.

If you ask the question: How are these expenditures going to be made up? I will tell you how. Why, if we have a progressive country, would we permit a situation where, in spite of tax reform, 60,000 profitable corporations will still be in a position to pay not a single penny in income tax? The Americans do not tolerate that. The U.S. looked around and saw that in 1986 there were hundreds of thousands of firms not paying one penny in income tax in spite of their profits. Those profits might be $100 million or $200 million or $300 million, yet they are still not paying a penny in federal taxes. Congress said that was not right, that was unfair, unjust and discriminatory. When those profitable corporations pay nothing, the average working person has to pay more than he or she should be paying.

Our Government does not take that attitude. I could not believe the Minister of Finance when he walked in a little while back and said we are going to introduce tax reform, and then opened up his book to explain what it was all about. He said we are still going to allow 60,000 profitable corporations to escape paying taxes. These are not your beauty salons or welding shops on the corner. They include Power Corporation, Argus Corporation, Cadillac-Fairview, the Royal Bank of Canada, Shell Oil, General Motors. In some years they do not pay a single penny in income tax. Can you imagine a tax system in the 1980s that allows a teller working for the Royal Bank or the Bank of Montreal to pay more income tax in some years than the entire Royal Bank or Bank of Montreal? Yet that is what our tax system permits and will continue to permit.

Mr. Crosby: How come the shares are dropping?

Mr. Riis: I hear some bleating down in the corner about shares. Presumably the Hon. Member is justifying this system. The U.S. does not tolerate this for a minute.

Mr. Crosby: Tell us why the shares are dropping?

Mr. Riis: Why should we tolerate it for a minute?

• (1050)

When the Minister of Finance (Mr. Wilson) comes before Parliament, as he has done today, and asks for the authority to borrow $25.3 billion, I think it is only right for us to ask why we do not have an effective and fair tax system which collects billions of dollars more each year. Why do we not reduce interest rates so that the cost of servicing the debt would be significantly less, thereby saving billions of dollars? Why not stop some of the frivolous government spending which takes place, thereby saving hundreds of millions of dollars each year? Why do we have billion dollar slush funds for pre-election purposes?

These are questions that Canadians are asking. These are questions which ought to be answered if the Minister of Finance believes that what he is doing is appropriate, right, fair, and honest.

Since the Minister refuses to answer these questions I can only assume that the Government is trying to play a smoke and

mirrors game, trying to pull the wool over the eyes of Canadians. However, I do not think the Government can do it. I think Canadians realize that our tax system is unjust, unfair, discriminatory and biased, that it favours large corporations over small businesses and upper-income influential Canadians over the ordinary Canadian working man and woman.

These are the realities. I think that the Minister of Finance or other members of the Cabinet should stand today in this debate to explain to the people of Canada why the Government continues to keep this unjust system in place at the same time as he asks permission to borrow more than $25 billion.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, it is with a certain sense of regret that I participate in this debate. Canadians are indicating to the Government in a variety of ways, particularly through polls, that they are very preoccupied with the state of the environment. Yet the Government is not paying attention to that public preoccupation and has come forward in its budgetary provisions for this fiscal year with a budget for Environment Canada which increases the monetary allocation to that Department by 3.6 per cent. To put that in context, the over-all increase in government spending this year is 8 per cent. Inflation is 4.5 per cent. Therefore, in its 1988-89 budget, Environment Canada loses twice, first in relation to the over-all increase of the Government and, second, with an increase which is below the rate of inflation.

Once again, since 1984 the Department of the Environment is not able, with the money it is receiving from the Minister of Finance and Treasury Board, to keep up with inflation, let alone make any further expansions or launching the programs which need to be launched in light of the environmental situation which is emerging, particularly in water and air, which demands a strong federal presence and strong initiative through federal programs.

While Environment Canada is receiving only a 3.6 per cent increase to its budget this year, other Departments of the Government are doing extremely well. For example, the Department of Energy, Mines and Resources has increased its budget by 30 per cent, the Department of Agriculture by 24 per cent, the Department of Transport by 7.5 per cent, National Defence by 8.3 per cent, the Department of Communications by 11 per cent, the Department of Indian Affairs and Northern Development by 11.5 per cent, the Department of Finance by 13.5 per cent, and the Department of Fisheries and Oceans by 23 per cent.

If you compare the budget of Environment Canada in 1984 with the budget of Environment Canada today you will find that in relation to inflation it is weaker by no less than 17 per cent. Environment Canada has lost 17 per cent of its purchasing power between 1984 and 1988. As a result of this weakening of purchasing power, 336 positions have been lost over these four years. Scientists, technicians, and support people had to be dismissed over the course of these years as a result of this weakening of the Department's role.

While this is going on, the Minister of the Environment (Mr. McMillan) has come forward in the House and elsewhere and made strong statements about the Government's commitment to the environment. I regret to say that that strong commitment is, unfortunately, not backed up by facts. When you look at the figures and the budgetary performance, you discover with dismay that those words are hollow.

Two days ago there was in the *Toronto Star* a letter by the Minister of the Environment rushing to his own defence after two non-governmental groups pointed out that Environment Canada was getting a percentage increase well below the average increase of all other Departments. The Minister wrote a lengthy letter in defence of his actions. He states, first, that the increase for Environment Canada is 3.6 per cent. That is accurate and it is one of the reasons that I am pointing out to the Government that the Department, with inflation ranging between 4 and 4.5 per cent, is losing ground in terms of its purchasing power.

Second, in order to enhance the impact of his letter, the Minister of the Environment went on to say that there is $150 million in the Department of Regional Industrial Expansion in an attempt to create the impression that that money is available to that Department to enhance environmental programs.

Shall we call it eleven o'clock, Mr. Speaker?

The Acting Speaker (Mr. Paproski): It being eleven o'clock, pursuant to Standing Order 19(4) the House will now proceed to Statements by Members pursuant to Standing Order 21.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

WILDLIFE

WOLVES—B.C. SUPREME COURT RULING

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, there is celebration in British Columbia and across Canada. Wolves are not to be shot from aircraft by government biologists because, in the opinion of the British Columbia Supreme Court, doing so violates the Government's own hunting laws. It is a victory for wildlife and a defeat for the contention of the Government of British Columbia that wolves should be exterminated to ensure sufficient numbers of elk, caribou, moose and stone sheep for commercial hunting.

• (1100)

Since 1982 the Government has killed about 1,000 wolves in an attempt to increase the numbers of those trophy animals that attract hunters from around the world.

This ruling is a victory in recognition that wildlife should no longer be the objective of reckless exploitation. The message is that wildlife has a greater value than the economic value we

assign and that each species plays an important role in the balance of nature.

Those who want to kill elk, caribou, moose and stone sheep for entertainment and relaxation, or for the sake of a stuffed trophy on their walls, are invited to find another hobby. They could trade their high powered rifles for a pair of cross country skis.

* * *

HARBOURS AND PORTS

SIXTIETH ANNIVERSARY OF PIER 21—HALIFAX

Mr. Howard Crosby (Halifax West): Mr. Speaker, every port city has its special memories and the Port of Halifax is no exception. This week and throughout 1988 attention will be focused on Pier 21 and its 60 years of history as Canada's gateway.

From 1928 to the 1970s, Pier 21 was the portal through which 1.25 million persons immigrated to become new Canadians. Equally important was the return to Canada of 400,000 soldiers from the strife of World War II, and some were later to be joined by their war brides.

These families are today represented in virtually every Canadian community, including Parliament. But Halifax Harbour and Pier 21 provided their first view of Canada.

Our ocean ports are no longer the entrance way to Canada for those seeking a new life and new opportunities, but we should recognize the role played by our immigration facilities and the officials and volunteers who served in them as these events pass into Canadian history.

* * *

INTERNATIONAL WOMEN'S WEEK

CONTRIBUTION OF ABORIGINAL WOMEN

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, in celebrating International Women's Week, I take great pride in honouring the efforts of Canadian aboriginal women who are working for justice and equality. Unfortunately, while women in general have all too often suffered discrimination, aboriginal women have been hit even harder. These are women who are part of Canada's first nations, who have helped maintain cultural traditions and deserve our recognition.

First, let us honour those who worked tirelessly for legislation, which was eventually brought in in 1985, which brings the Indian Act in line with the Charter of Rights and Freedoms, and restores official recognition and federal services to thousands of native women and their children who lost their status by marrying non-status Indians.

We honour the women of the Tobique Band of New Brunswick, who marched in Ottawa in the late 1970s; Sandra Lovelace, who went to the United Nations on behalf of native women who had lost their status through marriage; Mary Two-Axe Early, who has been largely credited with the resulting change to the Indian Act in 1985; from the Yukon, Margaret Joe, the first aboriginal woman cabinet minister in Canada.

We honour also Mary Simon, president of the Ottawa based Inuit Circumpolar Conference; Maria Campbell, Métis author of *Half Breed*; Rosemarie Kuptana, president of the Inuit Broadcasting Corporation; Roberta Jamieson, a Mohawk lawyer and Indian Commissioner of Ontario; and Rhoda Innukshuk, president of the Inuit Tapirisat of Canada. We applaud the fine work of these women.

Mr. Speaker: I regret that the Hon. Member's time has expired.

* * *

HUMAN RIGHTS

CANADIAN ABHORRENCE OF VIOLATIONS

Mr. W. R. Bud Jardine (Northumberland—Miramichi): Mr. Speaker, Canada has shown consistency, has now demonstrated consistency by speaking out against human rights violations wherever they occur in whatever hemisphere, throughout the world.

Honest dialogue among friends and nations is seldom easy. Honest dialogue between friends can indeed be most difficult. While peace and security of all people, especially the people of Israel, is uppermost in the minds of Canadians, so, too, is our abhorrence of human rights violations by whomever, wherever.

I believe the Canadian position is now very clear. Canada cannot be loyal to friends in all things, if they cannot be true in all things to themselves.

To speak in this day and age of occupation—occupied land and occupied people—is a contradiction to the fundamental rights and freedoms which all people should be able to enjoy.

We would hope that we will now see some positive change to the attitudes and events of recent months in Palestine which have caused such dismay and anguish with all friends of Israel.

* * *

[*Translation*]

VIA RAIL

REQUEST TO LOWER FARES TO YOUTH

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, a number of young people have been complaining that VIA Rail

is acting just like the Tory Government. Indeed, like the Government, this corporation is laughing at them. With or without the complicity of the Minister of Transport (Mr. Crosbie), it wanted to show its magnanimity towards young Canadians.

For some time, VIA Rail has been offering to young people, a 30 per cent discount on all normal rates on every day of the week. Is it an excessive reduction? No, Mr. Speaker, because such discount does not apply on Fridays and Sundays from noon to 6 p.m.! Now considering their status as student, it is precisely the two periods of the week when students can really travel by train. One could argue that such restriction ends at 6 p.m. and that students can travel by train later. But no, VIA Rail has anticipated such a move. There is no departure after 6 p.m. for the main places of destination where students are bound.

This is entirely unacceptable. Either VIA Rail shows that it really wants to help young people and offers an unrestricted discount or it continues to look ridiculous.

Who within the Tory Government will assume his responsibilities and solve that problem for young people? Since I have no confidence in the Minister of State (Youth) (Mr. Charest), I am directing my comment to the Minister of Transport.

* * *

[*English*]

HEALTH CARE SERVICES

CONSTRUCTION OF GERIATRIC FACILITY

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, the Minister of Veterans Affairs (Mr. Hees) announced this week that the federal and Ontario Governments will negotiate the transfer of the Rideau Veterans Home in Ottawa to the Perley Hospital and will open up 50 new chronic care-beds in a new jointly funded state of the art 450-bed geriatric facility to be built on the present National Defence Medical Centre Rideau Veterans Home site.

At present, 142 veterans are cared for at the Rideau Veterans Home and 50 veterans are in the care of the National Defence Medical Centre. In the new geriatric complex, 250 beds will become available for veterans. These additional beds will be a blessing for veterans who are waiting to get into the Rideau Veterans Home.

Furthermore, combining the Rideau Veterans Home and the National Defence Medical Centre would provide improved care for all veterans.

I am pleased that the federal Government will be working with the Ontario Government to bring about more and enhanced chronic care for both veterans and patients in a new geriatric facility. This is the work of a caring Government.

[*Translation*]

INTERNATIONAL WOMEN'S DAY

GOVERNMENT'S ACHIEVEMENT

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, Canadian women across the country celebrated last March 8 International Women's Day by staging numerous activities throughout the week. They celebrated victories won in the last decades and reviewed the work that remains to be done. We all know, Mr. Speaker, that the present Government did not keep the electoral promises it made to women. Its attitude on issues regarding the status of women was obvious this week.

[*English*]

On Tuesday, International Women's Day, the Prime Minister (Mr. Mulroney) was invited to take part in a panel discussion on the trade deal. He was unable to attend. Not one Conservative Member of Parliament could be found to address the concerns of the women of Ontario.

On Wednesday, a forum on women in federal politics was co-sponsored by the International Women's Week Committee, the National Action Committee on the Status of Women, and Canadian Women for Political Responsibility. Once more, the Conservatives could not find one Member to attend.

These absences call into question the Conservative Government's commitment to women despite the admirable promises we have heard in the House this week.

* * *

EMPLOYMENT

JOB CREATION—GOVERNMENT'S PERFORMANCE

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, the Progressive Conservative Party campaigned in the summer of 1984 on jobs, jobs, jobs.

In keeping with that theme, I am pleased to note the creation of a further 57,000 jobs in February of which 42,000 went to women. Some 515,000 jobs have been created in the past 12 months and the cumulative totals since this Government took office is 1.213 million. Furthermore, over 85 per cent of those jobs are full time, and over 50 per cent of them have gone to women.

Today there are 1.213 million more Canadians working than just three and one-half years ago. The unemployment rate, at 7.8 per cent, is at its lowest since August, 1981. In every province in this country the unemployment rate is lower than it was in September, 1984.

I congratulate the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) for their responsible approach to deficit reduction which has created an environment in which the initiative, entrepreneurship and energy of

Canadians has been able to manifest itself in this outstanding record of job creation.

* * *

[*Translation*]

IN MEMORY OF CHARLES BRUNEAU

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, Quebecers mourn the loss of the most charming little boy, who was a ray of hope, who fought for his life, who built up courage and was confident in the future. That little boy was Charles Bruneau who appeared in advertisements for LEUCAN. He suffered from leukemia, and right to the end, to the last minute, he was courageous and full of hope.

I would like to extend my condolences to the family of young Charles Bruneau, Mr. Speaker, and I hope Members and Ministers will remember him when they study the Government's Estimates. When the time will come to allocate billions of dollars for arms or submarines, thought should be given to acquire one less submarine and use the money for research, for saving lives. I hope the memory of this young man remains with us a long time.

* * *

• (1110)

[*English*]

STATUS OF WOMEN

REPRESENTATION OF WOMEN IN THE SCIENCES

Mr. Jim Edwards (Edmonton South): Mr. Speaker, Women in Scholarship, Engineering, Science and Technology, WISEST, is a committee made up of scientists, engineers, scholars, educators and students from the University of Alberta, the Alberta Government and the private sector. Its mandate is to increase the representation of women in all fields of scholarship, particularly in the areas of the sciences, engineering and technology, where women are very much under-represented in decision-making roles.

One initiative which WISEST has developed to increase the number of women in these fields is a program for Grade 11 high school students who spend six weeks during the summer working in established research groups at the University of Alberta. Between 15 and 25 students are accepted each summer. The program also includes small numbers of male students working in home economics and nursing. WISEST believes this program is unique in Canada. With Alberta's unemployment down 31 per cent since September 1984, such programs may be especially helpful in meeting specialized labour demands in the coming years.

[*Translation*]

WAR MEASURES ACT

DIARY OF FORMER MINISTER

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, in October, 1970 the Pierre Trudeau Government was proclaiming a state of emergency and imposing war measures. Hundreds of people were arrested during the night, jailed and released without being charged with anything. Cities like Montreal and Ottawa were under siege. All freedoms were abolished. Today, notes taken by a former Minister, Mr. Donald Jamieson, show that there was no evidence of an insurrection.

[*English*]

The then Minister of Justice, now the Leader of the Official Opposition (Mr. Turner), said that someday the Canadian people should know the facts about the imposition of the War Measures Act. Now is the time for the Leader of the Liberal Party, and for other Members of that Cabinet, to come clean with the Canadian people and tell them why the War Measures Act was imposed without ample justification?

* * *

[*Translation*]

UNEMPLOYMENT

CONTINUOUS DIMINUTION OF UNEMPLOYMENT RATE

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, jobs, jobs, jobs! Today is a great day for Canadians because they will see and hear through the media that the Conservative Government is keeping its 1984 election promise to create jobs. Since we have come to power, 1,200,000 jobs have been created. Since 1984, unemployment among men, women and young people has been reduced by 33 1/3 per cent. Unemployment is at its lowest level in several years: 7.8 per cent in Canada. Listen, Members of the Opposition: 7.8 per cent in Canada, 33 1/3 per cent less than in 1984! It will be a day filled with pride and satisfaction for Canadians knowing that the Conservative Government works for them and keeps its promises.

Mr. Speaker, jobs, jobs, jobs!

* * *

[*English*]

TAXATION

EFFECT OF SALES TAX ON LONG DISTANCE TELEPHONE CALLS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, last June the Government announced a 10 per cent tax on long distance telephone calls. That tax discriminates against rural

residents. If one lives in the country or a small town, one's business, school, and personal contacts are likely to be in another telephone exchange. This means that the taxes become an extra burden for businesses and citizens in rural areas, an extra burden carried not because of the use of the facility but because of where they live or carry on their business or, even in some cases, where they send their children to school.

It is time the Government corrected its mistake which discriminates against rural Canada.

* * *

ABORTION

PROTECTION FOR THE UNBORN CHILDREN

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, once again I rise to encourage the Government to show strong national leadership on a very sensitive and important social issue affecting families today, the issue of abortion. During the hearings held last year, the Committee on child care, of which I was a Member, was told of the need for support of the Canadian family.

I would hope that our society has, or will have, sufficient support mechanisms in place so that if a woman has a so-called "unwanted" pregnancy, counselling, support and constructive help for her and her unborn child will be easily accessible. She must realize that there is an alternative to abortion.

I have received approximately 1,800 letters from my constituents to date who feel that Parliament must recognize the unborn child and his or her right to life from the moment of conception. I would strongly urge that any legislation or proposed motion on this matter should be framed from the basis of the value of life. For the sake of the Canadian family, present and future, we must act strongly and with conviction.

* * *

CAPE BRETON DEVELOPMENT CORPORATION

PRE-RETIREMENT LEAVE PLAN—DEDUCTION OF UNEMPLOYMENT INSURANCE PREMIUMS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the Pre-retirement Leave Plan of the Cape Breton Development Corporation was designed purposely to have the workers affected to continue to be employed under a contract of service to Devco in order that they be eligible to continue to earn entitlement to various benefits, including the Canada Pension Plan. With very few exceptions, income from employment for purposes of one of the Acts I have mentioned is income from employment for the purposes of the other.

Since the Pre-Retirement Leave plan of 1971, many miners have now gone for a compassionate disability pension and programs under the Labour Adjustment Program. Under these programs, individuals were not being requested to pay unemployment insurance premiums. Hence, individuals who participated in the Devco pre-retirement leave plan of 1971 must pay unemployment insurance premiums. This is financial discrimination since these persons will never obtain employment with this federally owned Crown corporation.

I call upon the Minister of National Revenue (Mr. MacKay) as well as the Minister of Employment and Immigration (Mr. Bouchard) to change this absurd and unfair deduction. Both Ministers realize that if these deductions are cancelled, both the miners and senior management of Cape Breton Development Corporation would have substantial savings. I urge the Government of Canada to show some compassion for these needy persons.

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EMPLOYMENT

JOB CREATION—GOVERNMENT'S PERFORMANCE

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, in 1984 the people of Canada did themselves a favour by voting for jobs and a Progressive Conservative Government. We have delivered the jobs, 1,213,000 of them since the election; jobs for women, jobs for youth and jobs in the regions. There are so many jobs it is almost an embarrassment. Statistics Canada computers are running red hot just trying to count them all.

The number of jobs is equalled only by the stony silence of the Liberals and New Democratic Party on our jobs policy. They know that in a thousand years, they could never match our record.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

HUMAN RIGHTS—MINISTER'S SPEECH—GOVERNMENT'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I was hoping to put a question to the Prime Minister or the Deputy Prime Minister as to whether the Secretary of State for External Affairs was speaking yesterday on behalf of the Government, and represented government policy, in two speeches he made. I will have to put the question to him both in his capacity, I gather, as Acting Prime Minister and as Secretary of State for External Affairs.

I say to him and to the House that all Canadians abhor human rights abuse. All Canadians denounce violence. However, there is also a particular responsibility for national leaders of this country to help heal wounds and provide

constructive and thoughtful solutions to difficult problems in fragile parts of the world.

It is particularly important, given our country's well-earned record as a peacemaker, that the Secretary of State for External Affairs not pour oil on flames. In two speeches yesterday, in the House as it related to Sikh organizations in Canada, and then before the Canadian-Israeli Committee, the Minister did pour oil on flames with respect to two very sensitive issues.

I want to ask whether the Prime Minister of this country approves in its entirety the speech of the right hon. gentleman, the Secretary of State for External Affairs, made yesterday to the Canada-Israel Committee. And does the Prime Minister believe that speech constitutes a constructive process and solution to the achievement of peace in the Middle East, to the termination of violence in the Middle East—

Some Hon. Members: Question!

Mr. Turner (Vancouver Quadra): —and to the finding of a homeland for the Palestinian people?

Right Hon. Joe Clark (Secretary of State for External Affairs): The answer to those questions is, of course.

Mr. Turner (Vancouver Quadra): I gather "of course, yes" is the answer.

Some Hon. Members: Oh, oh!

• (1120)

SIKH ORGANIZATIONS IN CANADA—PRIME MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my supplementary question is to the Secretary of State. Last summer, the Prime Minister praised a Sikh organization for "helping to unite not only the people of your community but the people of Canada as well". Those were the words of the Prime Minister.

Yesterday in the House the Secretary of State for External Affairs said that Members of that very same organization that the Prime Minister praised, "are part of the most serious internal security threat that Canada faces today". Those were the words used by the Secretary of State for External Affairs.

I ask the Secretary of State for External Affairs, does the Prime Minister approve in its entirety the speech which he delivered to Members in this House yesterday? Does the Prime Minister think it fair of the Secretary of State for External Affairs to tarnish the reputation of all Canadians of the Sikh faith?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, in answer to the first question of the Right Hon. Leader of the Opposition, of course, yes.

With regard to the second question with respect to a letter by the Prime Minister, the Prime Minister was responding to a request, and I will quote it into the record, "that the Prime Minister give a message to all the Sikhs of Canada which we would like to publish in an historic document" that was being published by that organization.

In this instance, the Prime Minister's message was correctly quoted by the Right Hon. Leader of the Opposition. His message to all the Sikhs of Canada, in response to the invitation was, "You are all in Canadian society, you are helping to unite not only the people of your community but the people of Canada as well".

With regard to the question of tarring all groups, my speech makes it very clear that we are not doing that at all. We are dealing with a very serious problem to public order in Canada, and to the right of Canadians of Sikh origin and of other origins to pursue their lives in peace and freedom.

Finally, Mr. Speaker, I take seriously what the Right Hon. Leader of the Opposition states about not pouring oil on flames. That is a responsibility of all Members on both sides of the House of Commons.

Some Hon. Members: Hear, hear!

REQUEST OF SIKH ORGANIZATIONS FOR AN APOLOGY

Right Hon. John N. Turner (Leader of the Opposition): Unfortunately, members of Sikh organizations across the country are demanding an apology from the Minister for his earlier statement, and for the speech that he made yesterday in the House.

[*Translation*]

INQUIRY REGARDING PRIME MINISTER'S SUPPORT OF RECENT SPEECHES OF THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, with due respect, in his two speeches yesterday, the Secretary of State for External Affairs took a firm but not very constructive position. He failed in his duty to propose constructive solutions for delicate and difficult problems. I will ask my question again. Will the Prime Minister specifically endorse the two speeches the Minister made yesterday, one before the House about the Sikhs and one to the Canada-Israël Committee yesterday afternoon? Is the Prime Minister going to say where he stands?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there are no divisions on this side.

[*English*]

CANADA POST CORPORATION

SUPERMAILBOXES—EFFECT ON TAX ASSESSMENTS—GOVERNMENT POLICY

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. It has to do with his famous supermailboxes. The Minister knows that the Ontario Municipal Board ruled a 5 per cent reduction in property taxes for some individuals. The Ontario Ministry of Revenue has stated that it will abide by that decision. It also stated that an additional 20 home owners who appealed their 1987 property tax assessments before this year's deadline, and who had those community boxes in front of or beside their homes, will qualify for this 5 per cent reduction.

I would like to ask the Minister who is responsible for protecting and promoting consumers' interests, if he will now inform the House as to what he is going to do about this nuisance caused by those so-called supermailboxes?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, prior to undertaking this program and fulfilling the policy which was laid down as long ago as 1974, the Post Office undertook test studies and had independent appraisers look at what effect those supermailboxes would have on the communities and on property values.

There was an independent appraisal done which stated that "Based on surveys undertaken in the three communities within York division, Streetsville, Oakville, and Markham, we find no evidence that the Canada Post superbox has any effect on value of neighbouring residential properties". That was stated by an independent appraiser.

Why the Ontario Municipal Board would reach the conclusion that it did, less than 48 hours after the supermailbox was in fact put into use, is something for the Government of Ontario to work out, and if it has reached its decision, it is entitled to do that.

COMPENSATION TO HOME OWNERS—MINISTER'S POSITION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my supplementary is to the same Minister. This Minister is abdicating his responsibilities for consumers in this country. He knows full well that an Ontario Municipal Board now supported by the Ministry of Revenue in the Government of Ontario has stated very clearly that his now famous superduper mailboxes are a nuisance.

The Minister has a choice. He can either scrap this particular program, which is just absolutely ridiculous for Canadians, or he can compensate those individuals, particularly the municipalities that will lose revenue as a result.

Is the Minister going to accept his responsibilities and act on behalf of consumers as opposed to the corporate interests continuously?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): The Ontario Municipal Board reached a decision about two home owners and one location. That is all. Why that was extrapolated to include everybody else is a question that the Government of Ontario will have to answer.

Mr. Dingwall: What a cop-out.

Mr. Andre: If it is the interest of consumers that is really of concern to Members of the Liberal Party, then they should be aware that fulfilling the policy commitments I guess they made—I am not sure, one is never sure from day to day—but if they are talking about having door-to-door delivery in every area now served by group mailboxes, they are talking about charging the consumer 60 cents to mail a letter. That is protecting consumers according to the Liberal Party, is it?

Mr. Gray (Windsor West): That's nonsense. The facts do not support that.

* * *

FREE TRADE

CONFERENCE BOARD ANALYSIS REPORT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Minister of Finance. The Minister of Finance will be aware that the Conference Board of Canada which recently analyzed the Canada-U.S. trade deal released a report yesterday. In the report it indicated very clearly that the lost revenues as a result of a reduction in tariffs will require one of two actions on the part of the Government. Either to have taxes increased substantially, or to have a significant increase in the deficit.

Will the Minister of Finance indicate to the House and to the people of Canada which one of those options the Government plans to pursue?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, neither. The Hon. Member should refer to the budget papers that I put out with the last Budget which indicate that a 1 per cent increase in the economic growth in Canada will lead to $1.1 billion worth of increased revenues in the first year, and increasing after that. If that is transposed into what we expect is a 2.0 to 2.5 per cent increase in economic growth, it can be seen that that will be greater than the amount of revenues that would be lost as a result of the tariff reduction.

Also, Mr. Speaker, I think that the Hon. Member ignores the fact that we have a very strong economy, and a growing economy. In his earlier comments he ignored the fact that there was a .3 per cent reduction in the unemployment rate in February to 7.8 per cent, which is the lowest level since 1981.

Some Hon. Members: Hear, hear!

Mr. Wilson: The increase in jobs created, as we now have over 1.2 million jobs created since September, 1984, together with other news of a 17 per cent increase in investment intentions, a very strong period of economic growth last year with the highest level of growth in the fourth quarter, indicate that we are going into 1988 in the strong period; all of those things together say that we have a very strong economy, an economy that is responding well to the economic policies of the Government of Canada. Possibly the Hon. Member should stray from his normal characteristic of walking around with a cloud over his head.

EFFECT OF POTENTIAL LOSS IN REVENUES

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, the Minister refers to the budget papers. The budget papers point out very clearly one initiative that the Government took was to increase gasoline taxes which will offset the loss in revenues of the first two years of the tariff phase-out.

My question to the Minister of Finance is the following. In the study done by the Conference Board of Canada it indicates that, "Our analysis shows that this reduction in tariffs is not off-set by federal revenue gains from a faster growing economy".

• (1130)

If the Conference Board of Canada, as a result of its very thorough analysis of the trade deal, comes up with that type of observation, just what is the benefit to the people of Canada as a result of the trade deal?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Conference Board has been wrong in the past once or twice.

Mr. Turner (Vancouver Quadra): You only refer to them when you think they are right.

Mr. Wilson (Etobicoke Centre): The Right Hon. Leader of the Opposition says that I only refer to them when I think they are right. I refer to them when they are wrong, as I am doing right now.

If the Hon. Member is asking for the reasons that we are entering into the trade agreement, perhaps I could have about half an hour, Mr. Speaker, to answer the question.

However, let me just give him a few examples. His Leader has said that we should be expanding trade with other countries. We expect, as a result of the trade agreement with the United States, that our productivity will be better. The Conference Board says that, we say that, and all economic studies say that. That will improve our competitiveness, not just with the United States but with other countries. We will be improving our trade capabilities in relation to Third World countries as well. That will create jobs in British Columbia, Ontario, and Nova Scotia—right across the country.

Mr. Riis: Mr. Speaker, I remind the Minister of Finance that in a number of areas of British Columbia the unemployment rates have increased from September, 1984 by four or five percentage points. Since the Government took office, the situation is incredibly worse in a number of areas of British Columbia.

NATIONAL SALES TAX—GOVERNMENT'S POLICY

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my third question is for the Minister of Finance. The Conference Board of Canada points out that there are two alternatives as a result of the reduced revenues coming in from the tariff phase-out, that is, either an increase in taxes or an increase in the deficit.

Since the Minister of Finance has indicated that the Government plans to introduce phase two of tax reform, which of course will be the imposition of a national sales tax, is the reason for doing this that it is the Government's way of offsetting the losses which accrue to the Government of Canada as a result of the tariff phase-out?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me just comment on one element of the preamble to the question.

Since September, 1984 the unemployment rate in British Columbia has gone down from 15.2 per cent to 10.7 per cent, which is a drop of 4.5 per cent. It is higher than the national average, but that represents 138,000 jobs created and a drop in unemployment of 54,000 people. The economic policies of the Government of Canada are working in British Columbia as well as in other parts of Canada.

The Hon. Member is specifically asking how we will finance the drop in tariffs. I have indicated that because of the growth in the economy over and above what would be expected from the growth that is there now, which I indicated is very strong, additional revenues will be generated that are far more than what is necessary to cover the loss in tariff revenue.

What the Hon. Member is saying, that we have to use stage two tax reform to do this, demonstrates that he is out to lunch. He does not understand what he is talking about when he draws those conclusions.

* * *

THE ECONOMY

CONFERENCE BOARD REPORT—GOVERNMENT'S POLICY

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Conference Board study is not the only one which has suggested that the Minister's projections are rosy and that economic growth in coming years will not be large enough to do all the things the Minister is anticipating. For instance, the Minister talks about increased employment, yet we know that we need 3

per cent growth just to stand still in terms of employment creation.

Miss MacDonald: That is what we have been having.

Miss Nicholson (Trinity): Somebody says that that is what we have, but the Minister is saying that it is about to increase and that we will have a tremendous increase in employment.

Since the Conference Board study is not the only one which points out that there will be limits to growth, how in fact does the Minister intend to extract this $2.9 billion from Canadians whom he has already taxed almost beyond endurance?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is attacking my projections. I will go back to November, 1984 and compare my projections with those of other Members of the House of Commons. I remind her that her Leader said in November, 1984 and in May, 1985 that the policies of this Government would cost us 50,000 or 100,000 jobs. I believe that was the figure he used at that time. Since then we have created 1,213,000 jobs, so our projections on this side of the House speak for themselves.

We have a strong economy. I have said that this year the economy will increase by 2.8 per cent. Some of the economists are coming out today and saying, as a result of the unemployment rate drop announced this morning, plus the investment intention increase of 17 per cent for this year, plus the strength in the fourth quarter last year which no one had anticipated, that my figures are low. They are saying that there will be a 3 per cent increase in growth this year.

What we have indicated for the free trade agreement—the 2 per cent to 2.5 per cent increase in productivity and the 120,000 jobs—is on the low side again.

SOURCE OF ADDITIONAL REVENUE

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Government has very substantially increased manufacturing sales tax. It was supposed to be an interim measure, until the new consumption tax came in. Now we find that the consumption tax will not be introduced for at least three years.

Again I ask the Minister from where the additional revenue is coming, or will he increase the use of sleight of hand in his Budgets to disguise the real facts from Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, again I refer to the appendix to *The Fiscal Plan*, which demonstrates that with an increase in economic activity of 1 per cent there is a $1.1 billion increase in revenues in the first year, and that increases as time goes by. That in itself will more than offset the loss in tariff revenues.

However, as I have also indicated, we believe that the Department of Finance study on the expected results, the impact of the free trade agreement, is on the conservative side, because it does not measure certain intangible elements such as the response of business people to the greater degree of confidence in access to the United States market—

Mr. Speaker: The Hon. Minister may need more time. Perhaps he could use another occasion to do it.

* * *

REVENUE

COLLECTION OF CORPORATE TAXES

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Minister of National Revenue. I am sure he is aware that a Federal Court judge has ordered the people of Canada to pay back some $141 million in taxes plus interest to a single oil company.

We are concerned about a sum of nearly $1 billion owed to the people of Canada by some 80,000 corporations in unpaid taxes. We want to know what the Government is doing to collect these undisputed taxes which are owed to the people of Canada.

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, in respect of the recent decision by Judge Muldoon in the Irving Oil case, of course our judicial system provides for an appeal mechanism if it is appropriate. Our Department is studying the decision, and it has been referred to Justice for proper analysis.

As far as the other matter which the Hon. Member raises is concerned, he knows that my colleague, the Minister of Finance, has since 1984 in his economic statement made comprehensive efforts to remove some of the more inappropriate tax loopholes and programs.

Our Department is attempting in a comprehensive and fair way to assess and audit corporations which owe taxes and, in cases where appropriate, we will take action.

On the other hand, in areas where there are legitimate losses, the corporations are entitled to take them into account against income. We respect that as well.

• (1140)

TAXPAYERS—DIFFERENCE IN TREATMENT

Mr. Simon de Jong (Regina East): Mr. Speaker, my supplementary question is for the same Minister. The Minister is aware from the information provided to me in September last year that there is nearly $1 billion in unpaid taxes. These are not taxes in dispute but are owing to the Government. As well, the Minister's own figures show that there were some 20,000 corporations which avoided paying over $320 million in taxes for over two years.

Will the Minister explain to the people of Canada how it is possible that more than 20,000 corporations can end up avoiding paying the taxes which they owe while individual

taxpayers, if they are behind in paying their taxes, are hauled to court?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, my colleague as a knowledgeable individual knows that any taxpayer, including corporations that avoid paying taxes, are properly liable to be taken to court.

We acknowledge that there are accounts out there we have to collect and we are doing our best to collect them. We have many accounts being assessed. Interest is accruing on them. There is always room for improvement. Our department, I repeat, is doing the best we can and I think we are making some progress.

* * *

[*Translation*]

UNEMPLOYEMENT

CREATION OF NEW JOBS—MINISTER'S POSITION

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

All Canadians know that unemployment has reached its lowest level in many years. It is now at 7.8 per cent, one-third lower than it was in 1984. The Minister obviously agrees with the Government's employment policy.

My question is this: Does the Minister have a specific objective, a target percentage for the unemployment rate? Does he intend to introduce other policies? Could he perhaps inform the House what he intends to do in future to further reduce unemployment and create new jobs?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I think Canadians were delighted this morning to hear that the unemployment rate has reached its lowest level, 7.8 per cent, since 1981.

Mr. Speaker, perhaps the Hon. Member for Hamilton East will keep quiet if I tell her that unemployment among women has dropped 3.6 per cent, thanks to one of the most successful job creation programs in Western countries.

In fact, Canada has done better than West Germany, the United Kingdom, Italy and France. In three years, Canada has created more jobs than all industrialized countries in what we call the Western world. Again, I think we have been very successful. And I also believe that all Members, and even for a few seconds, Opposition Members, will have to admit that the Conservative Government's record has never even been touched by the Liberal Government.

REGIONAL INDUSTRIAL EXPANSION

SPACE AGENCY—GOVERNMENT'S POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, in the absence of the Minister of Regional Industrial Expansion and the Minister of State for Science and Technology, my question is directed to the Acting Prime Minister. Yesterday, the Minister of Regional Industrial Expansion answered one of my questions, saying that creating a space agency would depend on the Canadian Government's participation in the space station. On February 7, 1987, the Minister of State (Science and Technology) stated at a press conference that there was no connection between the plan to create a space agency and the space station. Could the Acting Prime Minister explain to the House the reason for this change of heart, this about-face? Would he agree that this new decision or new approach merely reflects the lack of political courage on this issue, to quote the president of the Montreal Chamber of Commerce, Mr. Garcia?

Right Hon. Joe Clark (Secretary of State for External Affairs): Not at all, Mr. Speaker. I think I can best answer the Hon. Member by quoting the Minister, who said:

> I would like to explain to the Hon. Member that agencies are not crated in a vacuum. They are created to accomplish certain tasks. In this particular case, the existence of a space agency will depend basically on whether the Government decides to proceed with a space station.

As soon as we in the Government have reached a decision on participating in the space station or the European Space Program or similar programs, an announcement about creating an agency will be made.

Mr. Malépart: Mr. Speaker, we must assume from the Government's answer that the Minister of State (Science and Technology) was not being forthright with reporters when he said that there was no connection. So the Governement has had a change of heart.

We know that the Space Agency will involve $824 million and that the space station represents a mere $26 million.

REQUEST FOR CLARIFICATION OF GOVERNMENT'S REVERSAL

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): In my supplementary to the Deputy Prime Minister, I would like to remind him that the Government of Quebec was given a raw deal by this Government on the shipyards issue, especially in connection with the frigates. I get the impression the same thing is happening with the space industry.

The Prime Minister of Canada came to Montreal to meet with the Mayor of Montreal and the Premier of Quebec, and the Minister of Regional Industrial Expansion had a meeting with the municipal authorities. Could the Deputy Prime Minister inform the House whether the Mayor of Montreal and the Premier of Quebec were told that the Space Agency would be created only if we were involved in the space station, or, as was reported by the media, did the Government give the

people of Montreal the impression they would get the space agency and is it now backtracking on the deal?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think the Hon. Member is just repeating the first question he put yesterday to my colleague, the responsible Minister. He was given a specific answer yesterday, and I can only repeat that answer today.

* * *

[*English*]

CANADA POST CORPORATION

DELIVERY SERVICES

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Yesterday, the Minister stated in the House, and I quote from *Hansard*:

> Mr. Speaker, no postal services have been cut.

Does the Minister mean to tell me, when the people from Ruskin, B.C., Ninga, Manitoba and Rainy River, Ontario, who have lost their services and have to travel many kilometers to get the kind of services they had, that no services have been cut?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, over-all the changes that are occurring in the postal service, Canada Post Corporation, are a result of changing demographics, of people moving into the cities from the country and of smaller communities losing their retail outlets and so on.

There are changes in the Post Office, but over-all it is easier now to find a place to buy stamps and obtain postal services at times most convenient to the purchaser. The delivery systems are being improved.

Mr. Penner: Do you believe that?

Mr. Andre: There are independent audits now. A lot of progress is yet to be made. The Post Office was in a terrible mess but the current management is making progress in that regard, although it is not helped by people spreading false stories.

RURAL POSTAL SERVICES

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, the people in Ruskin, B.C. have to go an extra 32 kilometers to get their services. The people in Rainy River have to go an extra 64 kilometers, and the people in Ninga, Manitoba, have to go an additional 35 kilometers for their service. Over 194 rural post offices have been closed.

Will the Minister restore to the people of rural Canada the postal services to which all Canadians have a right? Please tell this House what the rural services in Canada are all about.

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Hon. Member ought to come to some of the committee meetings at which representatives of the Post Office attend. She ought not to be listening to representatives of the union who are interested in protecting union positions—

Ms. Dewar: They are the facts.

Mr. Andre: —not in servicing the public. If the Member attended some of these meetings, she would find out that in many cases it simply makes no economic sense to carry on the traditional types of services, but replacements have ensured that people are able to get their mail in appropriate time.

Ms. Dewar: They can't buy stamps.

Mr. Andre: They buy the stamps the same place they buy their milk and bread and get their dry cleaning services and so on.

Ms. Dewar: No they can't.

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AEROSPACE INDUSTRY

ESTABLISHMENT OF SPACE AGENCY—GOVERNMENT'S POSITION

Mr. David Berger (Laurier): Mr. Speaker, I have another question for the Secretary of State for External Affairs or the Acting Prime Minister on the question of the space agency. In the Speech from the Throne in 1986 the Government announced it would establish a Canadian space agency to bring together activities which are now dispersed in a variety of agencies and departments. Just a month ago, the Minister of State for Science and Technology was talking about the need to establish a space agency.

Why is the Government through the Minister of Regional Industrial Expansion and the Secretary of State now saying that we do not need a space agency when just a month ago the Minister of State for Science and Technology said we did need one and one was mentioned in the Speech from the Throne?

• (1150)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member is—how do I put this—exaggerating. The situation, and it is quite—

Mr. Turner (Vancouver Quadra): He is only quoting the Speech from the Throne.

Mr. Clark (Yellowhead): If he were only quoting the Speech from the Throne, the Right Hon. Leader of the Opposition would not only be right, he would be popular.

The situation with the space agency is quite clear. We are taking a look at the question—

Ms. Copps: Bring back Maureen.

Mr. Clark (Yellowhead): Did you say, "Bring back Maureen"? I will report that.

Mr. Speaker: Perhaps the right hon. gentleman could answer the question.

Mr. Clark (Yellowhead): My apologies, Mr. Speaker. The Government of Canada is considering the participation with the Government of the United States and other countries in a space station. The Hon. Member, because he is very interested in this subject, will know that that is a matter that could, among other things, involve very expensive commitments by Canada and potentially by the United States.

We are assessing the question of our participation in that station, assessing it very carefully. Obviously our decision as to the nature and extent of our space program will have an impact upon the decision as to the necessity for a space agency in Canada.

REPORT OF STANDING COMMITTEE—GOVERNMENT'S POSITION

Mr. David Berger (Laurier): Mr. Speaker, the Acting Prime Minister probably should know that the space agency was to co-ordinate a number of activities such as a mobile satellite system, and the Minister of Communications could perhaps tell him a word or two about that, and a radar satellite. Is the Minister saying that we should forget about these activities as well?

Why is the Government ignoring the Standing Committee report entitled *Voyage to the Future* which reported that there was essentially unanimous support from witnesses who appeared before the committee for the creation of a space agency? Is it because the Government wants Canada to go back to the future?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I really do believe that I have answered that question.

A question has been raised as to the status and the necessity of a space agency. I have indicated to the Hon. Member as directly as I could at this stage of government discussions the matters we are considering regarding the participation in the United States space centre. That is a complicated matter, and I think the Hon. Member understands that.

With regard to the other elements of Canadian policy to which he made reference, we have made clear announcements of government policy in support of those kinds of ventures. The situation is precisely as I explained it a moment ago, and I would hope that the Hon. Member, with the interest he has shown in science policy, will not seek to create misunderstandings.

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CANADA POST CORPORATION

SUPERMAILBOXES—EFFECT ON PROPERTY VALUES

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Yesterday, in response to a question I asked him, he said that property values did not decline as a result of locating supermailboxes on properties. Yet that flies in the face of what the real estate industry is saying, what municipal Governments are saying, what the Ontario Government is saying and certainly what home owners who have those supermailboxes on their front lawns are saying.

Could the Minister tell us why he is the only one who is out of step and the only one who believes that property values do not decline by locating supermailboxes on home owners' properties?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, that was the statement made by the Ontario Municipal Board yesterday or the day before. It said that there was no evidence of property values being decreased as a result of supermailboxes. That was a statement made by this independent tribunal.

I quoted earlier today, in answer to a question put by the Member from Cape Breton, an appraisal by independent appraisers who did an appraisal of areas where supermailboxes were located and reached the conclusion there was no evidence whatsoever of any diminution in property values as a result of supermailboxes, which incidentally are not put on people's front lawns, contrary to what the Hon. Member said.

Faced with these independent sources making that statement, I do not see why it is so surprising to the Hon. Member that I should offer them in reply to him.

LOCATING OF A SUPERMAILBOX

Mr. Neil Young (Beaches): Mr. Speaker, if the Minister really believes that these supermailboxes are the greatest thing since sliced bread, why does the Minister not instruct Canada Post to stick one of these in front of his house and see what happens to his property values?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, in front of my house is a mailbox, an electric utility box and telephone poles. That comes from living in an urban environment. These objects must be put there to supply the services we require.

The fact that there are now supermailboxes along with electric utilities, fire hydrants and telephone poles does not

suddenly cause the value of property to diminish by 50 per cent as the Hon. Member seems to be implying.

* * *

[*Translation*]

LABOUR RELATIONS

LANGUAGE TEACHERS—REQUEST FOR EARLY RESOLUTION TO CONFLICT

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, my question is directed to the Minister of State (Treasury Board). Several language teachers in my riding are concerned about the quality of the courses they teach. I am told that Treasury Board wants to increase the number of hours they spend in the classroom. For the teachers this would be unacceptable. It would have a negative impact on their professional performance, since they would only have a few hours left for course preparation.

I would like to know how discussions with Treasury Board are proceeding, and whether the Government is prepared to resolve this dispute very shortly.

[*English*]

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I would like to point out to the Hon. Member that this is a legal strike situation. There was a settlement reached in September of last year which unfortunately was rejected by the membership. In January of this year there was a majority conciliation report issued which recommended that the settlement reached in September be adopted by the parties without change. We have informed the bargaining agent that we are prepared to sign an agreement on that basis, but there has not been any response from the union to this point.

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ENVIRONMENTAL AFFAIRS

TRANSBOUNDARY POLLUTION—COST OF DAMAGE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and is connected with the upcoming summit meeting in Washington between the Prime Minister and President Reagan.

In view of the fact that transboundary air pollution coming from the United States is causing continuous damage from millions of tonnes of SO2 coming across the border, damaging our forests and agriculture, our buildings and monuments, our water resources and the like, I would ask the Secretary of State whether he would be willing to direct government Departments and agencies to prepare a bill for the damage Canada is suffering yearly as a result of transboundary pollution.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member well knows that the question of dealing with that transboundary pollution has been a very high priority of this Government and that we are still involved in discussions with the United States about it. We are not optimistic about the nature of those discussions, but we are pursuing them very seriously. The Hon. Member is making a proposal that, to my knowledge, he did not make when he was the Minister responsible.

Mr. Caccia: Mr. Speaker, mainly because I did not raise the expectations of Canadians, as the Prime Minister of Canada did in 1985, 1986 and 1987, that this matter could be easily resolved on a bilateral basis just because of a special relationship he announced in Quebec City on the occasion of the first summit. There is an element of expectation that this Government has raised—

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

BILLING FOR DAMAGES OF TRANSBOUNDARY POLLUTION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, will the Secretary of State therefore take this matter up with the Prime Minister and prepare a bill for the damages we are suffering as the years go by?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member for Davenport has certainly never raised anyone's expectations. I take seriously recommendations made by Members of the House and for that reason, I will look at that proposal.

* * *

WESTERN GRAIN STABILIZATION

FUNDS TO ASSIST NON-PARTICIPATING PRODUCERS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Minister of Finance. The Minister wrote off $750 million of the Western Grain Stabilization deficit last December. That money came directly from the taxpayers and not through the contributory program. It is therefore highly unfair to those producers who did not participate in the program. They have been short-changed by about $164 million.

• (1200)

Will the Minister find the funds to alleviate this unfairness to this small group of grain producers?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member reflects on the motivation for doing this

he will see we are trying to remove a disincentive to those who are not part of the fund and encourage them to come in without having to worry about how the deficit will be funded. That is the reason we are taking this action. I hope the result will be that more farmers who are not taking advantage of the western grain stabilization fund will become part of that program.

Mr. Speaker: I regret to advise Hon. Members that because of the time we are proceeding to single questions.

* * *

INCOME TAX

FRAUDULENT USE OF T4 SLIPS—PROPOSED SAFEGUARDS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of National Revenue. He will no doubt be aware that six people in the City of Hamilton have been charged as a result of a phoney income tax scam involving fraudulent use of T4 slips which were floating around for anyone to pick up and take advantage of.

I would like to know what system he has put in place to prevent this kind of rip-off of the taxpayers taking place and whether he is aware of this type of scam happening in other parts of the country. Can he tell us whether this ring was just in southern Ontario or had it spread across the country, and what action is he taking to restrict access to T4 slips to prevent a future tax scam?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, it is difficult to restrict access to T4 slips. In fact, in most cases our department is trying to increase access to those slips. I take the Hon. Member's question seriously but in all honestly I will have to take it as notice and give her a more detailed report later.

* * *

[*Translation*]

FISHERIES

REFUSAL OF ACCESS TO 200-MILE-ZONE TO QUEBEC FISHING INDUSTRIES

Mr. Charles-Eugène Marin (Gaspé): Mr. Speaker, Groupe Purdel Inc. has decided against reopening a large section of its fish plant in Rivière-au-Renard in the Gaspé. According to the company and the Quebec Minister responsible for Fisheries, the decision is due to the fact that Fisheries and Oceans Canada has banned Quebec-based industrial fishing from the 200-mile zone. Could the Minister of Fisheries and Oceans explain to the House why this was done?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I realize the Hon. Member for Gaspé has a very keen interest in this matter. As the Hon. Member is aware, there have been discussions involving both representatives of the various governments involved and the industry, prior to formulating a plan. I may add that I will make a note of the Hon. Member's question and that I intend to discuss it with my colleague, the Minister of Fisheries and Oceans. If anything positive can be done, it will be done!

ROUTINE PROCEEDINGS

[*Translation*]

STRIKING COMMITTEE

PRESENTATION OF 54TH REPORT OF COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour of tabling the 54th Report of the Striking Committee.

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

* * *

[*English*]

WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, on behalf of the Minister of Finance (Mr. Wilson), and pursuant to Standing Order 84(2), I ask that an order of the day be designated for Ways and Means Motions Nos. 30, 31, 32, 33, 34 and 35.

* * *

BUSINESS OF THE HOUSE

DISPOSITION OF BILL C-113

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, there have been discussions among the Parties and I think, after I give a short explanation, you will find the House is prepared to give consent to the putting of this motion.

On Monday, the House passed Bill C-113, an Act to promote the development and diversification of western Canada. Unfortunately, some Members were unable to participate in the debate since it was what we often call back-up legislation, in this case to Bill C-72. Under the circumstances, the Government is prepared to accommodate those Members of Parliament and arrange for a further debate on the subject of western diversification. Therefore, I am advising the House that we will call Bill C-82, the Lobbyist Registration Act, on Monday. Once the debate is finished on that and

the question decided, we will call the special Government order now on the Order Paper pursuant to the following order. I therefore move:

That, notwithstanding any Standing Order, on Monday, March 14, 1988, the House will not adjourn until completion of proceedings on a special Government order, respecting Bill C-113, an Act to promote the development and diversification of the economy of western Canada, to establish the Department of Western Economic Diversification and to make consequential amendments to other acts; and

that any speeches in debate on the special Government order be limited to 20 minutes, with 10 minutes of questions and comments; and

that, if such proceedings are not completed before 5 p.m. that day, Private Members' Business will be taken up from 5 to 6 p.m. but the adjournment proceedings will not be taken up that day; and

that, any recorded division on the said special Government order be deferred until the calling of Government Orders the next day; and

that, in any case, the Speaker shall adjourn the House until the normal time of sitting the next day.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I want to take this opportunity to respond to the Hon. Minister. As he indicated, when we moved quite expeditiously the other day in voting unanimously on the official languages Bill and Bill C-113 was called, it is fair to say that the right people were not in the right places at the right moment. Therefore, when the request was made for a recognition of the fact that some Hon. Members, and the number at this point is unknown but I do not expect it to be large, were still interested in making some remarks at second reading, which of course is when we discuss the legislation in principle, the Minister agreed that this would be done. I simply want to say to him on behalf of my colleagues in the NDP that we appreciate his generosity in enabling this debate to be concluded in the way it should be.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, there have been discussions between the Parties, and the order the Minister read earlier was agreed to and received the consent of our Party. We intend to support this order.

However, I would like to take this opportunity to ask the Government whether we can expect the Report of the Striking Committee establishing the membership of the Legislative Committee on Bill C-72 to be tabled very shortly in the House.

[*English*]

Mr. Lewis: Mr. Speaker, I believe we just got it. I think if he checks with the Table he will find that it has been deposited.

Mr. Speaker: I might advise the Hon. Member for Saint-Jacques (Mr. Guilbault) that the Minister has correctly divined the situation and the list is at the Table.

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

Some Hon. Members: Agreed.

Motion agreed to.

• (1210)

PETITIONS

PROPOSED FREE TRADE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my pleasure and honour to present, on behalf of a number of constituents, a petition pursuant to Standing Order 106. The petitioners believe that the Government lacks a mandate from the people of Canada to conclude a trade deal with the United States. They say that the Prime Minister (Mr. Mulroney) promised, in the course of the bilateral trade negotiations, that Canadian sovereignty would not be compromised and that it now obviously has been compromised. They also believe that the trade deal denies Canada the policy freedom to determine its own economic future and undermines Canada's ability to build a society distinct from that in the United States.

They feel very strongly that this whole trade deal threatens the fabric of our political and economic sovereignty. Therefore, they now ask that Parliament dissolve in order to allow the people of Canada an opportunity either to accept or reject this trade deal during a national general election.

PROTECTION OF UNBORN CHILDREN

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I have the honour to present to the House today petitions from over 1,700 citizens of Abbotsford, Clearbrook, and other lower mainland communities in British Columbia. These concerned Canadians call on Parliament to define human life as being created at the moment of conception and ask that this be reflected in a newly created law.

PROHIBITION OF DISCRIMINATION ON BASIS OF SEXUAL ORIENTATION

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, I have the honour and responsibility, pursuant to Standing Order 106, to present a petition from Canadian citizens from London and Toronto, Ontario, and other municipalities.

The petitioners state that whereas in February, 1985, the Government ordered the Standing Committee on Justice and Legal Affairs to prepare a report on equality rights; and whereas in October of that same year the subcommittee on equality rights and the Standing Committee on Justice and Legal Affairs submitted a report to the House recommending that the Canadian Human Rights Act be amended to prohibit discrimination on the basis of sexual orientation in all areas under federal jurisdiction including the RCMP and the Canadian Armed Forces and in age of consent legislation with regard to sexual orientation or practice; and whereas the Government has yet to introduce significant legislation acting upon these recommendations supported by the Government, the undersigned petitioners humbly pray and call upon Parliament to ensure that the Government and Parliament act to implement the recommendations contained in the report as specified above with all due haste and speed.

Order Paper Questions

OPPOSITION TO BILL C-55—REFUGEES

Mr. Dan Heap (Spadina): Mr. Speaker, it is my duty and honour to present a petition from many residents of Canada on the subject of the Government's legislation in Bill C-55 which these citizens believe threatens Canada's traditional commitment to the assistance of refugees.

They point out that refugees reaching our border will be turned away without having their claims heard on the merits. They point out that the standing committee of Parliament did propose a procedure for refugees which would have been both quick and fair and which has received the support of all the public groups in Canada which have commented on it, including the churches and the Bar Association.

They therefore call upon Parliament to ensure that Bill C-55 will be withdrawn and that legislation will be substituted for it which involves the principles of fair, quick oral hearings of claims of refugee claimants before a refugee board independent of the immigration commission, universal access to these hearings for every applicant in Canada, and the right to appeal on the basis of fact.

LOW LEVEL FLIGHTS OVER GOOSE BAY, LABRADOR

Mr. Dan Heap (Spadina): Mr. Speaker, I have a petition from a number of residents of Canada who are concerned that the flight training of pilots of NATO countries at the Canadian Forces Base at Goose Bay, Labrador, is disrupting the way of life of many of the native people there who prefer hunting, fishing, tourism, and mining as a means of earning a living to employment on the base.

The petition also points out that this flight training to train pilots to fly under radar into eastern Europe is a provocative, aggressive, war-fighting action which tends to endanger world peace. They ask Parliament to ensure that the Prime Minister (Mr. Mulroney) will end all the low-level flight training at Goose Bay Canadian Forces Base and cease negotiations with NATO for the establishment of a larger base there.

PROPOSED FREE TRADE

Mr. Dan Heap (Spadina): Mr. Speaker, I have a petition from a number of residents of Spadina with regard to the trade deal negotiated between the Prime Minister of Canada (Mr. Mulroney) and the President of the United States which, they point out, would have a fundamental impact on Canada's economic, cultural, and political independence and would cause the loss of jobs in many sectors.

Therefore, they request Parliament to obtain a clear mandate from the Canadian people through a national debate on the alternatives available to Canada and that this debate result in a national election prior to the finalizing of such an agreement.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 245 and 255.

[*Text*]

RCMP MISSING CHILDREN REGISTRY

Question No. 245—**Mr. Howie:**

What federal facilities or procedures are available to assist in the search for missing children?

Hon. James Kelleher (Solicitor General of Canada): The RCMP Missing Children Registry (MCR) in Ottawa was established by the federal Government to assist all police departments in recovering missing children. Since July 1986, it has ensured that missing children reports from across Canada are entered immediately into the Canadian Police Information Computer (CPIC). The Registry offers the following services:

(i) co-ordinates inquiries from small Canadian police departments regarding abductions;

(ii) provides an interface with all Canadian police agencies and private organizations concerned with missing children, such as Child Find, Victims of Violence, and the Tania Murrell Society;

(iii) acts as a clearing house for Canada in connection with missing children cases when dealing with U.S. and international police departments, state clearing houses, and organizations such as the U.S. National Centre for Missing and Exploited Children;

(iv) searches Registry files in order to associate unidentified bodies with any missing children reports.

The MCR is also involved in developing search techniques. A representative of the MCR participated in the work of an RCMP committee which has developed a standard technique for urban and rural searches for missing children.

The Report of that committee, entitled *Police Procedures for Ground Searches and Rescue for Lost and Missing Persons*, has been approved by the Canadian police community and is now undergoing final editing prior to publication and distribution to Canadian police departments.

CBC—BID FOR ALL-NEWS BROADCAST LICENCE

Question No. 255—**Mr. Dorin:**

1. Did the Canadian Broadcasting Corporation engage the services of a paid consultant, adviser or lobbyist, either an individual or a firm, in the course of preparing and promoting its bid for an all-news broadcast licence to the Canadian Radio-Television and Telecommunications Commission and, if so, what was the total cost involved?

2. Did a representative of the (*a*) Department of Communications (*b*) Canadian Radio-Television and Telecommunications Commission meet with a representative of (i) the Canadian Broadcasting Corporation (ii) Allarcom

Limited for the purpose of reviewing or discussing that organization's application for an all-news broadcast license?

Hon. Flora MacDonald (Minister of Communications): In reply to the above-mentioned question, I have been informed as follows:

1. The CBC did not hire any lobbyist in the course of preparing its bid for an all-news broadcast licence to the Canadian Radio-Television and Telecommunications Commission. The Corporation did hire some consultants to help prepare its application. With respect to the cost of these consulting services, it has not been customary for Parliament to require the Corporation to provide details of its internal management and administration such as payments made for professional services. The background to this custom is explained in the reply to question No. 2,530 answered November 6, 1975.

2. (a) (i) No, (ii) no, (b) (i) no, (ii) On March 20, 1987, two senior staff of the CRTC (Colin Nelson and Patrick Tourigny) met with Yves Mayrand of Allarcom, at the latter's request, to discuss Allarcom's intention to file an application for a news and information specialty programming service.

[*English*]

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

The Acting Speaker (Mr. Paproski): Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1988-89

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-109, an Act to provide borrowing authority, be read the third time and passed.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in resuming my intervention in this debate I would like to bring to your attention the fact that the Department of the Environment is being treated as the Cinderella of Departments of the Government. The amount being allocated to this Department this year, in terms of percentage, is less than half of the percentage increase of the over-all Budget for the fiscal year 1988-89.

As though this were not bad enough, upon considering what has happened to that Department since 1984 you find that the loss of purchasing power of the Department of the Environment as a result of inflation is in the range of 17 per cent. Every pensioner in this country and everyone who lives on a fixed income knows what it means to lose ground to inflation.

This is exactly what is happening to the Department of the Environment despite the fact that in poll after poll Canadians are indicating that the condition of the environment is an issue to which they attribute one of the highest priorities.

As a result of this reduction of 17 per cent in purchasing power, the Department of the Environment has lost 336 scientists, technicians, and support people. How can this Department perform the role of vigilance, protection, advocacy and protection of the environment when it is not only not holding its own with regard to inflation but is, year after year, losing ground? That escapes the ability to understand of Members on this side of the House.

What is worse is the rhetoric of the Minister of the Environment (Mr. McMillan) who is trying to convince Canadians to the contrary, as is proven by the letter he wrote to the *Toronto Star* to which I made reference earlier in this debate. In a desperate attempt to create an impression that things are fine with regard to the budget of that Department, the Minister made reference to $106 million for the establishment of South Moresby over the next 10 years. That is a good development, but it has nothing to do with the capacity of the Environment Department to function this year.

In another desperate attempt to create a smoke and mirrors effect he mentions a $150 million allocation to the Department of Regional Industrial Expansion. That $150 million is in 1982 dollars and there is a very good reason for that. It has been ear-marked since 1982 to be made available to non-ferrous smelters when they proceed with the modernization of those plants in order to introduce anti-pollution equipment. It is a situation in which the Minister is invoking figures from other Departments to shore up the abysmal picture that is emerging for Environment Canada.

• (1220)

While I welcome a substantial increase, such as those for Agriculture and other Departments, it hurts to see this Department being treated like Cinderella, with an increase of 3.6 per cent in this year. At the same time, we must listen to the rhetoric of the Government and the Minister of the Environment, who claims the contrary. Not only does it hurt, it is offensive and disregards the priorities which Canadians want the Government to give to the environment.

We are on the eve of another summit in Washington next month between the Prime Minister (Mr. Mulroney) and President Reagan, where the question of acid rain will be raised again. The summit in Quebec City took place in 1985. It was an expensive event at which the Prime Minister displayed his skills as a tenor. I do not know whether that was good enough to convince President Reagan that Canadians mean business about the matter of transboundary pollution, because we are on the eve of the fourth summit and the situation has not changed, unfortunately. We were hoping that the Prime Minister's claim of a special relationship with President

Reagan would achieve our goal of a treaty on acid rain pollution abatement.

At least four million tonnes of sulphur dioxide crosses the Canadian-American border each year. That transboundary pollution is damaging our waters, our forests, our agriculture, fish spawning grounds and the fisheries in general. It is also damaging our building structures and monuments. It is damaging human health. The total yearly damage runs into the millions of dollars.

Having listened to the invocations and incantations, and having watched the smoke and mirror performances over the last three years, on the eve of the fourth summit it becomes imperative in this debate to impress upon the Government the need to muster the courage and present a bill for damages to President Reagan when they meet again in April.

Considering the expectations that were raised by the Prime Minister in 1985, this matter can no longer be allowed to drag. Expectations were raised with the Canadian public in this very Chamber a year ago when President Reagan was here. When he left Ottawa that day the Prime Minister proclaimed the event as a breakthrough and a success in terms of acid rain reduction. Since April of last year, after proclaiming there had been a breakthrough, nothing has happened. There has not been a reduction of one ounce in the tonnage of sulphur dioxide that crosses the border between Canada and the United States. The damage is the same, and it continues. Our resources are facing even more damage as a result of this.

Canada has embarked on a program to cut our pollution. The Americans who are downwind from us will benefit from our program. The transboundary pollution from Canada into the United States will be reduced by half between now and 1994. The least we can expect is reciprocity. Since we are not getting this reciprocity under the present Government and the Reagan regime, our only alternative is to present a bill for damages being caused to the Canadian economy, human health and Canadian resources as a whole.

We also want to consider the over-all picture in this debate. While the Government continues to increase taxes, it has not lowered the public debt as it promised to do in the 1984 campaign. The taxes, particularly the invisible federal sales tax, have been increased methodically year by year.

The Acting Speaker (Mr. Paproski): Order. The Hon. Member's time has expired. I gave him an extra few minutes. Questions or comments? Debate.

[*Translation*]

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, we are in fact facing this morning a situation that is something of a paradox concerning the Bill now before us, because the Hon. Member for La Prairie (Mr. Jourdenais) boasted during Question Period of this Conservative Government's prowess in the area of employment. We now find ourselves with a proposal to give the Government authority to borrow an extra $25 billion in order to operate till the end of the year.

To dare claim, as my colleague for La Prairie did, that the employment situation is almost exclusively due to this Government's prowess, is showing misplaced boastfulness, Mr. Speaker, and more still this is misleading Canadians because all the previous governments, including the short-lived conservative ones, always have been at the mercy of the global economic situation.

When the global economic situation was good, jobs were created. But when we are going through a period of recession, global recession, then we have unemployment. And if at this time the Government can show pride, it is not necessarily because of its prowess but rather because of a global economy that is totally favourable and that results in a strong economy, an economy that can create jobs, an economy that normally should be allowing the Government to manage public finance without having to ask for a $25 billion borrowing authority, as we have now.

Mr. Speaker, this is the second time I have an opportunity to rise on this borrowing authority requested by the Government, and as my colleague for Trinity (Mrs. Nicholson) mentioned earlier, this Bill was tabled before the Government came up with its Estimates. As she said this morning, even after examining them I fail to understand why, at a time when the international economy and our domestic economy are in excellent shape, the Government is obliged to ask for an additional $25 billion to be able to run this country.

• (1230)

Mr. Speaker, there has been a lot of bragging about the fact that 1,200,000 jobs have been created since 1984. Normally, those jobs would generate additional revenue for the Government, through taxes. So I fail to understand why the Government wants to maintain a borrowing authority of $25 billion when its revenues are increasing, unless its expenditures are increasing at a tremendous rate as well, since the deficit is going down far less than the Minister of Finance said it would when he tabled his forecasts in previous years.

Mr. Speaker, when I spoke the first time, I said that this Bill was a perfect example of the poor management the Conservative Government has been inflicting on Canadians during the past four years.

I would also like to express my grave concern about the precarious situation in which our youth finds itself, and about the many problems connected with regional disparity in Canada.

As we all know, if the Bill is passed, the Government will be able to increase the national debt by $25.3 billion in the course of the financial year starting on April 1. Twenty five billion may not sound like much, just another loan added to a national debt that is already far too high. At the end of this financial year our national debt will total nearly $3 billion. This works out to a little over $12,000 per Canadian, per year. That is a tremendous burden, Mr. Speaker. It is a serious problem, when we consider that despite the fact that the economy is in very

good shape, the Conservative Government keeps increasing our debt.

I have said it before, Mr. Speaker, and I say it again: As a Canadian citizen, I am very concerned about the fact that this Government has failed to take advantage of the excellent economic situation this country has enjoyed in the past four years. Actually, $25.3 billion is far too much for a Government that has undermined the confidence of Canadians by failing to keep its promises. It is an incredible amount of money for a Minister of Finance who in his last Budget made it clear he was totally unqualified to manage the money of Canadian taxpayers. It is incredible, when we consider that with all the money it has borrowed and collected in the form of taxes, and despite the excellent state of the economy, the Conservative Goverment still has nothing to offer the poorest and neediest among us, and especially our youth.

The times we live in demand strong intervention by the federal Government in a number of areas, such as guaranteed income, education and training, quality of life and housing. This Government tends to neglect these serious issues and remains supremely indifferent to the legitimate concerns of Canadian men and women who have to cope with these problems.

Poverty lies at the heart of most of Canada's social problems, including poor health, crime, unsanitary accommodation, family violence and mental illness. The Government cannot continue to maintain that improving the economy will make it possible to bridge the gap between rich and poor. The poor are not necessarily unemployed. It is because of their jobs pay such low wages that some workers are poor. It is wrong to suggest that society helps everyone when the heads of 55 per cent of poor families in Canada have a paying job.

Families are hit especially hard by poverty. However, the measures contained in the last Budgets and the tax reform have challenged the principle that Governments agree to compensate parents for the costs they incur in raising their children. This Government has partially de-indexed family allowances, lowered the ceiling for elegibility to the child tax credit and eliminated the child exemption.

In another area, the International Year of Shelter for the Homeless has gone by without the Government really dealing with this issue.

In 1986, over 100,000 Canadians were homeless at one time or another. In 1987, the situation did not improve and it may even have worsened. It is estimated that 750,000 more families had an urgent need or decent or affordable housing. In the area of housing, the Conservative Governement has constantly imposed enormous budgetary restrictions, limited elegibility to subsidized housing, thus victimizing low and middle income families, and delegated its responsabilities to the provinces.

Throughout Canada, the streets, the water mains and the bridges are cracking up and becoming corroded and distorted because they are put to a greater use than previously and less maintenance is being done on them. While the Federation of Canadian Municipalities is requesting new federal initiatives to provide part of the $15 billion investment necessary to modernize municipal services, the Minister of the Environment (Mr. McMillan) has stated that municipalities should increase the water rates paid by consumers to repair the water supply system.

As a former mayor, Mr. Speaker, I can say that I intend to move a motion in the near future to ask for a national water purification program and a municipal toxic waste elimination program to provide assistance to the municipalities, which, because of weak federal or provincial legislation, are not necessarily responsible for all the pollution, caused, even though this unfortunately comes under their jurisdiction at the present time.

Also, we had to wait nearly two years following the cancellation of the Manpower Adjustment Program before the Government introduced its Older Worker Adjustment Program. In 1982, 4.8 per cent of the unemployed had been without jobs for over a year. In late 1987, this proportion had increased to nearly 20 per cent, which represents about 200,000 Canadians. On the other hand, 158,000 people had been looking for jobs for a period ranging from 27 to 52 weeks. To the number of those who are chronically unemployed, we must add the 400,000 people who are considered fringe workers. At the end of 1987, there were in Canada 55,000 disillusioned unemployed workers who had stopped looking for jobs, feeling that their chances of finding jobs were pratically non-existent. Faced with this serious problem, the Tory Government continued just the same to reduce the funds allocated for the Formal Training Program, while subsidizing jobs in the private sector.

When the Minister of Finance (Mr. Wilson) brags about the results his Government has achieved with job creation, he overlooks the fact that these jobs are unequally distributed among the provinces, between men and women and among the various age groups. Data collected by Statistics Canada reveal the following discrepancies: Ontario, with 38 per cent of the total labour force in Canada, had bagged 45 per cent of all the jobs created in Canada in 1987. Which means that 62 per cent of the manpower in Canada had to be satisfied with the remaining 55 per cent of the new jobs. While men lay claim to 61 per cent or the majority of all full-time jobs, women hold 71 per cent or most part-time jobs. Part-time workers are paid a lower average hourly salary, about equal to 79 per cent of the salary paid to full-time employees, and often receive no social benefits.

In December 1987, the unemployment rate for our labor force generally was 8.1 per cent, but it was 8.6 per cent among women and only 7.7 per cent among men. For the same month, the unemployment rate among people between 15 and 19 years of age was 13.5 per cent.

In spite of this evidence, Mr. Speaker, the Minister of Finance continues to describe Canada as a country of affluent

men and women driving *Le Baron* cars and whose portfolios withstood quite well the crash of last Fall. In short, the Minister of Finance feels that everything is fine and dandy in Canada.

He does not seem to realize what it means to be poor in Canada. To be poor in Canada, Mr. Speaker, is to be put at an unfair disadvantage when it comes to housing, education and training, daycare and legal aid services, credit and health care.

Many of the Canadian poor live on welfare. Many others are small-wage earners. The majority of single seniors and single families headed by women have an income that is hundreds and often thousands of dollars below the poverty line. The economic difficulties of this decade have swelled the ranks of the poor and hardened society's reaction to that fact of everyday life. Poverty affects people of all ages, but the saddest thing about existing programs for fighting poverty is that 20 per cent of Canadian children live in an underprivileged environment.

In 1986, Mr. Speaker, 3.7 million Canadians, or 14.9 per cent of the population, lived below the poverty line. Last year, more than 34 per cent of single persons were poor. That amounts to 982,000 Canadians. More than a million children below 16, that is 1,016,000 children, live in poverty. Nearly 57 per cent of the poor in Canada are women, although women account for only 51 per cent of the population. And more than half, or 56 per cent, of single families headed by women are poor.

The number of Canadians with an income below the poverty line rose from 3,475,000 in 1980 to 4,240,000 in 1984. The number has decreased since then, but the 1986 figures were still higher than those of 1980, before the recession, Mr. Speaker.

In 1986, the total income of the poorest 20 per cent of Canadians was only 4.7 per cent of the over all income of the Canadian population. By contrast, the richest 20 per cent had 43 per cent of the over all income, nine times the income of the poorest group.

In spite of these alarming facts, Mr. Speaker, this Government brags so loudly about the people who are benefiting from the improved economic situation that it cannot hear the complaints of those who benefit not at all or very little from it. As a Liberal concerned for the welfare of all Canadians, I reject a plan which is supportive of the well-to-do privileged classes while the poorest and neediest suffer.

The Government still brags about its job creation figures. While the situation is improving, which is quite normal after six years of recovery, there are still over one million unemployed in Canada, but the Government does not seem to care. It regularly cuts back its job creation programs on the assumption that our economy is doing so well that people should be able to find a job without Government assistance. As I have already said, this might be true in certain regions, but it is certainly not the case everywhere in Canada, and it is certainly not the case for young people, whose unemployment rate is still twice as high as the national average.

Mr. Speaker, if the Bill now before the House was a guarantee that the Government will create jobs for young people, that it will create or implement programs or projects to reduce poverty in Canada, that part of these amounts will be used to improve the quality of life for all Canadians, and more particularly for all young people in Canada, then, Mr. Speaker, I would have no objection to voting for this Bill. However, as we are aware of the wasteful spending which occurs during certain trips and as we know that these $25 billion could be used for purposes which will not benefit all Canadians, we cannot agree to provide this Government with the power to borrow $25 billion more.

• (1240)

[*English*]

Mr. Simon de Jong (Regina East): Mr. Speaker, I also wish to participate in the debate. The Government is asking us to approve its borrowing measure of more than $25 billion. I believe that that is the largest sum that any Government has ever asked Parliament's permission to borrow. Given the type of deficits accumulated over the years, one can understand that the sum that the Government needs to borrow has progressively increased year after year.

I wish to place on the record, despite some of the statements made by both Conservative and Liberal Party Members, that New Democrats are concerned about the deficit.

Historically, in my own Province of Saskatchewan when a CCF Government was elected in 1944, essentially the province was broke. Yet over the years we were able to bring the economy of the province back up, implement a program of rural electrification, which cost a fair amount of money for Saskatchewan, introduce a system of regional and local hospitals and schools and a road system throughout that huge province.

That was done without leaving large accumulated debts. One of the things that we were proud of in Saskatchewan was that we consistently ran surpluses if not balanced budgets. The same was true during the period 1971 to 1982 when the New Democratic Party formed the Government in Saskatchewan. In those years we ran balanced budgets. It took the election of a Conservative Government in Saskatchewan in 1982 to introduce deficits into Saskatchewan. At the present time, the people of Saskatchewan are burdened with a horrendous debt and an accumulated deficit of several billions of dollars that will take several hundreds of years into the future to pay off.

In looking at the federal debt, one realizes that paying the interest on the debt is one of the largest, if not the largest expenditure of government. There is certainly nothing socialist about paying several million dollars every year on the interest on what the Government owes. As New Democrats we are committed to seeing that the deficit is wiped off the books as quickly as possible and as humanely as possible.

It is interesting to note that historically it seems that during periods of Conservative Governments the debt seems to increase. That is certainly true in the United States. Under President Reagan the United States has had the largest deficit in its history. The same can be said of the Government of Margaret Thatcher. Certainly, in the Province of Saskatchewan there has been a debt increase since the Conservatives were elected. One becomes puzzled why this is so. After all, Conservative Governments are noted for cut-backs in government service. The philosophy of the Conservative Government is that government should not play an active role in the society, and Conservative Governments talk in terms of fiscal responsibility and Government living within its means. Indeed, under Conservative Governments generally there is a decrease in government expenditures. Yet the deficit increases. Why?

I think that the answer can be found in the fact that generally under Conservative Governments one finds tax breaks particularly for the wealthy, and that the revenue source for Government decreases under Tory Governments. That is true in the United States, it is true in Great Britain under the Thatcher Government, it certainly was true in Saskatchewan whom the Government of Premier Grant Devine dramatically decreased the taxes that the oil industry had been paying into the coffers of Saskatchewan, and I think it is also true in Canada.

Despite the tax reform introduced by the Minister of Finance (Mr. Wilson), he still admitted in his papers when he introduced tax reform that there will be some 60,000 well-to-do profitable corporations that will still not pay one cent of tax. Among the 60,000 will be found some smaller companies, but also some of the larger companies. Is it any wonder that there is this large accumulated deficit in Canada when one considers that, in 1983, a teller with the Royal Bank of Canada paid more in taxes than did the Royal Bank of Canada? Although the Royal Bank of Canada, in 1983, had over $360 million in profits, it did not pay one cent in taxes. In fact, it received a tax credit of some $20 million. The Government felt that it was not profitable enough, so it gave the bank a tax credit of some $20 million.

• (1250)

Perhaps one should not single out the Royal Bank of Canada because it certainly was not the only one. Most other banks did not pay a cent in tax. Most trust companies did not pay a cent in tax. Certainly none of the insurance companies with billions of dollars in profits paid a cent in tax. No wonder we have a deficit like the one we have.

Some folk will say that the reason for the large deficit is that we have been living beyond our means or that the social programs in Canada are too rich. Tory spokespersons like to indicate that the Government has been handing out money to the poor, spending too much money on education, health, housing, and other social programs, and that is why we have a deficit. However, when we look at what we in Canada spend as a percentage of our gross domestic product on social programs, compared with other industrialized nations in the world, we find that we are the second lowest. We spend less on things like housing, education, maternity care, job creation, pensions, unemployment insurance, and so forth than Holland, Germany, Denmark, Sweden, Norway, Great Britain, France, and Italy. Countries that have fewer resources than we have, countries that have much larger populations in much smaller areas, countries that have a much older population, all spend a greater amount on social programs as a percentage of gross domestic product than we do in Canada.

For me to hear people say that we are living beyond our means in Canada is something that I just cannot accept. I cannot accept that when I see in my home City of Regina young children going hungry. Here in the bread-basket of the world we have young kids going hungry. In our largest cities we see the homeless, people who cannot afford to put a decent roof over their heads because they do not have the income. We see line-ups at food banks from coast to coast. Surely to say that we are living beyond our means is really to crack a cruel joke.

The fact of the matter is that we are not living beyond our means. There is real poverty in the country. In a country so blessed with richness and wealth there are over 4 million people who are living below the poverty line, who are living in poverty. For Conservative spokespersons to claim that we are living beyond our means is nothing but propaganda. It is not true; it is not true at all.

Essentially we heard from the Minister of Finance as he presented his Budget and as he justified his borrowing authority Bill, that under the leadership of the Conservative Government the economy of Canada is doing quite well. Of course it is all relative. Indeed there are fewer people who are unemployed today than there were in 1984. That is very true. However, we must not forget that, compared with the United States, for example, our unemployment is still quite high, unacceptably high.

Let us step back one second. When inflation was out of control in the late 1970s or early 1980s, industrialized countries decided in a joint effort to wrestle inflation to the ground. They did it by increasing the interest rate, in essence by taking the steam out of the economy and forcing the western economy into a recession. Well, it certainly brought down the inflation rate. Right now it is running at some 4 per cent, but this was done at the price of an economic slow-down and at the price of millions of men and women in the western world losing their jobs, being thrown on the heap of unemployed. It was particularly severe for working Canadian men and women.

Our unemployment rate was one of the highest of western industrialized countries. The recovery from the recession in Canada was slower than other industrialized countries. When the Conservatives came to power in 1984 we still had an unduly high unemployment rate. The recovery from the recession had been slower in Canada, in part because of the

type of economy we have. A large part of our economy depends upon the export of basic raw materials. When there is an economic recovery, the suppliers of raw materials are the countries that experience the recovery as being slower than in other more industrialized countries. It took a while for the recovery in western economies to be felt in Canada.

In a sense the Conservatives were lucky that they were elected in a period when the recovery started to occur. Yes, unemployment has declined dramatically in Canada. The Minister of Finance is happy to point out that it has declined more rapidly in Canada than in other industrialized countries. However, one begins to wonder whether or not it was as a result of the actions of the Government. It might very well be that the Conservatives were lucky to be elected in a period when the recovery was occurring.

We also wonder how a Government, which does not believe in becoming involved in the economy and which has a basic philosophy of *laissez-faire*, could take credit for the economic recovery. In fact, the Minister stated that in more or less those terms when he appeared before the finance committee last week. He said: "We cannot really take credit for this; it is the industry out there that has created the jobs".

One could wonder what sort of economic situation we would be in, had we had a Government which believed that the public sector had a role to play and that indeed we could devise economic strategies to create jobs. In fact, one could wonder how much better off Canadians would be, particularly in regions where we still have 10 per cent, 15 per cent, and 20 per cent unemployment, if we had a Government which believed that the public sector had a role to play and had some economic strategy to make certain that economic recovery occurred in all regions of the country.

• (1300)

We have asked the Government, as part of an initiative to help create more jobs, to lower the interest rate by 1 or 2 per cent. The Minister of Finance (Mr. Wilson) calls us irresponsible. In fact, in committee the other day, the Minister of Finance told my colleague that what we were saying was garbage. The funny thing is that when the Minister of Finance was in opposition, he was also calling for the Government to lower the interest rate. It must have been garbage back then as well. It is amazing how the Liberals and Tories change their tune when they cross from one side of the floor to the other. When the Tories were in opposition, they were calling for a lower interest rate. Now that they are in government, they say they cannot do it. When the Liberals were in power, they said they could not lower the interest rate, but now that they are in opposition they are, in turn, calling for a lower interest rate. It is amazing how the Liberals and Tories flip back and forth on the question. We suggest that we can lower the interest rate by 1 or 2 per cent without causing undue inflationary pressure.

The Minister of Finance says that inflation at 4 per cent is unacceptable. I agree with him. But it is not the interest rate that is keeping inflation at 4 per cent, it is the action of the very Government. The Government has increased taxes, increased public transportation costs, fuel, oil and gas taxes. We have seen property tax increase. Tuition fees for post-secondary education, tobacco and alcohol taxes and electricity costs have all increased. The present Government has also introduced a 10 per cent telecommunications tax. These tax increases, many of them imposed by the federal Government, some of them by the provinces and local municipalities because of the cut-backs in transfer payments, have resulted in prices going up and an inflation rate of 4 per cent. It is not because of low interest rates, nor is it because workers are demanding higher wages. In fact, the wage level has been below the inflationary level. Those are not the targets anymore. The reasons for high inflation are the revenue and tax grabs by the federal Government.

Yes, we can have a lower interest rate. Yes, the cost of production can be lower in Canada so that we can be competitive with our trading partners, who pay lower interest costs as a cost of their production. Unfortunately, we have a government that had its head in the sand and is not providing the economic type of leadership that Canada surely deserves. Canada deserves economic leadership. The poor in this country deserve some leadership, and they have not received it from this Government.

Mr. Dan Heap (Spadina): Mr. Speaker, I am very pleased to have this opportunity to speak on the Government's Bill C-109, the Bill in which the Government asks for the authority to borrow $25.3 billion, almost the amount of the deficit. That is what the Government is borrowing. It is necessary for us to give some attention to what the Government may do with the money and how it will use what it gets from the taxpayers.

There is the old principle that you should look at what a person does rather than what he says. The same applies to government. How the Government spends the taxpayers' money demonstrates where its priorities really are. That is what we have to examine in this debate about borrowing $25.3 billion.

The Budget that proceeded this borrowing Bill was fairly skimpy on information. There was a great deal of self congratulation in it, pages and pages of glowing expensively printed remarks about what a fine Government it is. There was much less information than usual about the details of the Government's plans and priorities. However, there is some information on which I want to focus, particularly in two areas. They present a very striking contrast and they show where the priorities of the Government really are. The first area is defence in the general sense and, in particular, the nuclear powered attack submarines.

This year the Government plans to spend $23 million simply on preparation, making the plans and so on, to buy these attack submarines. The total cost of the submarines will be somewhere between $7 billion and $15 billion. Some estimates are higher. The Government used to have a lower estimate, but

it got laughed out of that. The $7 billion to $15 billion range depends on whether we look at the bare bones submarines themselves or whether we include the support facilities and the necessary base.

The other area I want to look at is child care. Some of the money from this borrowing Bill will be spent on the Government's child care plans. The plans are to spend about $5.4 billion over seven years on child care. At first, $5.4 billion sounds generous. It sounds almost like the cost of three or four submarines. We have to look closer. The Government's plan appears to be comprehensive on the surface, and there is a significant amount of money involved. The Government will spend $2.3 billion over this seven years on tax breaks for parents with children. The Government will spend $3 billion for capital and operating costs for child care centres and $100 million for special initiatives for research and pilot projects among special groups.

One thing which is a matter of common experience is that tax programs are generally the least effective way of creating public programs because it gives the Government very little power to direct where the money that comes from tax breaks will be spent. In other words, spending what are called tax expenditures. In this case, the tax expenditures are particularly hypocritical. The Government, at the same time as it undertakes to spend this money on day care through tax breaks, will be cutting family benefits. By 1991 these family benefit cuts will have taken $1.5 billion out of the pockets of families.

Let us take a closer look at both tax breaks. Together they will amount to a total of $2.4 billion. If this money were used to create new child care spaces, an additional 170,000 Canadian children would have spaces. That is not the way it is going to be done. The tax programs mean that there will be a refundable child tax credit with a maximum of $200 a year per child. That is not enough to pay for even informal non-market, non-receipted child care. It is a drop in the bucket compared to the cost of child care these days. It is not enough to enable a couple to make the decision to forego the income from one of them working so that that he or she can stay home to take care of a child or children. It offers a little extra fuel to the so-called underground market, whatever kind of unreceipted day care may be offered on a very informal basis, with no assurance of quality for the parents and no assurance of quality for the kids, but the parents are forced to take it because that is all there is. It is called choice, but it is a situation of no choice.

Second, the doubling of the child care expense deduction for receipted child care sounds generous, but in reality, on the basis of past experience only a minority, the well-to-do minority of families, can benefit from this amount. In 1984 only 15 per cent of families could afford to save money this way. It does not work for the big majority of the population. The average family could only take advantage of one-half of the deduction that is being provided, one that will give, of course, full benefit to the wealthier families. This is another way of rewarding those who already have much more income than most people in this country.

• (1310)

The next important area in this program is the capital and operating grants. The system the Government has proposed has led some day care people to call it a child care limitation plan. In the past, under Canada Assistance, there was no ceiling set, no cap set on how much could be done by the shared programs in which the Government participated to 50 per cent. But now there is a cap set and the government objective is to create 200,000 spaces during the next seven years. That is a slower rate, a far slower rate than the rate at which they were created during the years since 1974. In other words, there will be a slowdown in the creation of new spaces for child care; that is, for licensed, receiptable, quality child care. Furthermore, by the end of the seven years, the operating funds provided by the Government will have been reduced to less than $2 per child per day.

What will we have at the end of seven years for this program? We will not have this Government, of course, but if this program continues, what will we have at the end of seven years? There will be two million children—this is the Government's figure—still without access to licensed day care spaces. There will be no action on the kind of maternal or parental leave provisions that might make home care a reality. There will be an expensive tax deduction and credit program that helps rich families more than ordinary families, and a program that fails to provide real choices or real assistance to the majority of families. In short, it is a typical Tory program that helps the well-to-do with the tax money that comes at the expense of ordinary Canadians, a program that fails to deliver its promises.

I would like to direct attention to the Minister of National Defence's nuclear-attack subs. This is a Budget which involves spending $23 million this year for the preliminary planning work, the project-definition phase, but the rumours are that that has to be pushed this year because DND is desperately trying to get the contracts firmly in place before the Tory Government is defeated in the next election. The original price tag for the total project was said to be $5 billion. That caused great laughter throughout Canada and throughout the western world since, obviously, that was more like half price for 10 to 12 subs.

The Government has discovered that the subs in fact need shore bases. It appears that it left that out. Shore bases cost money. So the total project cost now, according to independent critics which the Government does not answer in any detail, is somewhere between $10 billion and $15 billion. Those are the costs.

We know that the Government's child care program is not going to work. The question is, will the subs work. The question is what will they do. Well, they will travel under the ice. That is quite true. They will travel under the ice. The question then is, what for. What work will they do when they have travelled under the ice?

The Minister's original rationale was, he said, to protect our sovereignty in northern waters and to protect us against the supposed Soviet cruise missile attack. Well, as Professor James Eayers who has studied this matter for many years said, and I quote:

> It is the most bizarre decision in Canadian weapons policy since the premier of British Columbia bought two submarines originally built in Seattle for Chile.

That fantastic decision was made during World War I. It was supposed to protect British Columbia coastal fishing from raids by German ships, Germany being on the other side of the Atlantic.

Well, this is the World War III equivalent, I guess, by our Minister of National Defence (Mr. Beatty), of the folly of World War I. The decision that was made in World War I was to protect the citizens of British Columbia from a non-existent threat. But there at least was then a real war, and it was hot. Today's decision takes place in the midst of a war that is real, but cold. It is real because people like the Minister of National Defence work very hard at keeping it going.

Canada has the doubtful distinction of having a Defence Minister who is more of a hawk than Ronald Reagan, and is insisting on Canadian subs which neither NATO nor the United States have asked for. Granted, if we offered to donate them to Lord Carrington, he would say thank you, but this was never considered a necessary part of defence.

The estimate of the Soviet forces and the Soviet threat in the White Paper are even more exaggerated than the estimates in the Pentagon's propaganda. President Reagan on the one hand is willing to discuss with the Russians the possibility of limited cuts to nuclear weapons in the intermediate-range and long-range departments, but the Defence Minister will have nothing to do with discussion of arms reductions with the Russians. He is not even willing to begin seriously discussing nuclear weapons free reduction or exclusion or limitation in the zone of the Arctic.

He should recall by his reading what was said by a well-known leader of defence, Sir Winston Churchill, some years ago. It is always better to jaw-jaw than to war-war. Even Churchill, though he was a good leader in war, preferred to negotiate where there was an opportunity to do that. We have a Defence Minister who would rather spend, spend than negotiate. In fact, he would rather spend, spend than have an arms reduction.

His spending will increase the chance of war. These attack subs, whether they are nuclear or otherwise, do not have a genuine defensive role for Canada. The Arctic waters of Canada are not and will not be the forward staging areas for some supposed Soviet attack. They are not suitable. They are narrow, they are shallow, they are ice clogged and most submarine-launched cruise missiles such as might be feared from those subs do not have the range to hit American targets from the Canadian Arctic. The Russian ballistic-missile submarines do not have to come near Canadian waters to launch their missiles. They can do it more conveniently from the Atlantic or the Pacific.

Using these subs for coastal defence does not make much sense. How does a sub warn off surface ships as effectively as a frigate can? It just does not make sense. But what may be the Government's logic is something far more dangerous than that to peace.

On February 3, Vice Admiral John Anderson of the Canadian navy testified before the House of Commons defence committee. He told the committee that in times of heightened tension, Canadian nuclear attack submarines might be sent to attack Soviet strategic submarines. That is about as dangerous a strategy as can be imagined. It is part of the United States navy doctrine, the so-called forward maritime strategy. What it means is that the United States, or in this case the United States and Canada, or by a trade off, the United States and Canada together, would send large numbers of nuclear submarines and aircraft carriers into the Soviet northern waters at the first hint of any crisis. Their mission would be to sink Soviet strategic submarines in the Barents Sea as soon as there was any outbreak or skirmish of conventional war. In other words, as soon as there may be a war anywhere with conventional weapons, we might have Canada with the United States initiating a nuclear war, which most Governments and experts, both in our country and elsewhere, have admitted would not allow survivors. In other words, a nuclear war is not a war in the conventional sense that there is a winner and a loser. It is an exchange of weapons with the result that all would be losers. This would be the result of the American forward maritime strategy, which is the only logical use for the proposed Canadian nuclear submarines.

• (1320)

That strategy is a most dangerous military proposal, probably the most dangerous the Reagan Government has prepared, and we should not be going along with it. It makes war more likely, not less likely.

We have to look at what the Government does with our money, not what it says, when we consider lending it the money. It announced a day care program that would leave hundreds of thousands of Canadian children without day care. If, as the NDP suggests, all the money in this program had been used to create new spaces, we estimate that at least 170,000 more spaces would have been created over the life of the program. Instead, the Government spends the money we need for child care on nuclear attack submarines. Those submarines make nuclear war and the end of the human race much more likely. This is a very poor Budget and a very poor reason for borrowing $25.3 billion.

The Acting Speaker (Mr. Paproski): Questions or comments.

Mr. Edwards: Mr. Speaker, I listened with great care to what the Hon. Member was saying about submarines. I think it was inadvertence that caused him to put his adjectives the

way he did in the final sentences of his speech when he suggested that nuclear attack submarines bring nuclear war closer. Can the Hon. Member give the House his understanding of the nuclear nature of the proposed Canadian submarines? Does he understand them to be nuclear armed or nuclear powered, and in what way would the fact of their nuclear power likely lead to nuclear war?

Mr. Heap: Mr. Speaker, I thank the Hon. Member for his question. The Canadian Government has proposed that these submarines could replace American submarines to make the American submarines available for attack on the Russian submarines. It is also clear that a plan for armament of the Canadian submarines may be developed or revised once the proposal is under way.

The nuclear component of the subs is nuclear power, not nuclear missiles or any of those things used in American, British and Soviet submarines. However, those submarines are described as attack submarines, therefore their target is clearly Soviet submarines.

The point at which I say it increases the risk of war is that if there is some little skirmish and the Soviet Government knows that Canadian submarines, either by replacing American submarines or by attacking themselves, may destroy the Soviet submarines, it may very well act on the principle of: Use them or lose them. It might be prompted to initiate nuclear war in order not to be wiped out by a first strike of NATO forces. That is why that kind of provocative armament makes nuclear war more likely and peace less likely.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I appreciate the opportunity to make a few remarks on the Government request to borrow some $25 billion. I want to suggest that the Government's priorities, as revealed in the Budget tabled last month, are wrong. The Budget essentially says to Canadians who are unemployed or having a very difficult time making ends meet that, "I'm all right, Jack". That just is not good enough.

It boasts about bringing unemployment down. We heard more boasts about that this morning. Certainly we on this side of the House are pleased to see any reduction in unemployment. However, on Vancouver Island we have exactly the same number of unemployed today as we had in September of 1984. Nothing has changed. Some 35,000 people are still listed in official statistics as being unemployed and the Budget does absolutely nothing about that.

I want to mention a couple of specifics, first regarding small craft harbours. That issue is of particular concern in my riding but it is also of concern in ridings on both coasts and, indeed, in the other parts of Canada. Last spring the Standing Committee on Fisheries and Oceans held a number of hearings on this issue. In June it submitted its report, and I would like to refer to that.

The report says that investigations by the committee reveal that the level of effort dedicated to the repair and maintenance of federal small craft harbours is inadequate, which is inconsistent with the stated Government goal of providing increased safety for our fishermen and protecting their material investments. In the short term, this inadequacy will prolong disruptions to commercial fishing, endanger harbour users or their property, and result in increased repair or maintenance costs when necessary work is delayed. In the long term the level of effort will neither protect the value of the assets nor sustain the harbours in safe and usable condition for those they serve.

The report went on to say that the committee heard testimony from Department of Fisheries and Oceans' officials that the minimum requirement to have all commercial fishing in recreational harbours under the administration of the Department and meet the small craft harbour guidelines is $120 million a year for the next five years. It was also indicated to the committee that should the small craft harbours program be required to continue at the present base funding of $48.5 million, there would be the inevitable closure of at least 150 harbours within five years.

Those very serious facts have been addressed in a most inadequate fashion by the Minister, his Department, and the Government. Instead of bringing forward a realistic Budget with projections over a number of years to deal with this problem, we have instead a phoney small craft harbour revitalization program which is really a dressed-up system of privatization that will provide an initial grant to municipalities or user groups, after which they will have the responsibility for maintenance and operation. It is a way for the federal Government to get out from under its historic responsibility of maintaining the infrastructure across Canada.

At least one community in my constituency has looked at this whole situation, and they feel it is just not feasible for them to get involved in taking over responsibility for a harbour. They have looked at the statistics and seen that when other communities have done this, they have inevitably lost money. That is not surprising. I do not think that our harbours should necessarily be money-makers. We do not expect that our roads be money-makers, and our airports are not money-makers. Why are we loading that burden upon small communities which depend upon these harbours for their fishing industry and, in many cases, their tourism and recreational industry? Why do we try to shuffle federal responsibility on to communities or user groups?

• (1330)

I want to mention some specific harbours in my riding. The harbour of Sooke on the west coast of Vancouver Island is protected by a well known land form called the Whiffen Spit, a very beautiful piece of land which stretches out and protects the harbour. In recent years it has been subjected to a great deal of erosion. There has been a jurisdictional dispute between the federal Government, which has responsibility for maintaining the harbour, and the provincial government, which actually owns the land.

Because these two levels of government have not been able to get together to solve a real problem for this community, the Whiffen Spit is eroding very badly. I visited it not long ago. There is a gap in the spit some 10 feet deep and 500 feet long. That means that storms will be able to move right through the spit which traditionally provided a very effective breakwater.

That will do damage to government facilities at the small craft harbour floats, to private marinas, and to the Uplands property owners. It will make it very difficult for the local mill to get barges in and out and to maintain the mill. It is essential that the two levels of government get together and find some way of solving the problem of the Whiffen Spit in the interests of the total community. So far we have not seen any real action on that.

There is also the situation of Cowichan Bay. A year ago I wrote to the Minister and pointed out that there is a very difficult situation there, that the breakwater is inadequate and that repairs should be undertaken immediately to extend it and provide additional protection to what the present breakwater gives. Admittedly, it will be an expensive proposition, but we are talking about the need to protect hundreds of thousands of dollars of both public and private investment. We received no positive response from the Minister on this. This past winter a very bad storm did a great deal of damage in Cowichan Bay, and the community is now looking to the Government in hopes of getting some federal assistance to rebuild.

In Ladysmith they need federal help to upgrade their Department of Fisheries and Oceans small craft harbour, but have been told that they can only get help if they form a local harbour authority and go for the government privatization program which it calls revitalization.

It is the Government's refusal to accept its historic responsibilities and its attempts to get out from under that makes us very leery of giving the Government permission to borrow $25 billion.

In Port Renfrew, another community on the west coast of Vancouver Island, there is a Transport Canada wharf which is urgently in need of repairs to bring it up to standard. These repairs will be expensive, costing some $900,000. Instead of looking at possibilities for increasing the use of this wharf if it is brought up to standard, Transport Canada simply decided to write it off, saying that the present level of usage does not justify that expense.

I have received correspondence from the community of Snug Cove on Bowen Island in another riding. There is a proposal there to get rid of the Department of Transport's floats and replace them with a private development. Local people are very concerned about what kind of access they will have and what the effect on the environment will be.

Speaking of the environment, we must question the commitment of the Government to taking action on the environment. We have been drifting along and acting as though everything is going okay with the environment while the environmental crisis is mounting in Canada and around the world. In the last few months we have seen a great deal of evidence that pulp mills are discharging toxic wastes which have a very severe effect upon the environment and marine life.

In my riding there is a pulp mill at Crofton. Some of the tests done there showed that oysters and crabs there had above safe levels of 2378TCDD, one of the most dangerous toxins known to humanity. We have not taken the action with regard to that toxin or others which is required. There is a whole range of toxins which are not even being adequately tested. The Government does not have the facilities to do the tests in the short length of time which this urgency requires. It has not put the muscle into enforcing environmental standards which the health, safety, and environment of Canadians demands. That raises questions about granting the Government this borrowing authority.

With regard to Canada's commitment to development assistance, we remember that when the Government was first elected the Secretary of State for External Affairs (Mr. Clark) made a solemn declaration at the United Nations on behalf of Canadians that we were going to reach .7 per cent of our GNP by 1990. Since then, of course, there has been one retreat after another from that figure. We are now talking about possibly reaching .7 per cent by the 21st century. Last year when the Standing Committee on External Affairs and International Trade studied Canada's development assistance policy and the Government's commitment in that area it said:

> We doubt that the current plan to hold the ratio steady at 0.5 per cent until 1990 and then increase it sharply to 0.6 per cent in the following five years is realistic, particularly considering that we are now at a level slightly below 0.5 per cent.
>
> We are concerned that Canada may find itself once more in the position of abandoning its commitments. In the Committee's view, a plan is needed that would take us to the 0.6 per cent level in 1995-96 by steady, achievable annual increments. Accordingly, the Committee recommends that progress towards achieving the 0.6 per cent target in 1995-96 should begin in the 1988-89 fiscal year, rather than the current plan of fiscal year 1990-91, and proceed by steady annual increases. We estimate that would bring the ODA/GNP ratio to 0.53 per cent in fiscal year 1990-91.

In the just-released government strategy paper *Sharing our Future*, the Government rejected this recommendation which was made by the Conservative members of the committee. The Liberal member and myself had recommended that the Government should move toward its original commitment of 0.7 by 1990. That was too much for the Conservative members. They were concerned that unless some action was taken our percentage of development assistance would not increase so that by the 1990s there would be a steep increase and Canada would once again welsh on its commitments. We are concerned about this refusal to take our commitments to development assistance seriously. There are crying needs for development in other parts of the world, including Africa, Asia, Central and South America. Canada can be a real world leader because, while we are doing considerable already, we could do many other things to help countries reduce their debts and reach self sufficiency in food production. Much more

needs to be done, and that is what we as a nation should be doing.

• (1340)

The Government's attitude that it need not push toward the 0.7 per cent goal, or even work in increments toward reaching the 0.6 per cent goal, is unconscionable in the face of world needs. At the same time, Canada has a government that is dedicated to borrowing billions of dollars to purchase nuclear submarines.

We also witnessed the kind of Government profligacy as detailed in this morning's story about a one-night stop in an Ontario city where the Prime Minister (Mr. Mulroney) will be spending $1,900 without even having a public meeting. Profligate spending on expensive and dangerous toys like nuclear submarines does not contribute to world peace or Canadian security and at the same time neglects vital interests at home. The Government is not dealing with the problems of unemployment in the regions, nor maintaining the infrastructure of industries, such as our fishing industry with small craft harbours. It is not fulfilling the commitments it should in this hurting and hungry world. That is why we have great difficulty with this request to borrow money.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I rise to debate the Government's request to borrow $25 billion to cover some of the shortfall in the Budget that was presented just over a month ago. I do so in the context of my riding in Saskatchewan because people in that area are curious about the Government's expenditures and its handling of the economy.

Last year, inflation was some 4.5 per cent. The Minister of Finance (Mr. Wilson) has suddenly decided that it is extremely important to fight inflation and is doing so by keeping interest rates high. In turn, high interest rates have led to an increase in the Canadian dollar by 12 per cent or 13 per cent in the last year. People living in rural areas who produce for an export-price related market will have decreased incomes.

For example, people in my riding who produce grains and oilseeds and whose sales are made in American dollars will face a decrease in sales of some 11 per cent to 12 per cent as a result of the Government's policy with regard to interest rates. People who export beef and pork to the United States will receive 12 per cent or 13 per cent less for those exports because they are dealing in U.S. funds.

There are a number of manufacturers of farm machinery in my riding who primarily export to the United States. It is more difficult for them to export into the United States as the Canadian dollar strengthens and the value of those exports drop accordingly. As a result, some of those companies have been forced to lay off even more workers.

The general tenure of the economy in my part of the country is one of decline. The fight against inflation in rural Saskatchewan has meant a great deal of deflation. Farm land prices have declined by as much as 50 per cent in my area in the past five years, primarily since the Government came to power. Inflation is not the problem. There are towns and villages in my constituency which have 20 or 30 good quality houses for sale because there is no one to live in them. The prices for such houses have declined by as much as 50 per cent in the last six years which I suggest represents deflation, not inflation.

The Government is mistaken if it believes it can fight inflation with a high interest rate policy. It is a lose-lose situation for my constituents. Since they have lost on the income side by some 12 per cent or 13 per cent, they must borrow money to keep in business but find that interest rates have increased by one per cent to 1.25 per cent in the last year. Therefore, they must pay more money to stay in business. Their income has decreased because of the Government's economic policies and their cost of staying in business is increasing because interest rates are rising according to Government policy.

The Government often talks about win-win situations. Its approach to the economy and the management of the Budget for people in my part of the country is definitely a lose-lose situation. Of course, we cannot all be consistent winners in an economic program. In order for someone to gain an advantage, another must make a sacrifice. In our case, the Minister of Finance has developed a growing economy in an area with which he is more familiar. Unemployment is going down in the Toronto area, and I understand that inflation is rising as property values increase and a hot investment climate continues. However, that is not the case in the West, the Prairies, the North, eastern or Atlantic Canada. The Government should be fighting a war against deflation rather than inflation.

The $25 billion which the Government seeks in borrowing authority will essentially go to pay off the cost of previously borrowed money. Many businesses and farms in my part of the country have been in this kind of financing position for a few years. Ultimately most of them have had to quit.

The net public debt at the end of last fiscal year was $264 billion. We are into the last few weeks of the 1987-88 fiscal year, which means we can add approximately $30 billion as the deficit for this past year. That brings the accumulated deficit the Government is leaving us with in the neighbourhood of $300 billion. Even if the Government is able to borrow money at 8 per cent or 9 per cent to keep paying for that accumulated deficit, that debt, which makes up just about 52 per cent of our Gross National Product on an annual basis, the amount of money the Government wants permission to borrow is not quite enough to pay the interest on that accumulated debt. The $25 billion will barely do that.

• (1350)

I only point that out because I have a lot of constituents, some of whom have been in this situation. A lot of them have watched relatives, friends and neighbours become involved in a similar kind of situation over the last number of years where at

the end of the year they could not pay any of the debt and had to go to the bank, credit union or relatives to borrow money to keep the accumulated debt going for another year. That is basically what we are trying to do. This request by the Government to be given another $25 billion of borrowing power is to permit it to stay afloat for the coming year. The amount in taxes it is receiving will not meet the expenditures which the Government itself has set.

That seems a little strange coming from a Minister of Finance who tells us the problem he faces is a problem of inflation. The textbook definition of inflation is "too many dollars chasing too few goods". Does it not seem ironic that we are borrowing another $25 billion to add to the amount of dollars we are using to chase inadequate government services? Does it not seem ironic that a Government which is worried about inflation would do this sort of thing? Some members of the Government recently attacked me when I made a speech on this matter earlier in the second reading debate. The Hon. Member for Calgary West (Mr. Hawkes) said his Government was doing a good job, that this was nothing like the radical spending that took place under what he called the "NDP-Liberal alliance" back in the 1970s.

History books do not record any such NDP-Liberal alliance. The Hon. Member referred to the early 1970s. I would like to direct the attention of the House to the record presented by the Minister of Finance when he presented his fiscal plan on February 10, page 96. We see that in 1971-72, at the beginning of that period of this alleged plot, with the NDP forcing the Liberals into all sorts of rapid expenditures and expansion, the net public debt as a percentage of the GNP was 20.5 per cent. That was fairly high. As we went through that two or three years, it dropped. The first year it went down to 19.9 per cent. The following year it dropped to 18.5 per cent. At the end of the period it was at 16.8 per cent. That was from a starting point of 20.5 per cent. If the New Democratic Party had very much influence on the Liberal administration at that time, I submit it was a very good influence because it substantially brought down the proportion of public debt to the Gross National Product.

The Liberals were forced by this Party to follow a certain amount of proper expenditure programs, and were putting government funds into items and projects that would create growth. I think it should be noted that at the beginning of that period the Gross National Product was some $97 billion. At the end of that period, it was at $152 billion, a growth in excess of 50 per cent. That was because of following some of the advice of the New Democrats in that period of time.

I will complete my remarks by simply saying that I find it very strange that the Government persists in trying to fight inflation when, for most of the regions of this country, including my own, the problem is deflation, debt, lower prices, lower incomes and higher costs because the interest rates in this country are far too high.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

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

The Acting Speaker (Mr. Paproski): It being two o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--PUBLIC BILLS

[*Translation*]

CRIMINAL CODE

MEASURE TO AMEND

The House resumed from Thursday, January 28, consideration of the motion of Mr. Horner that Bill C-264, an Act to amend the criminal Code (instruments and literature for illicit drug use) be read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Paproski): Order, please! I would like to advise the House that when the debate adjourned, the Hon. Member for La Prairie (Mr. Jourdenais) was to take the floor. As he is absent, I give the floor to the Hon. Member for Edmonton South (Mr. Edwards).

Mr. Jim Edwards (Edmonton South): Mr. Speaker, as we all know, although the use of narcotics and some other drugs is now illegal, literature promoting the use of drugs, instruments and kits which facilitate their use, can be bought freely in stores or head shops specialized in the sale of such paraphernalia.

[*English*]

The national drug strategy that was announced last May is proof of our commitment to specific undertakings that were made in the Speech from the Throne as solemn promises to the families and parents of Canada. For example, we are dedicated in our intent to eradicate the vast profits that are to be made from the trafficking in illicit drugs by the presentation of the proceeds of crime legislation in Bill C-61.

At the time of its introduction, this legislation received unanimous support from all sides of this House and I, for one, welcome its consideration in committee and speedy return to this Chamber for early passage. Hitting the offender in his or her pocket-book is the only realistic way of terminating the cycle of enterprise crime. More profits breed more crime. We are profoundly concerned about this problem.

There is a dichotomy evident, on the one hand, in the clear statement enunciated in the national drug strategy and, on the

other hand, the continued existence of businesses that apparently flourish on the merchandising of so-called drug paraphernalia. A consistent message is fundamental to a successful initiative against drug abuse. There is no room for the impressionable in society, especially our youth, to feel that drug use is acceptable social behaviour. That is the message these entrepreneurs attempt to convey.

The thrust of Bill C-264 is to criminalize any dealings such as importing or selling drug paraphernalia which is defined by the legislation as an "instrument for illicit drug use". This in turn is defined as:

> —anything designed primarily or intended under the circumstances for consuming or to facilitate the consumption of an illicit drug.

The question I would ask is, to whom does the intention apply, that is, does it apply to the seller or to the buyer? Despite the obvious good intentions of the sponsor of this Bill, the Hon. Member for Mississauga North (Mr. Horner), I am concerned that this definition may create a field day for inventive members of the Criminal Defence Bar. That is not to say that members of the Defence Bar are criminals. I wish to be very clear that when one attaches two adjectives to a noun, as did my friend, the Hon. Member for Spadina (Mr. Heap), earlier in the day, it is not to be seen that members of the Bar are criminals but rather members of the Criminal Law Defence Bar. This would then result in the initiative being ineffective. We must consider any legislation very carefully, especially in this era which is more and more being shaped by the Canadian Charter of Rights and Freedoms. I am not suggesting that we are paralysed from acting decisively.

• (1400)

I am simply saying that our effort must be consistent with the constitutional rights enshrined in the Charter. Since we can always learn from the experience of others, I suggest we might look at the British experience.

The Parliament of the United Kingdom recently passed "drug paraphernalia" legislation. It is contained in the Drug Trafficking Offences Act 1986 which came into force on January 12, 1987. The major part of that legislation is similar to our proceeds of crime legislation, Bill C-61, which provides for the seizure, freezing and forfeiture of the proceeds of drug trafficking, including assets that are physically situated in Canada. It is interesting to note that Canadian assets can be taken into account for the purposes of a confiscation order made by a British court. Section 34 of the British statute which deals with drug paraphernalia states:

> (1) Any person who supplies or offers to supply any article which may be used or adapted to be used (whether by itself or in combination with another article or other articles) in the administration by any person of a controlled drug to himself or another, believing that the article (or the article as adapted) is to be so used in circumstances where the administration is unlawful, is guilty of an offence.

Hypodermic syringes or any part thereof are specifically exempted from the operation of this provision by subsection (2). Assuming the evidence establishes a belief that the administration of the substance, for instance, heroin, is illegal, one wonders why this exemption for hypodermic syringes was created. It may have some connection with the growing AIDS epidemic that is aggravated by individuals sharing needles for "shooting-up" purposes. The supply of articles for the purpose of preparing a controlled substance for administration is the subject matter of the prohibition in subsection (3). As in Canada, the lawful administration of controlled substances is defined by regulation.

The breadth of those prohibitions is potentially very wide in that they catch every imaginable article in existence that can be employed or adapted for use in the administration or preparation of illicit drugs. The limitation in the provision is created by the requirement that the person who supplies believes that the article is to be employed in either the administration or preparation of administration of a controlled drug. This would appear to be a subjective test which I admit may be quite difficult to prove.

Because of the recent passage of this legislation, experience in the British case has not been able to tell us how useful this approach will be. It may be that an objective test would have been a more effective basis for belief, that is, where there are reasonable grounds to believe that the article will be used for the improper purpose. That would mean that even in situations where the purchaser does not intend to employ the article for illicit administration of drugs, the supplier could still be found guilty because all the surrounding circumstances pointed to the creation in the mind of a reasonable man of a likelihood that unlawful use of the article would be taking place. This type of approach would also assist in the use of undercover police operations to detect and prosecute offenders of this enactment.

This legislation from the United Kingdom is a model that bears consideration and examination. It also points to the level of concern in other countries about the problem of drug paraphernalia. I am sure that the working group that has been set up by the Minister of Justice (Mr. Hnatyshyn) will be able to provide a much fuller analysis of this provision when its report is delivered. I would prefer to await the delivery of this report which will examine all aspects of the problem.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my pleasure to have an opportunity to say a few words regarding Bill C-264. This Bill focuses attention on one of the major crises facing our country today, that is, the widespread drug and alcohol abuse that afflicts so many Canadians, and the fact that it is a growing problem. I do not suppose that there are many of us in the House of Commons who do not know someone or know a family where drug abuse has caused a great deal of heartache, severe problems, and has hampered the future of individuals.

In light of those comments, Mr. Speaker, I want to share with you my surprise on a number of occasions when walking into a certain shop on a certain street and noticing in the display cases all types of interesting paraphernalia, little ceramic pipes, holders, syringes, water-pipes, and certain types

of fancy cigarette papers. One can find all types of interesting tidbits. The only thing that those articles can be used for is to roll joints, smoke hash, munch up magic mushrooms, or whatever it is that people might be into. This is all right out in the open. At the side of the room there are many brochures and booklets on how to grow your own marijuana or how to harvest marijuana plants to get the maximum amount of good oil out of them, and on and on. Then one thinks, Mr. Speaker, my goodness, all of this is illegal in Canada. We are not supposed to smoke hashish, eat magic mushrooms, or take LSD.

I went to the library and got a number of recent studies. Those studies list pages and pages of illicit drugs that can probably be bought on any college campus, in any high school, or on many street corners in the City of Ottawa as well as other cities across the country. The descriptions are vivid, and those studies list the fines attached to summary conviction for possession or trafficking. There is page after page and report after report of the illicit drug situation in Canada. The report on drug abuse and availability of illicit drugs in Canada has perhaps 300 pages of descriptions of what happens town by town in terms of the various types of drugs that have been uncovered by police. It is a horrendous problem that we face.

Bill C-264 comes to grips with this incredible hypocrisy. In the head shops around the country there are people who are presumably making a living selling the paraphernalia and gadgetry that goes with smoking illicit substances, eating them, chewing them, rubbing them, or whatever people might do with them, and that this is apparently okay. This Bill says: "Listen, if you are going to manufacture, promote or sell instruments or offer literature for illicit drug use then it will be considered an offence, you will be guilty, and you will be liable on a summary conviction."

I have just been passed a piece of information that reminds me that in the part of the country I come from on the west coast, magic mushrooms are dried in dryers in the laundromats to make things easier. I do not suppose that laundromats are covered in Bill C-264. Perhaps that might be the next stage.

This is not a laughing matter. It is an attempt by an individual to deal with the problem. It does not deal with the problem. We must not get caught up in concerning ourselves with water-pipes or other apparatus. We must ask ourselves what is behind all of this. What has led to increasing numbers of young people in the country taking mind altering substances? What has driven people, particularly young people, to this kind of behaviour?

• (1410)

There are high levels of unemployment in various parts of Canada, about which we were unfortunately reminded today. In many communities, particularly some of the smaller and remote ones, 20 per cent, 30 per cent, and 40 per cent of the population are unemployed. There are incredible divergences in terms of social guidelines for young people wherein appropriate behaviour or appropriate action is confusing. Job opportunities for young people are limited. Career opportunities for young people are limited. One could go on and on in terms of the very difficult challenges and problems confronting Canadians today, particularly our young people, but I will not do so. One way to deal with the situation has been to lose oneself by using a mind altering drug or by excessive use of alcohol.

When it comes to smoking, the federal Government has decided to take certain steps. These days we are debating a piece of legislation which will hopefully encourage people to smoke less and consequently save tens of thousands of Canadians each year from all the problems associated with smoking. It is a positive initiative which I think most Canadians would applaud.

Dealing with Bill C-264, which I suspect is honourably motivated, and concerning ourselves with pins, water-pipes, and so on surely misses the point. The point is: Why are these shops necessary? Why is there a need for this paraphernalia? What is behind it? I think that is where we should be focusing our energies and efforts as responsible parliamentarians.

This is not to say that the Government does absolutely nothing in this area, but I think the public is demanding that we do more. Federal, provincial, and local Governments, as well as many agencies, should be taking much more affirmative action in terms of setting the stage so that Canadians, particularly younger ones, learn that the need to escape from reality or the real world through mind altering substances is no longer necessary and that they can live and develop their lives as productive and contributory citizens. At that point we will know that we have been successful in advancing Canada to a more progressive and more civilized country.

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, at the outset I should like to commend the Hon. Member for Mississauga North (Mr. Horner) for his obvious interest in the health and welfare of Canada's youth and for his efforts in presenting Bill C-264 to the House.

I recognize—and I believe most Members recognize it as well—that the spread in the abuse of various substances by our youth, not only those prohibited or controlled under the Narcotic Control Act or the Food and Drugs Act, is damaging the lives of young Canadians from St. John's to Victoria and from Toronto to the smallest settlements in the Arctic. As other Hon. Members have quite properly noted, there can be no one in society today who has not been touched in some way by the ravages of drug abuse. There can be no doubt that for those who peddle illicit drugs profit is the only motivation and that, indeed, large profits can be obtained through this immoral exploitation of young people.

I should like to focus my remarks today on one aspect of the proposed legislation—the control of literature for illicit drug

use. This expression is defined in the Hon. Member's proposed Section 420.1 as meaning the following:

> —any printed matter describing or depicting, and designed primarily or intended under the circumstances to promote or glamorize, the production, preparation or consumption of illicit drugs.

To a great extent the media—and here I do not limit my remarks to the print media but would include the film and television media—have exercised a responsible approach to the publication of material regarding the illicit drug industry. However, there is a segment of the publishing industry which has done much to facilitate the efforts of the drug trafficker through the creation of a mystique surrounding both those who traffic and those who consume illicit drugs. These publishers collectively bear some considerable measure of responsibility for the popularization of so-called soft drugs, and it is toward those publishers that proposed Section 420.1 of Bill C-264 is directed.

The impressionable, the naive, those lacking in self-esteem and self-confidence, are drawn in many ways to experiment with drugs and to be part of a lifestyle they are made to perceive as attractive. Some publishers do not exercise any self-censorship but rather, in seeking to expand their circulation or reputation, do not hesitate to publish that which they would describe as literature—the glorification of successful drug traffickers. I am certain we all support freedom of expression and free exchange of information. However, in a free and democratic society we recognize that reasonable limits may be placed upon such principles.

In a similar fashion small store owners and operators of so-called head shops, specializing in the distribution of devices which have no other legitimate purpose than to facilitate the consumption of drugs, make profit from those who consume illicit drugs. They, too, exploit the victims of organized crime. Make no mistake about it, Mr. Speaker, drug trafficking accounts for the largest share of the criminal transactions of organized crime.

Ultimately all society is the victim of such organized criminal activity. The taxpayer pays for the law enforcement efforts directed at combating and eradicating the illicit drug trade and the cost of imprisoning convicted offenders who trafficked in these substances or committed other crimes in order to obtain money to buy drugs. Of course the victims include those whose lives are forever harmed and destroyed by the consumption of drugs, as well as those who had criminal acts committed against them either by persons under the influence of these substances or by persons who, in order to obtain money to buy drugs, violated their property rights.

On a larger scale, I submit that millions of people unknown to us in the poorer countries of the Third World where many of these drugs are produced are also the victims of this illicit commercial activity. They live in terror, the subjects of drug overlords who hold sway over large territories in South America and Asia. So long as a market for their goods exists in developed nations such as Canada, these drug lords will continue to produce. Their markets will not shrink if nothing is done to counter portrayals in some media that it is good to be bad. Education is the key.

One cannot expect law enforcement officials or the criminal justice system to succeed in the fight against organized crime without the support of society at large. More must be done to generate awareness of the economic and social impact of drug trafficking in Canada and abroad. Active measures which involve the community at large must be developed.

Bill C-264 speaks to an inconsistency in our approach to drug abuse. We prohibit the trafficking in or possession of illicit drugs, yet do nothing to prevent the commercial sale of paraphernalia which have no other use than to facilitate the consumption and use of such substances. To the average man or woman on the street, this is incomprehensible and I suspect that there is a great deal of support for the thrust for Bill C-264.

However, I have a major concern on which I would like to briefly touch. I am worried about that part of the proposed amendment to the Criminal Code which would have the effect of imposing a form of censorship over what Canadians are permitted to read. Hon. Members will note that the Bill makes no attempt to control any printed matter other than those few publications which specialize in the promotion of the consumption of illicit drugs. I am concerned that this legislation might be attacked under the provisions of the Canadian Charter of Rights and Freedoms which protect the freedom of expression and the freedom of communication of the press and other media.

Would the courts accept that there has been a need demonstrated for the introduction of such a measure? There are other publications disseminating information which, it could be argued, have no legitimate purpose in being distributed. Here I would refer the House to the report of the Senate Special Committee on Terrorism and the Public Safety which specifically addressed the topic of so-called mayhem manuals.

• (1420)

The committee recommended that the Government look at ways to prescribe the importation, production, distribution or sale of manuals which had as their dominant primary characteristic the description of how to fabricate weapons or bombs, or the description of tactics that could be of practical assistance in mounting terrorist attacks.

I believe a parallel may be drawn between these two types of publications, mayhem manuals on the one hand and literature for illicit drug use on the other. Neither serve any positive social purpose nor contribute to the good of Canadian society. Both are examples of specialized publications which reflect the views and interests of an extremely small segment of society. They are, however, instrumental in the dissemination of a set of values which are inconsistent with those held by the majority of Canadians. Both mayhem manuals and literature for illicit drug use are, in my submission, areas where the

courts may support an exception to the protection of the fundamental freedoms listed in Section 2 of the Charter.

I have one final concern which also results from the Charter. The publishers of these specialized publications may point to their colleagues who communicate such information through other means and claim that they are being discriminated against. Would it not be wiser to expand the ambit of the proposed amendment to the Criminal Code to bring other forms of communication within its control?

In closing, I would invite Hon. Members to consider all aspects of this proposed legislation and not to dismiss it lightly. Fundamentally, what is proposed in Bill C-264 is sound and generally consistent with other legislation in this area. I salute the Hon. Member for Mississauga North for bringing this Bill forward. However, the working group established by the Minister of Justice (Mr. Hnatyshyn) to review the issue of drug paraphernalia will report within the year. I, therefore, recommend that the study of Bill C-264 be deferred until the conclusions of that report are known.

Mr. Simon de Jong (Regina East): Mr. Speaker, I wish to enter this debate and offer some observations on the topic. For a period of time, mainly from 1969 to 1975, I worked with a youth agency in Vancouver where we very often dealt with young people who had overdosed on drugs, young people who had taken LSD and were on bummers, so to speak. I speak with a certain amount of knowledge as to the usage of illicit drugs, particularly in Vancouver during that period of the latter 1960s and the early 1970s.

I would like to say at the outset that the Private Members' Bill offered to us today really will not be very effective. You just do not deal with that problem by outlawing head shops, Mr. Speaker. It might satisfy some cravings of Hon. Members that they have struck a blow for righteousness and goodness, but I am afraid that is all it will do.

First, let us talk about head shops. Generally there are different types of cigarette paper. Does that mean you will outlaw all cigarette paper? That would be quite difficult. Does it mean that tobacconists will not be able to sell cigarette paper? That would be a little difficult. I hear an Hon. Member suggest that is a different thing. It really is not different. Essentially you can use these cigarette papers to roll a joint, a marijuana cigarette or a tobacco cigarette. To outlaw cigarette papers *per se* I do not think will accomplish very much. You can outlaw some of the other paraphernalia. Some of the other paraphernalia would be what is called "roach holders". For heaven's sake, Mr. Speaker, bobby pins can be used as roach holders. Will you outlaw bobby pins? Of course not, that is ridiculous. What about pipes? Some of these are what is called hookah pipes. Generally you find these in the Middle Eastern countries. They can be used either to smoke marijuana, hashish or tobacco. Will you outlaw them? Again, that is quite a different call to make. By outlawing pipes that can be used for the smoking or inhaling of illegal substances, at the same time you will be prohibiting the smoking of legal substances. That does not make much sense either.

I suppose we now come to things that would be sold like posters and magazines that would extol the use of marijuana and other illicit substances. I might say that I have never seen a publication that encourages the use of what I would call the real dangerous drugs, namely, heroin, the hard drugs, the drugs that are addictive. I would say in my experience that marijuana, hashish and even mushrooms and LSD, from what I observed in the young people with whom I was dealing in Vancouver, are not really addictive. You can make a claim that they are psychologically addictive. Certainly I have known many young people who have used these substances on quite a regular basis, but you cannot describe them as being physically addictive as heroin would be, or, for that matter, alcohol or tobacco. In fact, from dealing with people who have gone through drug treatment programs, having been addicted to heroin, they tell me that they find it more difficult to quit smoking than to break the heroin habit. As I mentioned before, I have never seen a publication that extols the use or encourages the reader to use such hard drugs as heroin.

Are we going to outlaw these publications? The way the Bill is drafted, it is so open that major pieces of literature would also have to be outlawed. For instance, the *Kubla Khan*, *A Vision in a Dream* by Samuel Taylor Coleridge, *Ulalume* by Edgar Allen Poe, *The Adventures of Sherlock Holmes* by Sir Arthur Conan Doyle, *Alice in Wonderland* by Lewis Carroll, *Tropic of Capricorn* by Henry Miller, *Naked Lunch* by William S. Burroughs, *On the Road* by Jack Kerouac, *Howl and Other Poems* by Allen Ginsburg, *Beneath the Underdog* by Charles Mingus and *The Collected Works of Billy the Kid* by Michael Ondaatje, winner of the Governor General's Award for poetry in 1971. Those are some of the publications that would conceivably fall under the ban proposed in this Private Members' Bill.

I do not understand why the drafter of the Bill, if he is concerned about magazines and pieces of literature that perhaps put into a positive light the taking of such illicit substances as marijuana and hashish, would stop at the printed word. Certainly popular music today, and has I would say for the last decade or decade and a half, has positive suggestions. There are several pieces by The Beatles that would also surely be banned if you used the same criteria that is being used in this Bill today.

Do well-intentioned Hon. Members, by outlawing and bringing the law to bear on businesses like head shops feel that they are doing something to deal with the drug problem? I would suggest that that is really not the case. They are really not dealing with the problem. It will not make any difference whatsoever if there are no so-called head shops around.

• (1430)

There is a drug problem that exists in society. Most of the problem has to do with hard drugs and with alcohol. Those two cause the most serious drug problems in society.

We all know about alcohol. We know of the untold deaths that occur on the highways because of drinking and driving. We know of marriage breakups that occur because of alcoholism within families. We know of the loss of jobs and economic security, again caused by alcoholism.

I would say that alcoholism is the most serious drug problem that exists in our society today. The second most serious problem is caused by heroin and morphine, two variations of the same drug, one being harder and having a different chemical consistency. In essence, they are both pain killers.

Heroin definitely causes serious social concerns. The funny thing is that part of the reason for heroin being a problem to society is that it is illegal. It has been noted that there are professional people like doctors who have access to heroin and have become heroin addicts but who can function quite well and competently as doctors. It is because the substance is illegal and so addictive that people will commit all sorts of crimes to get the money to satisfy their habits.

A proposal that has at times been brought forward but, I understand, never really seriously discussed is the consideration of what England has done, and that is to treat heroin addiction as a medical problem rather than as a legal problem. I suspect that if we treat it as a medical problem, we would not have the type of crime we have today. There would be a much better chance of having treatment programs and certainly we would not have the murders and thefts that occur because of heroin.

I see that you are indicating to me that my time is up, Mr. Speaker. I would suggest to Hon. Members, even though I laud their intention and do not take issue with it, that the Bill is not appropriate. It will not do what they hope it will do.

• (1440)

[*Translation*]

Mrs. Claudy Mailly (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, unlike my colleague from the New Democratic Party who spoke before me, I do not think that my colleague from Mississauga North (Mr. Horner) introduced this Bill because he felt a wave of puritanism and wanted to express his opposition to a softening of social standards. On the contrary, I think he is a very responsible man who has seen the ravages caused by drugs among young people and who is looking for a solution to that problem.

This bill to amend the Criminal Code may not be the ideal or the only way to go about it, but I do not question in any way the sincerity of my colleague from Mississauga North when he approaches the problem by suggesting we must do something now.

I know full well the ravages caused by drugs. I represent, Mr. Speaker, a constituency where 45 per cent of the urban population is under 35. About two years ago, I had to work with Gatineau policemen, particularly with police chief Joël Chéruet, to try and make illegal the setting up of arcades and pinball machines near elementary schools in the city of Gatineau. Because unfortunately in those arcades could be found not only pinball machines but also drug traffickers who took advantage of the tender age of those schoolchildren to get them addicted. As a result of their addiction, those children began to steal from automatic vending machines, in churches and also from older citizens coming back from senior citizens' clubs. They stole coins, mostly quarters from them to play those pinball machines in the arcades and to purchase drugs. It was noted that a gang of young schoolchildren were involved in drugs due to the proximity of those arcades where traffickers would be waiting for them.

Now this is a serious question. We found it difficult to convince civic authorities that such arcades near schools should be banned. They referred to business rights, to what my NDP colleague said a while ago about privacy and they told us that we should not be too coercive. Our efforts to protect those defenceless young people were thus undermined.

Faced with such a problem we should refrain from saying: "Oh dear, our community should not become puritan as a result of such problem." This is not the case. Indeed, we have a very serious problem.

I am also aware of the devastation caused by drugs because in my constituency there is an organization called *Le bon samaritain* led by Carole Dagenais, Carole Mongeon and Robert Gervais from the CIP and many others who are very devoted individuals. Those I know are working with former drug addicts. Whenever I visit "*Le bon samaritain*", I notice that the average age is very low. Therefore, it is a problem I am very familiar with.

I suggest it is our duty, as citizens, elected representatives and leaders of the community, not to discourage people like my friend the Hon. Member for Mississauga North when they suggest ways and means to try and stop drug trafficking. Rather than amending the Criminal Code, we could emphasize and enhance a number of Criminal Code provisions. I refer for instance to Section 422 of the Code which states:

> 422. Except where otherwise expressly provided by law, the following provisions apply in respect of persons who counsel other persons to commit offences, namely,
>
> (a) every one who counsels another person to commit an indictable offence is, if the offence is not committed, guilty of an indictable offence and is liable to the same punishment to which a person who attempts to commit that offence is liable; and
>
> (b) every one who counsels another person to commit an offence punishable on summary conviction is, if the offence is not committed, guilty of an offence punishable on summary conviction.

I was quoting from 1953-54, Chap. 51, Sec. 407; 1985, Chap. 19, Sec. 61.

So, Section 22 of the Criminal Code defines a "counsellor" as a person who counsels or procures another person to be a party to an offense. Jurisprudence has it that, in order to obtain a conviction, it is not necessary to prove that the other person has committed the offense which was counselled to him or her by the accused. Simple counselling is enough for an offense. So we could use this section.

It would be difficult to find a basic difference between the action the people doing that kind of counselling are accused of and the behaviour of the people involved in the sale of illicit drug paraphernalia. Under the Criminal Code, it is clear that offering the devices and kits freely available in the so-called "head shops" to make the use and, therefore, possession of illicit drugs more attractive, make any person, especially the owners and employees of the shops, liable to criminal pursuit for having counseled persons into committing an offense.

I hope that the Minister of Justice (Mr. Hnatyshyn) will consider using Section 422 of the Criminal Code as a means to solve the problem resulting from the possession and sale of illicit drug paraphernalia in this country.

Accordingly, Mr. Speaker, if this Bill was voted on and deferred to a legislative committee, we could deal with the measures suggested by my colleague the Hon. Member for Mississauga North (Mr. Horner) for the purpose of improving it and dealing then with the use of Section 422 or other ways to proceed. However, Mr. Speaker, I object to people imputing motives on someone who wishes to deal with the difficult drug addiction problem, especially when young people are involved. I would like to suggest to the Hon. Member for Regina East (Mr. de Jong) that instead of taking offense for a wording that might differ from his way of life or his ideas, he participates in a constructive way to this debate in order that we find, and this very rapidly, the best possible solution to this terrible problem. I wish as well to encourage my colleagues in the House to actively participate in crime prevention movements that are being launched here and there in Canada, because parents of young people already hooked are often those who assume the whole task.

I believe those fortunate enough to have children who escaped this drug addiction calamity should get very personally involved with these prevention groups, because they are the ones who could bring with a clear mind the right answers, whereas parents of children who were once or still are drug addicts are sometimes so emotionally disturbed by their family problem that they fail to calmly consider the issue.

I thank you, Mr. Speaker, for having listened to me with much attention and I am sure that my colleagues will have a second thought before casting aspersions on a person who only wishes to resolve such a problem.

Mr. Charles-Eugène Marin (Gaspé): Mr. Speaker, I am pleased to have this opportunity to comment on that important question. The Hon. Member for Mississauga North (Mr. Horner) has introduced a legislation amending the Criminal Code to prohibit the sale of drug paraphernalia. As we all know, while narcotics and some other drugs are actually prohibited, it is still possible and easy to find litterature promoting such drug use as well as drug paraphernalia and kits in shops specializing in the sale of such paraphernalia.

You will remember, Mr. Speaker, that the Government has announced last May its national Strategy against drug use thus manifesting its firm intention of finding solutions to the problem of drug abuse. The matter of drug paraphernalia is directly related to the problem of drug abuse.

As you will surely know, several states have passed legislations to eliminate the sale of drug paraphernalia. I would like to take a few moments to trace the history of the problem of drug parahernalia South of our frontier.

Early in the 1960's, most Americans had almost never experimented with drugs, except naturally for alcool, tobacco and coffee. It is through newspapers, novels and movies that people have learned about the way of life of the drug addicts. It was among the poor, mainly the black, the spanish immigrants and the native that illicit drug use was more prevalent. In their mind, the people associated drug use with criminals and other marginal sub-cultures such as the beatnicks among whom some of the greatest poets, artists and musicians of their generation are found. The average American did not have much to go with drugs but they were omnipresent in the dregs of society as well as among the anti-establishment intelligentsia.

As the 1960's went by, drug abuse skyrocketed. Thanks to progress made in medicine and in pharmacology the number of available drugs increased considerably. Vitamins began to be used in millions of homes. Large immunization campaigns were carried out. Millions of people were prescribed tranquilizers for the relief of stress symptoms.

The introduction of oral contraceptives has set in motion a sexual revolution and created a direct association between pills and pleasure. Other factors, such as social unrest prevalent in those times, have contributed to an increase in drug abuse behaviour. Arts and cinema became psychedelic; in Woodstock, the generation of the Sixties was celebrating its liberation with protest songs and acid rock.

Civil disobedience had become the accepted way of fighting against discrimination, encouraged by the State. The notion that governments could and should be opposed has contributed to the political anti-establishment activities which have marked the Vietnam War years. In the late Sixties and early Seventies, the morality of the governments and of the Establishment was questioned, and many people, mostly young people, were suspicious of the foreign racial and drugs policies of the United States. Even in the most respectable circles it was good to criticize government policy, and the attitude towards drugs was the most permissive ever seen. Pressure groups were set up to promote the reform of drug legislation and some States went even as far as to decriminalize marijuana. In many other States, sentences imposed for minor drug

offences became much lighter in most if not all cases. In that context, it is impossible to ascertain if the increase in drug abuse resulted from a temporary mental aberration or rather from the cohesion of a sub-culture. But repression of drug abuse, so dearly won during the first half of the century, was wiped out within a decade. The most widespread drugs were marijuana, pharmaceutical products, hallucinogens and, to a certain extent, cocain and opiates.

On the list of articles useful or necessary for drug use, we find pipes, water pipes, cigarette papers, tweezers, mirrors, razor blades and a whole range of accessories for illicit preparation, conservation and consumption of illegal drugs.

Those accessories, although they were not widely available, appeared in the sixties in headshops and record stores. Their growing popularity brought about an increase in the number of stores where they were available. The marketing and distribution became more and more sophisticated. In 1974, the magazine High Times was published for the first time, 20,000 copies being printed; it was an immediate hit. High Times publishes reports and editorials pushing for recreational use of drugs while at the same time providing the manufacturers of thoses accessories with a medium to advertise their products.

Opposition against the instrument industry first came from parents, church leaders, and government authorities. In the early days the opposition was weak and disorganized. The first organized group that challenged the drug device makers was established in 1977 in the American state of Georgia. Its members maintained that the whole industry was violating the government's drug control policies and that shops gave youngsters the impression that drugs were socially acceptable. Similar groups were set up in other parts of the country and brought pressure to bear on local governments so they would issue regulations outlawing the sale of drug paraphernalia.

Between 1977 and 1979 a number of states and municipalities passed legislation to prohibit possession and distribution of such devices. Those first laws were all declared unconstitutional. In May, 1979, the White House requested that the Department of Justice's Drug Enforcement Agency attempt to develop a constitutionally permissible approach to the control of paraphernalia.

The DEA's response to the White House request was to develop a model drug paraphernalia Act. Hearings were held before the House Select Committee on Narcotics and Drug Abuse control in November, 1979, to review the model Act. The committee concluded its review by finding that the paraphernalia industry contributed to the flagrant and harmful use of drugs and found that the model Act was necessary to eradicate the paraphernalia industry.

I would like to go over some of the basic provisions of the American model Act.

First, it provides a comprehensive definition of the term "drug paraphernalia" with specific descriptions of the most common forms of paraphernalia.

It lists the factors which must be taken into account to determine whether an item is covered by this definition.

It makes it an offense to manufacture, advertise, deliver or use drug paraphernalia.

It makes it a special offense to deliver drug paraphernalia to anyone under 18 years of age.

It precisely defines outlawed acts in the manufacture, advertising, delivery and use of drug paraphernalia and specifies the culpable intent necessary to commit the offense.

It provides for seizure and confiscation of drug paraphernalia.

To date, some 40 American states have adopted the uniform legislation proposed to control drug paraphernalia.

In my opinion, the problem of drug abuse and drug paraphernalia is more serious in the United States than in Canada. We can only approve any initiative which might help to put an end to the social calamity which drug use has now become. The purpose of the Bill introduced by the Hon. Member is quite laudable, but I do not believe that the means suggested by the Hon. Member are appropriate to meet this purpose. In any case, the Department of Justice has undertaken a review of this whole issue, and during this process, it will consult those concerned and professional groups. It should be able to publish its conclusions later this year. I therefore believe, Mr. Speaker, that the debate should be postponed until the findings of this study have been published.

• (1450)

[*English*]

The Acting Speaker (Mr. Paproski): There are four minutes left in the time for debate. The Member will not be able to complete her comments today, but I will recognize the Member for Hamilton East (Ms. Copps).

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am most pleased to participate in this debate. While we certainly endorse the comments that have been made by a number of speakers this afternoon, we would like to point out that Bill C-264 is in fact a follow-through on what has already been proposed by a standing committee of the House of Commons. More specifically, Mr. Speaker, you will recall that last year the Prime Minister (Mr. Mulroney) deemed that because there was a drug epidemic in the United States, there was also a drug epidemic in Canada. As a result of that statement, there was a study launched by the Standing Committee on National Health and Welfare which examined the whole range of licit and illicit drugs in Canada.

One of the areas which that committee studied was head shops and the paraphernalia sold in head shops. The committee made a number of very salient and proper recommendations in that regard. That report was entitled "Booze, Pills & Dope; Reducing Substance Abuse in Canada" and was tabled

here in the House of Commons some months ago. Yet, we have heard absolutely nothing from the Government.

It is all well and good for us to stand up and say "Let's support this wonderful Private Member's Bill". With respect, Mr. Speaker, it is motherhood. Of course no one in their right mind is going to stand up and say that we should support the sale of illegal drug paraphernalia in Canada. Of course we should be acting.

However, I must ask the Government today why it is leaving the job up to Private Members in the form of Private Members' Bills and why it has refused to respond to the Standing Committee on National Health and Welfare when in September, 1986, I believe, the Prime Minister said that there was a drug epidemic. He has had a report on the matter sitting on the desk of the Government for a number of months and there has been no response.

Therefore, can we stop hiding behind Private Members' Bills and the very good intentions of Members of Parliament on all sides of the House and start doing something, start showing some leadership? Private Members' Bills in this House will be debated. We will all have a chance to put our thoughts on the record and send our messages to our constituents so that they will know that we are speaking out on the important issues. However, Private Members' Bills seldom become the law of the land.

The Minister of National Health and Welfare (Mr. Epp) has had in his possession a series of recommendations which specifically address the problem of head shops in Canada and he has chosen to ignore them. Why do we not cut out this hypocrisy?

According to Standing Order 96(2) the the study "Booze, Pills & Dope; Reducing Substance Abuse in Canada" was reported to the House of Commons and we are still waiting for the reply of the Government. There were a number of government Members on this committee. The Member for Oxford (Mr. Halliday) was the chairman of the committee and the Member for Ottawa—Carleton (Mr. Turner) was the vice-chairman. The Members for York Scarborough (Mr. McCrossan), Dauphin—Swan River (Mr. White), and Nipissing (Mr. Mantha) were members of the committee as well as myself and the Member for Saint-Maurice (Mr. Grondin). A lot of Members worked on this report and came up with some extremely good recommendations, one of which specifically dealt with the question of drug paraphernalia and nothing has been done.

Mr. Hawkes: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Paproski): I do not know why I should entertain a point of order when the time for Private Members' Business has now expired. The Hon. Member has 30 seconds to put his point of order, otherwise the time provided for the consideration of Private Members' Business is now expired and pursuant to Standing Order 36(2), the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

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

The House adjourned at 2.57 p.m.

HOUSE OF COMMONS

Monday, March 14, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

COMMONWEALTH DAY

OBSERVANCE OF ANNIVERSARY

Hon. George Hees (Minister of Veterans Affairs and Minister of State (Seniors)): Mr. Speaker, today we join a quarter of the world's people in observing Commonwealth Day. As you know, Mr. Speaker, Canada has been very active in the Commonwealth over the past year. Last October we hosted the heads of Government meeting in Vancouver. Last month the Secretary of State for External Affairs (Mr. Clark) chaired the first meeting of the Commonwealth Committee of Foreign Ministers on Southern Africa, created at Vancouver.

Canada continues to be one of the strongest supporters of the Commonwealth. It has given us easy, privileged access to a large group of Third World countries, all of whom were, like Canada, once members of the British Empire. Our Commonwealth experience has provided inspiration for Canada to seek parallel institutions to cement our ties with the French-speaking world. That experience was part of the reason we hosted the Francophone Summit last year in Quebec City.

The Vancouver meeting of the heads of Government of the Commonwealth reviewed the multi-faceted activities of the organization. It addressed major international political and economic issues ranging from Third World debt, to the status of women in society, to the threat to low-lying states from rising water levels.

Canadian Development Assistance, a major dimension of our foreign policy and international identity, has its roots in the Colombo plan of the early 1950s. Today, the Commonwealth Fund for Technical Co-operation, CFTC, provides technical assistance to all parts of the developing Commonwealth.

The fund is virtually unique in that almost all members contribute, and it makes maximum use of experts from developing countries. Canada is the single largest donor to the CFTC, providing approximately $17.5 million in 1987-88, well over one-third of its total resources.

As the meeting in Vancouver demonstrated, the Commonwealth not only consults on major world issues but takes concerted action. The meeting launched three important initiatives.

First, it adopted a new plan of action for southern Africa including assistance to the Front Line States and Mozambique. A committee of eight foreign ministers was established, chaired by the Secretary of State for External Affairs. It was created to provided impetus and guidance in the Commonwealth's struggle against apartheid in South Africa. It has already proved to be a valuable forum in responding to South Africa's recent restrictive actions against opposition groups.

Second, it issued a declaration on world trade to encourage a more liberalized global trading system and reinforce the current round of multilateral trade negotiations. Canada also wrote off the official debt of the poorest Commonwealth African countries.

• (1110)

Third, it endorsed an imaginative scheme for Commonwealth collaboration in distance education based on a Canadian initiative to promote the exchange of information, training, technical assistance and research in the application of distance education techniques at post secondary and vocational levels in the developing Commonwealth countries.

These three initiatives illustrate the breadth of the Commonwealth contribution. The organization we honour today, in which we find common ground and purpose with a billion people in countries large and small around the world, is worthy of our enthusiastic and abiding support.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the Official Opposition takes pleasure in joining with the Hon. Minister of Veterans Affairs and Minister of State for Senior Citizens in his statement celebrating the Commonwealth and its accomplishments in the past and certainly its aspirations for the future. But we would want to take careful note that the Commonwealth at this point in its history faces perhaps its most serious challenge and a serious difficulty. We should not simply celebrate by fond rhetoric or past memories. We should in our rededication apply the principles upon which the Commonwealth has been built and use it as a way of encouraging this Government through its position of leadership in the Commonwealth to continue to press for the kinds of efforts and initiatives to deal with the ever-growing seriousness of the problem in South Africa.

Each night we see a further escalation of the conflict of oppression and a denial of all the values to which we adhere. It is for that reason as you know, Mr. Speaker, that our own Party has called clearly for the Prime Minister (Mr. Mulroney) to live up to the commitments he made almost two years ago at the United Nations to take a more forceful and dramatic step in dealing with both economic and diplomatic sanctions.

I noted with some interest that on Saturday night in an address the Prime Minister indicated that the Government is now reviewing its position, something we have called for it to do over the last several weeks. We hope the Government will.

We believe the position that Canada occupies in the Commonwealth is an important one. The steps we take in relation to South Africa will obviously have a major influence and impact upon decisions of other countries in the Commonwealth. We recognize, I think, to be candid, that the leadership of Great Britain at the present time takes a different point of view, but this may be the time for us to demonstrate that the new generation of Commonwealth leadership has a different perspective than that espoused by Mrs. Thatcher. We use this occasion of the statement of the Minister to add our voice of urgency and the sense of need for the Government of Canada through the Commonwealth to demonstrate to the rest of the world that the actions of the South African Government are not to be tolerated and that apartheid must come to an end.

The Minister made reference to both aid and trade as a characteristic of the Commonwealth which should be noted and celebrated. I agree with him again in principle but raise questions about the Government's willingness to follow through on it. I take note that trade with many of the countries in the Commonwealth has fallen drastically over the past three years. Trade with African countries has dropped almost 25 per cent. We have not undertaken the kind of multilateral international trade initiatives that would be required to come to grips with our debt problems in a significant way. More important, we should be creative and imaginative in opening up new trade opportunities with Third World countries, many of which are Commonwealth partners.

I think it is important for this House to note just how drastic has been the shrinkage in trade around the world, other than with the United States. I can only conclude it is because of the particular pre-occupation which the Government has with that trading relationship that the others are being ignored.

I would say as well on the issue of aid that again we applaud the objectives but have questions about the practice. The statement made last week by the Minister for External Relations (Mrs. Landry) setting out new guidelines for the CIDA programs by the Government of Canada has once again set back even further our intention to raise our foreign aid commitment to 0.7 per cent of GNP. The promise made in the 1984 election has now gone through a successive series of further delays and restraints.

In conclusion, the Commonwealth deserves celebration, but it also deserves clear and forthright action in the area of politics, trade and aid. We would encourage the Government to make better use of the Commonwealth than we believe has been made up to this point in time.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, on behalf of my colleagues in the New Democratic Party, I too would like to join with the Minister of Veterans Affairs, (Mr. Hees), the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) and all Members of the House in observing Commonwealth Day.

New Democrats have a long history of support for global multilateral institutions, including the United Nations and the Commonwealth, because we believe these organizations to be the most effective means at our disposal to address global concerns, whether they be economic, social, military or environmental. However, the Commonwealth is unique.

Born out of conquest and colonialism, the Commonwealth has become a model of international co-operation based on shared values that transcend race, religion and culture. In this respect, the Commonwealth is, perhaps more than any other international institution, an example of how one billion diverse people can put aside their differences and, indeed, the sometimes bitter history they share to work together in the pursuit of common goals.

The Minister has outlined some of the many co-operative endeavours of the Commonwealth, such as the Commonwealth fund for technical co-operation, efforts to liberalize trade, debt restructuring, and the list goes on and on. In many of these areas, Canada has become a Commonwealth leader, some even say that Canada has become the Commonwealth leader. This is a testament to our own commitment as a nation to multiculturalism, tolerance and social justice.

In some areas, however, the Commonwealth has not been as successful as many would like. A case in point is that of South Africa. While the Commonwealth has been one of the sharpest critics of apartheid in South Africa, concrete efforts on the part of the Commonwealth to bring about change in South Africa have been modest. This, of course, is partly due to the very diversity within the Commonwealth that we generally applaud. However, the system of apartheid in South Africa is so abhorrent to the world community, including the Commonwealth, and the prospect of violence is so great, that I call on the Commonwealth to redouble its efforts to bring about meaningful change in South Africa. In this respect, we believe the Canadian Government must provide even greater leadership, both independently and with other Commonwealth countries.

We believe the Commonwealth has demonstrated that the people of the world can put aside differences and work together for a better global future. We also believe the Commonwealth and the world community as a whole can, and should do more in this regard.

We are happy to join with all Canadians in observing Commonwealth Day and we look forward to greater co-operation and concerted global action on the part of the Commonwealth in the future.

* * *

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF TWENTY-NINTH AND THIRTIETH REPORTS OF THE CANADIAN NATO PARLIAMENTARY ASSOCIATION

Mr. Bob Hicks (Scarborough East): Madam Speaker, pursuant to Standing Order 101, I have the honour to present to the House the twenty-ninth and the thirtieth reports, in both official languages, of the Canadian NATO Parliamentary Association.

[*Editor's Note: See today's Votes and Proceedings*]

* * *

• (1120)

PETITIONS

PROPOSED FREE TRADE

Mr. John R. Rodriguez (Nickel Belt): Madam Speaker, I have the honour and privilege of presenting a petition signed by residents of Chatham and St. Thomas, Ontario.

The petitioners point out that the Conservative Government had no mandate from the Canadian people to conduct a free trade agreement with the United States and, furthermore, that the Prime Minister (Mr. Mulroney) promised, in the course of the bilateral trade negotiations, that Canadian sovereignty would not be compromised.

In view of the fact that the proposed trade agreement would deny Canada the policy freedom to determine its own economic future and would undermine our ability to build a society distinct from that of the United States, the petitioners therefore call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject this proposed trade agreement during a national general election.

OPPOSITION TO THE ACQUISITION OF NUCLEAR-POWERED SUBMARINES

Mr. Jim Manly (Cowichan—Malahat—The Islands): Madam Speaker, I have two duly certified petitions. The first concerns the purchase of nuclear-powered submarines for Canada. The petitioners point out the great danger of accidents while nuclear-armed or nuclear-powered ships are in Canadian ports and point out that this is a threat both to the environment and to Canadian citizens. They call upon the Government not to purchase these nuclear-powered submarines.

REQUEST FOR LEGISLATIVE PROHIBITION OF DISCRIMINATION ON THE BASIS OF SEXUAL ORIENTATION

Mr. Jim Manly (Cowichan—Malahat—The Islands): Madam Speaker, the second petition points out that the Standing Committee on Justice and Legal Affairs, in October of 1985, submitted a report to the House recommending that the Canadian Human Rights Act be amended to prohibit discrimination on the basis of sexual orientation in all areas under federal jurisdiction. In March of 1986, the Government accepted this report and its recommendations, saying that it would take whatever measures necessary to ensure that sexual orientation is a prohibitive ground of discrimination. The Government has yet to introduce significant legislation acting upon these recommendations.

Therefore, the petitioners call upon Parliament to ensure that Government and Parliament act to implement the recommendations contained in the report.

PROPOSED FREE TRADE

Mr. Ian Waddell (Vancouver—Kingsway): Madam Speaker, I also have a petition from a number of people dealing with the so-called free trade agreement.

These people say that the trade agreement negotiated by the Government with the Americans will remove the power of the Canadian Government to effectively control foreign ownership, to develop Canadian energy resources in the best interests of Canadians, not other people, and to equalize opportunities between the regions.

They suggest—demand, indeed, and I would agree—that we should have an election soon before we implement this so-called free trade agreement.

[*Translation*]

Mr. John Parry (Kenora—Rainy River): Madam Speaker, I have the honour and the privilege of tabling two petitions before this honourable House. The first petition was signed mainly by residents of the province of Quebec. The undersigned state that the Government never received a mandate from the Canadian people to enter into a free trade agreement with the United States, and they want the Government to give Canadians a chance to approve or reject this proposal by calling a general election.

[*English*]

DESIGNATION REGARDING NORTHERN TAX ALLOWANCES

Mr. John Parry (Kenora—Rainy River): Madam Speaker, the second petition is signed by some 200 residents of the community of Fort Frances in my riding, adding to the more than 1,000 who have now signed petitions on this subject. This petition was signed beginning February 23. It arrived in my office on March 10 and was certified on March 11. It is now being presented on March 14.

Since the Government has committed itself to expediting all such fresh petitions, I would like to present it today with the

observation that this petition, petitions against the discriminatory and unfair aspects of the application of the northern residents' tax allowance which, by the operation of the present regulations, simply divides northern Ontario, neighbour between neighbour, on the basis of those who will qualify for this exemption and those who will not qualify.

Of course, the petitioners pray that all communities in Tier 3 ridings be eligible for the northern residents' tax allowance deduction.

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I have two petitions to present today. Both have been certified correct according to Standing Order 106. The first is from residents of northwestern Ontario and expresses concern about the application of the northern residents' tax deduction whereby a number of communities with costs higher than those in the major cities have been excluded from this benefit which is substantial for northern residents, and they call for changes in the rules to allow the non-designated communities to be part of the tax deduction.

PROPOSED FREE TRADE

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, the second petition is signed by residents of Saskatchewan. These petitioners are concerned about the Mulroney-Reagan trade deal. They offer a number of arguments as to why they do not support the deal and they call upon Parliament to dissolve so that the people of Canada can have an opportunity to accept or reject the proposed agreement in a national General Election.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, Question no. 266 will be answered today.

[*Text*]

EMBASSY SITE SELECTION PROCESS

Question No. 266—**Mr. Turner (Ottawa-Carleton):**

Since October, 1984, has the National Capital Commission expended any funds on choosing a new site for the United States embassy and, if so, what are the (*a*) total amounts spent (*b*) total administrative costs (*c*) moneys spent on (i) consultant fees (ii) staff overtime (iii) public hearings?

Hon. Stewart McInnes (Minister of Public Works):

As of January 1988:	
Total amounts spent	$196,402,38
Total Administrative	$ 18,811.06
(i) Consultant fees	$176,721.32
(ii) Staff overtime	$ 870.00
(iii) Public hearings	nil

[*Translation*]

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

The Acting Speaker (Mrs. Champagne): The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

LOBBYISTS REGISTRATION ACT

MEASURE TO ENACT

The House resumed from Tuesday, March 8, consideration of the motion of Mr. Andre that Bill C-82, an Act respecting the registration of lobbyists, be read the second time and referred to a legislative committee.

The Acting Speaker (Mrs. Champagne): I wish to inform the House that because of the Ministerial Statement, Government Orders will be extended by 14 minutes beginning at 1 p.m.

Mr. John Parry (Kenora—Rainy River): Madam Speaker, I am glad to have the opportunity to add my thoughts and observations to those of my colleagues from other Parties concerning Bill C-82, the Bill proposing the registration of lobbyists in Canada.

This Bill represents the culmination of a legislative movement that has been fermenting and growing within the House of Commons and, indeed, within Canada for some time now. This movement has seen the introduction in the House of several Private Members' Bills dealing with the registration of lobbyists, principally, of course, presented by members of my Party, including one presented by our Party's spokesman for consumer and corporate affairs, the Hon. Member for Nickel Belt (Mr. Rodriguez).

Finally, the pressure of public opinion in respect of legislative initiative led the Government to realize that this was a matter of serious concern and import to a large number of Canadians. Consequently, in September of 1985, the Prime Minister (Mr. Mulroney), in the context of a fairly wide-ranging statement on public-sector ethics, announced the Government's intention to have lobbyists registered. I think it is well worth the time to excerpt some of the statements the Prime Minister made in that open letter.

Along with instructions to Ministers on the hiring of family members, the conflict of interest post-employment code for public office holders and the experimental program of parliamentary scrutiny of Governor in Council appointments, on which the jury is still out since we have only had limited experience of it, the Prime Minister included as point five of his open letter the registration of lobbying activity. In expanding on that theme, he stated that we will require, among other things, paid lobbyists to register and identify their clients.

• (1130)

Within the life of the Government there has certainly been bad publicity surrounding the activities of lobbyists. However, let us not forget that in previous Liberal Governments similar activity took place, attracting similar publicity, and justly so, because there were often cases where it was felt that people, for hire or for reward, had undertaken a key role in influencing legislation, its design or structuring programs, their drafting and implementation, and even the timing of regulations in some cases.

My Party is in broad agreement with the legislation the Government has introduced in Bill C-82. We are glad that the time has finally come when Canada will have a regime of registration of lobbyists that will allow Canadians comparable access to the sort of information that our cousins in the U.S. have had for many years; that is, information on who is trying to influence the Government, who is drawing a salary, remuneration or reward for their activities in trying to influence the process of Government, and who is buying the services of these lobbyists. They are known as lobbyists because of the tradition that they operate within the lobbies of this very Chamber. We will know who is paying them and what are their objectives.

First and foremost I think we should say that our Party is quite dubious about the value of the Tier I and Tier II formats that this Bill establishes. We would like to see all lobbyists disgorge the sort of information being demanded from Tier I lobbyists, who we might see as the full-time professional, free-lance lobbyists, those who are always up for hire, so to speak, for sale to the highest bidder, compared with the Tier II lobbyists who are largely those instructed by their employers, professional associations, corporate business and trade associations, to seek not only specific legislative initiatives but also to broadly influence the climate of opinion, the focus of debate, the movement and interplay of ideas within Government and Parliament. Some of those lobbyists would have the facility, indeed, in some cases to be more influential than those who move from client to client or who, like many of the leading lobbying firms, have a number of clients on retainer and draw specific fees for specific assignments. Canadians are entitled to know who is doing what, who they are doing it for, who they are talking to, and how much money is changing hands on account of this lobbying.

Lobbying, of course, is a practice which has always been carried on, but in recent years it has become professionalized, commercialized, and much more organized as well as much more recognized. Some 40 or 50 years ago people might undertake to act for some nominal recognition or compensation by way of intermediary in an age when communications were much less developed. When contact on a direct basis with a Member of Parliament or a member of the Government was certainly much more difficult than it is now, people might undertake to meet the Minister or Member of Parliament or even the Prime Minister (Mr. Mulroney) within the lobby of the House and raise the concern of an individual or the legislative request of a group or body. Now, despite the fact that it is surely easier than it ever has been for the ordinary citizen, company, trade union or association, provincial Government or professional agency to contact members of the Government or organizations within our Parliament, we have this professionalization, and perhaps that is a word I am using a little loosely, but certainly this commercialization of the lobbying process which seems to have no end to it, which seems to be continually growing.

It was alleged back in 1985, and this may have something to do with the introduction of this legislation, that a company which has already been named here accepted a commission of some $2,000 to arrange a meeting between a fisherman and the then Minister of Fisheries and Oceans. This is an example, surely, of the type of lobbying which really should be eliminated, along with a recognition that there are indeed legitimate types of lobbying and very legitimate lobbying objectives.

It seems that most lobbying occurs in secrecy. That is one of the problems this Bill is designed to address. Academic literature indicates that the bureaucracy is the subject of roughly 40 per cent of lobbying activity, and Canadians have to examine whether or not that constitutes an undercutting of the role of Parliament in the policy process. To the extent that Members of Parliament are lobbied, they are often not aware of the role of the individual who makes the contact as a paid lobbyist on a commercial basis. They are often not informed or not aware as to how representative the client group doing the lobbying indeed is.

The American experience is instructive, not simply because of the common language we use or indeed the many similarities between our cultures and our geographic proximity. It is instructive because it is the best documented, the most obvious, and arguably the most widespread example of the lobbying phenomena that the world affords. To quote a former American Senator, Mr. Abraham Ribicoff, in 1975 he said that to protect the democratic process itself, and assure public confidence in it, the lobbyist must work in the open. His work must not be cloaked in secrecy. Secrecy inevitably spreads public suspicion. That has been the objective of the NDP in putting forward Bills on this topic and in addressing this Bill. Lobbying activity should be brought out in the open.

However, I think we must emphasize that a lobby registry is not aimed at policing or restricting access to Government, but merely to make sure those interested in knowing the nature of this access can have access to the information and can know

the lines along which paid commercial lobbying within the country is proceeding.

We have had one comprehensive study of lobbying which proposed a model for a lobby registry. I am talking of course of the unanimous report submitted in 1987 by the Standing Committee on Elections, Privileges and Procedure which studied the issue for approximately one year. It visited lobbying registries in various parts of the U.S., including Washington and Sacramento.

We also have to look at indirect lobbying. Members of Parliament, I am sure all of us, will be familiar with the recent case where apparently original letters were distributed very widely by the tobacco companies or their proxies so that these could be signed by individuals and submitted to give the appearance of a mass campaign. The literary style, the use of a limited number of type faces, the structure and phrasing and contextualization of the return addresses, and indeed the addresses these were sent to, soon gave away this mass mailing lobbying campaign. I think we should be looking very hard at the nature of those campaigns and whether they constitute a form of lobbying.

The proposed lobby registry could be given much sharper teeth with which to enforce this legislation. It is conceivable that the fines provided for in the legislation, because of the potential profit in the business, could simply be seen as a form of toll-gating to stay in the game. It is conceivable, after all, that lobbying firms could be organized on a partnership basis, could form and reform in order to get around any strictures put on them. Although, of course, a challenge on the basis of freedom of expression is foreseeable, the Government has to protect the integrity of the governmental and democratic processes, complex as these have become.

• (1140)

Another defect that we see is the lack of power for the Assistant Deputy Registrar General to investigate the information which he or she is given. We believe that the lack of investigatory power would be a handicap and that the ADRG should have the opportunity to review and verify any information that is given.

We have often heard opposition to new legislative initiatives on the grounds of the bureaucracy that would be created by them. I am glad to say that it appears, from the United States experience, that the operation of a lobby registry should not be a major imposition upon the bureaucracy and should not lead to the creation of a large bureaucratic machine. Apparently the American lobby registry in Washington, handling information for over 10,000 lobbyists, is staffed by only three people, which gives us a good idea of what can be done in the computer age.

As I have said previously, this Bill does not provide for prohibition of commercial lobbying, nor should it. However, there is one form of commercial lobbying at which I think we should look very hard to determine whether we want to see it continued; that is, lobbying on the basis of contingency fee whereby if the lobbyist is successful in obtaining a certain conclusion the fee will be larger than if the lobbyist is unsuccessful, in which case the lobbyist may get no fee.

It is to be noted that within our legal system contingency fees are not permitted on that basis and we think they should be prohibited in the practice of lobbying as well.

We see this piece of legislation providing for the registration of lobbyists as essential, not only in buttressing the integrity of the democratic and governmental process but also in allowing the continuance of the legitimate activities of commercial lobbyists and the legitimate paid activities that they will undertake.

With regard to structuring the lobbying legislation, there is one final thing that I would like to note; that is, once a lobbying registration system is in use it appears that there is very little pressure from the lobbying industry or lobbying community, if you like, to drop the system. It appears that it is something to which the industry is well able to adapt, that given the lighter public scrutiny this is in some cases, and in the cases of the longest established operations, seen as a benefit in that there is no longer a need for the light of suspicion to be cast on them when the information is freely, publicly, and openly available as to who their clients are, what objectives they are seeking, and who they are influencing or seeking to influence within the Government.

In conclusion, Madam Speaker, we see faults and deficiencies within this piece of legislation, but we see it as legislation which Canada needs in order to protect the integrity of the process of government and the operations of democracy in an era when lobbying is becoming far more prevalent, far more pervasive and, we may opine, far more successful.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Madam Speaker, I too want to avail myself of this opportunity to make some comments on Bill C-82. I join with my colleague who has just spoken in indicating that we in the Liberal Party as well endorse Bill C-82 in principle. Indeed, it is a giant step in the right direction to begin the lobbying process.

Veteran Members of this House, certainly those with more experience than I, will recall that over the last few decades various private Members in all three Parties have made attempts to see legislation pass this House requiring the registration of lobbyists. Indeed, this Bill is long overdue.

Since I have some concerns about this Bill, and in order that my comments not be misunderstood, let me say that the Liberal Party is prepared to have this Bill passed at this stage of debate in order for it to go to committee. It is our hope that in committee some improvements can be made to Bill C-82 by all-Party consensus. It is my understanding, although I was not a member of the Committee on Elections, Privileges and Procedure which worked on this, that indeed all three Parties worked well to produce the recommendations out of which flowed the legislation that is now before us.

We do have some problems with the Bill. As has been said by earlier speakers, the Bill sets up two categories of lobbyists. Basically I do not have much problem with one of the categories. I am not one of those who believes that every single person who wants to make representations to government on behalf of a particular employee group or association which they represent must, in massive detail, provide information to a registry in Ottawa. However, with regard to the registration of lobbyists of the kind which are best personified by the Frank Moores operation in Ottawa, which have evolved over the last couple of years, and indeed there are others, I think this Bill does not go far enough.

Let me begin by talking about the registration process for lobbyists contained in this Bill. Most Canadians who are watching this debate are saying that it is a good thing to make lobbyists register, that the people who traditionally operate in the shadowed, smokey back rooms will now have to come out into the full glaring light of day and register. They are saying that that is a good thing.

Canadians should know that there is no provision in the Bill that lobbyists register who they are making contact with and on whose behalf. There is no provision in the Bill to give the designated registrar the authority to check the information that is being registered. In other words, it is an act of faith. Information is provided and there is no mechanism or authority in this Bill to check the information which is being registered.

There is a larger problem. The Bill recommends that the Assistant Deputy Registrar General be the authority empowered to hold this information, be the registrar for lobbyists. That is a very impressive sounding title and Canadians should be asking who is the Assistant Deputy Registrar General. Is it someone like the Auditor General, an independent officer of Parliament who is not directly under the direction or authority of the Government or the Opposition? Is that who the Assistant Deputy Registrar General is? No, that is not who he is. He is not like the Auditor General.

The Assistant Deputy Registrar General is a civil servant. He is an employee of the Department of Consumer and Corporate Affairs. His job, indeed his career path, is not independent of the Government, his Minister, or political consideration. His job, his career path, is directly linked, or at least can be directly linked to the happiness or unhappiness of his political masters.

Why am I raising this point about who this authority is going to be?

• (1150)

Canadians will recall that a few months ago the present Assistant Deputy Registrar General stated that certain Conservative Party moneys made available to the Prime Minister (Mr. Mulroney) were subject to the conflict of interest guidelines and should have been registered. This statement was made on Friday and headlines throughout Canada were that a Minister of the Crown, in this case the Prime Minister, had not complied with the conflict of interest guidelines. By Monday the Prime Minister produced in the House of Commons a letter by the same Assistant Deputy Registrar General saying that there had been no violation of the conflict of interest guidelines. That rather dramatic conversion did not really upset Members of the House. In fairness to the gentleman involved, perhaps upon reflection he had come to the conclusion that his statements on Friday were ill conceived and, therefore, clarified the matter on Monday.

However, what did upset Parliament and every right thinking Canadian was that, despite repeated requests for a clarification, a briefing or explanation for the ruling of the Assistant Deputy Registrar General on Monday, he refused to give one. When we asked to which clause and which section of the conflict of guidelines we should refer to understand the dramatically different ruling he gave from the one three days earlier, we were met with silence. In the interest of fairness, I personally called this gentleman on the telephone but was merely told that he could not comment.

I was not going to speak on this Bill until I read in the Bill that the authority in whom shall be vested all of the information required under Bill C-82 is the same Assistant Deputy Registrar General. I have a serious problem with the Bill in those circumstances.

I do not question the integrity or the honesty of the gentleman who holds the job. In fairness to him, I suggest that he is in a difficult position because he does not have the protection of an independent, arm's length relationship with the Government like that held by the Auditor General, an ability to be accountable only to Parliament as a whole rather than to any particular political party.

The gentleman who must hold this job is a public servant. According to this Bill, a civil servant is being asked to assume a quasi judicial authority and to exercise a measure of independence. Yet this is made impossible by the fact that he is indeed a public servant who is dependent upon the goodwill of his Minister and the Government that he serves.

Therefore, my first point is that the authority in whom shall reside the information and the responsibility to police this legislation cannot be a public servant, no matter how flamboyant his title. The authority in whom the information required under the lobbying Bill shall reside must be an officer of Parliament who is independent of any consideration to the Government, the Opposition, whether Conservative, New Democratic or Liberal. Only then can Parliament and, more important, the people of Canada be assured that the registration of the information provided and the enforcement of the rules will be above board. I believe this is a matter that Members of the House will want to address and improve when this Bill goes to committee.

There are a number of other fundamental flaws in the Bill that I believe Members of all Parties will want to address,

because I believe there is goodwill among Members of every Party to pass legislation that works well.

There is no provision in the Bill to deal with the question of fees of lobbyists for activities they conduct on behalf of a client. Canadians should be aware of an interesting new wrinkle that has evolved in the last few years with respect to the activities of lobbyists. One originally thought of lobbyists as people who would accept a fee to go to a Minister of the Crown of the government of the day and make one's case as best they could, to make one's views known about a piece of legislation, to request new legislation or amendments to current legislation in an attempt to influence the decision a government might make in a matter of national or public importance. This is quite acceptable, providing those lobbyists are registered.

However, the new practice, which is best personified by the work of the Frank Moores' operation in Ottawa, involves contingency fees. For example, Mr. Moores may tell a client that he will take on a case for $1,000 but, if successful, will then be paid another $10,000. This practice means that not only is there a payment for supposedly professional services to make the case in a lobbying effort, there is an additional payment if that effort is successful. I believe that most Canadians are not aware of this practice and simply think of contingency fees as another Ottawa buzz word. Contingency fees means that one pays the lobbyists for making the case and pays much more if the lobbyist wins the case.

Surely a contingency fee system in which a lobbyist may be paid tenfold his initial fee for successfully making the case on behalf of an individual or corporation is a temptation to be less than forthright in those lobbying efforts. Suddenly, the lobbyist no longer uses all his professional skills for a certain fee. Lobbyists now face the prospect of making substantially more money if their lobbying is successful. I submit that such a system in which substantial amounts can be made—perhaps $500,000 or even $5 million—creates an atmosphere and the potential for corruption, and the exchange of rewards or gifts becomes much more likely. It is not now simply someone doing his best to make a case, but someone who knows that the financial reward is fantastic if he is successful and the temptation to do whatever is necessary to get the right decision will rise dramatically. The whole matter of contingency fees which is being practised, as I say, foremost by the Frank Moores firm, but perhaps by others, is not dealt with in this Bill.

• (1200)

There is another matter of great concern with respect to Bill C-82, at which I think Members, particularly those who made the recommendations out of which flowed Bill C-82, will want to have a very serious look. In essence, the Bill sets up a system in which the only person required to register as a lobbyist is the individual who, for a fee or, in the case I just mentioned, a contingency fee—and that should be made illegal—makes a representation to the Government. That is a lobbyist, someone who is making a case. That allows a broad group of people to escape having to register as having had a lobbyist in Ottawa. Unless the lobbyist is actually making a case on behalf of a client he is not required to register.

What is the problem, you ask, Madam Speaker? What about the firm which hires a lobbyist not to make a case to the federal Government on its behalf but to merely solicit information? They are not asking for anything to be changed or for a piece of legislation, nor are they asking for an amendment to a decision. They only want information. For example, a real estate speculator hires a lobbyist, giving him a yearly fee. He does not want any lobbying done. That lobbyist, who is now not required to register because he is not making a case for anyone, in the course of his business discovers that an airport is to be built at a particular site or that a new highway is going to be re-routed in a certain way. He gives that information to the real estate firm which promptly goes out and buys all the land in the vicinity, realizing a huge profit on that insider information.

Under the provisions of this Bill, because no representation was made, that lobby effort is not required to be registered. Parliament has no right to know that a particular individual, who made a profit because of access to insider information, was being represented or had a lobbyist acting on his behalf in the nation's capital. The Bill is specifically worded to say that a lobbyist must only report when he is acting in a representative capacity. There is nothing about an advisory capacity. There is nothing in the Bill with respect to a lobbyist who provides insider information, all of which flows from the individuals, groups, departments and directors of Parliament Hill. He is exempt.

I submit to you, Madam Speaker, and to Members, that that kind of lobbying, the indirect kind of lobbying, the exchange of information kind of lobbying, is perhaps more potentially susceptible to illegal practices and fantastic profits because of privileged information than is direct lobbying where it is up front. That is another area which I believe the committee has to consider and make amendments.

I said at the beginning that my Party and I support this Bill. We support it because a baby must learn to walk before it can run. This Bill takes us into the process so that we can begin to walk. Certainly, if it is to be a good Bill, there is room, and I hope there is the will, to substantially amend it at committee stage.

Mr. Kilgour: Madam Speaker, I was following the Member's speech with interest. Would he indicate, beyond what he has already indicated, what further changes he would like made to the Bill?

Mr. Tobin: Yes, Madam Speaker, there are a number of other changes I would like to see made to the Bill. First, the Bill does not require, as currently drafted, that there be a record of official contacts. No record whatsoever is required to be kept in the event at a later date of some questioning or some

unusual circumstances arising with respect to a particular Government transaction. We are not going to be able to go back in the records to see who was acting for whom and what contacts were made because that is not required in the Bill.

The Bill has no provisions to stop a lobbyist from registering even after that person has been fined or jailed for making false statements. In other words, there is no provision in the Bill to prohibit someone who, having once violated—for that matter, many times—not only the spirit of the legislation but in fact the detail of the legislation, from subsequently registering and acting as a lobbyist. I think that is another matter at which we would want to take a close look. Those are two other areas of concern.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): The question is on the motion of the Minister of Consumer and Corporate Affairs (Mr. Andre). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to a legislative committee.

* * *

[*Translation*]

WESTERN ECONOMIC DIVERSIFICATION ACT

MOTION TO ENDORSE THE MOTION OF MR. MULRONEY

The House proceeded to the consideration of the proposed motion of Mr. Lewis:

> That this House endorses the adoption of the motion, on Monday, March 7, 1988, of the Prime Minister for second reading and reference to a Legislative Committee of Bill C-113, An Act to promote the development and diversification of the economy of Western Canada, to establish the Department of Western Economic Diversification and to make consequential amendments to other Acts.

The Acting Speaker (Mrs. Champagne): Since the motion of the Minister of State for Treasury Board (Mr. Lewis) received unanimous consent Friday, and considering comments made by Members of the various Parties in the House, we have a clear indication that the House wishes to consider this motion concerning Bill C-113, a motion about which I would normally have serious reservations.

[*English*]

It is a basic rule of the parliamentary system that a question being once made and carried in the affirmative or negative cannot be questioned again but must stand as a judgment of the House. This is quoted in Beauchesne's Fifth Edition, page 150, citation 416.

[*Translation*]

The Chair certainly does not intend to oppose the will of the House with respect to a procedure it has unanimously decided to follow, but it is my duty to make it quite clear to all Members and to the public watching these proceedings that today's debate on this special motion should not be seen as a precedent for future proceedings in the House.

[*English*]

Mr. Jim Manly (Cowichan—Malahat—The Islands): Madam Speaker, I appreciate the opportunity to speak on this important Bill for western Canada. I am also appreciative of the fact that this debate today is somewhat unconventional. I think it is important, though, that all sides of the House do agree that we have the opportunity to debate more fully a law which is so important for western Canada.

Our Party is in support of the principle of the Bill. We have long been calling for diversification of the western economy. We are in support of the principle of decentralization of the powers for doing this in western Canada. However, we question the Government's commitment. How seriously is the Government taking the whole question of western diversification? I will be looking more closely at the fact that only $1.2 billion is estimated to be spent on this initiative in the next five years.

• (1210)

From the time of Confederation there have been policies in Canada to encourage regional development. They have been an important part of Canadian politics. Even the Constitution Act of 1867 called for the building of the Intercolonial Railway, which was an important regional development initiative at that time.

John A. Macdonald's national policy, when it was fully developed, had not only the element of a tariff structure to encourage industry formation in central Canada, but it also called for the building of the CPR as a link to the Pacific and the developing of the Pacific coast. As well there was the Dominion Lands Act which looked to the opening up of the Prairies. We had the development of the Crow's Nest rate to help agriculture on the Prairies.

In spite of these initiatives that have been taken from time to time in the last 20 years we have become very much aware of continuing disparities. Eastern Canada suffers from lower wages and from higher rates of unemployment than other parts of Canada. Western Canada has had a boom and bust economy. Indeed, many Members might recall the famous analogy that Tommy Douglas used about Canada being like a cow. He said it was fed in the West, milked in central Canada and God only knows what it is doing in the Maritimes, in eastern Canada.

Patricia Marchak, a UBC economist, has pointed to some of the problems in the economy of British Columbia. She points to our great dependence upon the forest industry. She says that

the relative positions of primary metals, metal fabricating, chemicals, printing and publishing, foods, non-metallic minerals and electric products have declined in the last few years. The positions of transportation equipment, non-electric machinery and, of course, petroleum products have improved. Others have remained constant.

She states:

> Considering the enormous wealth created in British Columbia during this decade, the expansion of timberlands under production, and the amount of forestry products exported the growth in secondary industries is not impressive.

She also stated:

> Signally missing from the regional landscape are firms manufacturing pulpmill machinery, chemicals, and computer equipment: all high-value, technologically advanced equipment and supplies for the pulping sector . . . Pulpmill machinery and computer equipment, however, are important . . . Total employment in secondary manufacturing was estimated by Statistics Canada to be 77,000—6 per cent of the labour force.
>
> Relative to the total labour force, workers in metal fabricating and transportation equipment combined were 1 per cent. Chemicals, machinery-industries, electrical products, and non-metallic mineral products—the other sectors that might be expected to generate new employment in a forestry-dependent region—were negligible as employers—
>
> The same is true of consumer products unrelated to forestry. Apart from food and beverages, B.C. does not have a substantial consumer products industry. There are small companies producing textiles, clothing, furniture and fixtures, leather goods, and other, more miscellaneous goods but the vast majority of household goods and personal consumer items purchased are manufactured elsewhere.

Professor Marchak points to the dangers of depending upon a staples economy. She states that the so-called theories of comparative advantage might work to the interests of the companies that are developing the resource and exploiting the resource. If there is an international downturn, then they can take their profits and move them elsewhere. This type of dependence upon single industries, this dependence upon basic resources, has not served the people of western Canada well.

Perhaps this is as good a way as any for us to understand the continuing and growing bitter debate in British Columbia between those people who are concerned about resource extraction and those who are concerned about questions such as environmental protection or land claims. What we have in British Columbia is a great deal of pressure upon a resource base that has been exploited over the last number of years without too much thought for the future. We are now getting back to logging and mining in areas that should never have been logged or mined. These are areas that are ecologically sensitive. They are areas that are sacred and of symbolic as well as economic importance to the aboriginal peoples of British Columbia.

Because we have not taken advantage of the wealth that has been created over the past 100 years by the exploitation of the forest industry and the mining industry, which has been largely hived off to other areas, and because we have not diversified, we as a province continue to be highly dependent upon those extractive resources. We are now moving into areas in which there are great social conflicts. Thus it is important that we have regional development policies that address this type of boom and bust economy in western Canada.

The problems of regional development in western Canada are different from those in Atlantic Canada. The Government recognizes this when it talks about a western economic diversification fund. What we need is economic diversification. Over the past number of years different Governments have tried different approaches to the whole business of economic diversification. In a study that was prepared for the Macdonald Commission by Norie, Simeon and Krasnick, entitled *Federalism and the Economic Union of Canada*, the authors have summarized the different approaches. They speak of three continuing tensions in the area of the economic development.

First, Canadians have never been able to come up with theories or policies, or even projects, that appeared to work. Policy has staggered from being oriented toward sectors, as in ARDA, to being oriented to area economic development more generally, including adjustment out of the region—that is helping people to move away from depressed areas—to orientation toward growth poles, ADA and DREE. Programs have ranged from adjustment assistance to infrastructure grants, to tax breaks, to direct subsidies, to regionally differentiated investment and employment credits.

Second, we have never settled on the proper relation between federal and provincial responsibilities for regional economic development. Early federal efforts were highly centralized and tended to ignore provincial wishes. During the GDA period almost the reverse was true. The federal Government paid the tab for province building. The pendulum again swung in the opposite direction for a brief period, and today it remains in motion.

Finally, the federal Government has never managed to link its regional development responsibilities satisfactorily with its broader national economic management role. The best manifestation of its failure is the constant rearranging of the federal bureaucracy, first to bring regional interests into a separate department, then to make all departments consider regional implications implicitly, and finally to drift back to the single ministry concept.

So what we have had over the last number of years is a constant shifting from one kind of program to another. Sometimes the shifts have been more apparent than real. Sometimes they have been real shifts. We have moved back and forth between talking about regions to talking about provinces and so on. It remains to be seen whether the initiative that we have in Bill C-113 to establish the western diversification fund will come to grips with these problems representing a long term, sustained commitment to deal with the problems of the needs of the western economy for diversification.

• (1220)

The Prime Minister (Mr. Mulroney) has said that previous efforts at regional development have not worked and that we cannot simply solve the problem by throwing money at it. However, the federal-provincial task force on regional development assessment, prepared for the First Ministers' Economic Conference last November, pointed out that the resources supplied to regional development over the past 25 years have been small in relative terms. We have not thrown that much money at the problem.

Expenditures for Canada were in the order of 3 per cent of total federal economic expenditures and are now less than that. Greater expenditures could well have had significantly greater results. Regional development efforts in the 1970s were successful in the context of the amount of resources applied to them. In other words, we got what we paid for. Under the new diversification fund we will get what we pay for. If we do not put much money in, we will not get very much out of it.

It has also been shown that the actions of federal line Departments can have a very much greater impact than specific regional development programs because of their greater expenditure base. The frequently expressed negative view of regional development programs is due, to a great extent, to the expectations raised by such programs. Results must be judged on the resources used to achieve them rather than on total needs.

We are concerned that there is a great deal of hype about western diversification and the fact that the Government is decentralizing and establishing an office in Edmonton, as well as regional offices in Vancouver, Saskatoon, and Winnipeg. There is a build-up of expectation. However, when we look for a commitment of funds, we find that the commitment is not there. The sum of $1.2 billion over five years amounts to some $60 million per year for each of the four western provinces. It is not really very much money.

In 1977 the Economic Council of Canada pointed out that even the highly controversial program of incentive grants to influence companies to locate in the Atlantic area had had modest success. Again I say that we get some return for the money we are prepared to spend, but we cannot make a silk purse out of a sow's ear. If the Government is not prepared to spend money in this area, it cannot expect that there will be significant successes in terms of development.

Since the 1981-82 recession we have seen dramatic growth in the economy of central Canada, particularly that of southern Ontario. The regions of Canada have been much slower in recovering. Indeed, in parts of Canada it would be a mistake to speak of recovery at all. In my area on Vancouver Island the number of unemployed, according to the latest jobless figures, is exactly the same as it was in September, 1984, so we cannot speak of a recovery.

When we look at Bill C-113 we are concerned about the lack of a clear government strategy in terms of what it is really encouraging the western economy to do. It talks about flexibility. Certainly our Party supports the concept of flexibility in the way in which the diversification fund should be applied. As admirable as flexibility is as a goal and a means, it should not be used as justification for lack of a clear policy. We do not see that clear policy in what the Government has announced.

Over the last 3.5 years we have seen an increase in the percentage of DRIE funds going to central Canada and we have seen 47 per cent of all jobs created going to Ontario. The Government seems to be letting the economy drift and is now making a modest effort at diversification, but we do not see the required commitment.

Last summer the New Democratic Party, led by the Hon. Member for Yorkton—Melville (Mr. Nystrom) and the Hon. Member for Kamloops—Shuswap (Mr. Riis), released its own paper on economic diversification for the West. I should like to refer to some of the points that we made.

First, we should be adding value to western resources. There are many opportunities for creating new industries and new jobs in upgrading or adding value to our natural resource exports. Of course, a good example of that would be the lumber industry, as well as the petrochemical and food processing sectors.

Second, we should do more to serve the needs of the resource industry. Earlier I referred to Patricia Marchak who pointed out how complex machinery used in our pulp mills, as well as a great deal of machinery used in our mining and logging industries, is not produced in western Canada but comes from abroad. The West is a major user of machinery and equipment, but we do not produce it ourselves. If we developed industries to serve the resource industries in our part of the country, if we developed the kinds of industries which produced pulp mill, logging, and mining equipment, we could hope that in time these industries would not only be serving local markets but would be expanding and developing into important export industries in their own right.

We also need support for the manufacturing industry in the West. The Government promised to increase procurement in the West. Quite frankly it has a shameful record in that regard. If we look at 1981-82, we see that 15.5 per cent of government procurements came from the four western provinces. In 1982-83, that declined to 14.7 per cent. In 1983-84, it was a disaster as far as the West was concerned; only 9.8 per cent of procurements were in western Canada. They increased to 13.9 per cent in 1984-85, declined in 1985-86 to 12.8 per cent, and declined again in 1986-87 to 11.5 per cent.

The Government says that it will do something about it, but it has not set any targets or goals. If it were really serious about it, it would be prepared to show its commitment by setting out some kind of affirmative action program for procurement in western Canada. It could set targets and say that it would work toward reaching the proper percentage of purchases in western Canada in proportion to the population

by a certain time. Instead, there is a vague commitment toward procurement policies despite the sorry record of the Government over the last 3.5 years.

It also talked about creating new industries and jobs. Our study pointed out that some of the historic disadvantages of the West, such as long distances from markets and so on, are disappearing because of the development of new industries and high technology. Here is something important in my own area, an area with great natural scenery and a very attractive climate. We should be building upon that kind of resource in attracting new non-polluting industries.

• (1230)

When we look at the expenses in British Columbia, we have to question whether or not the Government is taking seriously new initiatives, or if it is simply using the $1.2 billion to plug loopholes that should have been met from other departmental expenses.

Mr. Waddell: Madam Speaker, I have a question for the Hon. Member. I would like to follow up his last suggestion of environmentally sensitive and good industries. Surely that is the way of the future. He and I are both from British Columbia and we share a real sensitivity to the environment because it is so good. I am sure all Hon. Members will not like it but I can't resist telling everyone that the tulips are out in my backyard in Vancouver. I have an old convertible and the top is down already. Could the Member follow up about money being spent and how it was spent from departmental funds. Also, could he comment on the kind of future industries that he would like to see in British Columbia.

Mr. Manly: Madam Speaker, first, the kind of industries we would like to see in the future include the high tech sector. The kind of future industries I am looking for for Vancouver Island are those which take advantage of rapid transportation by air that will not be expensive in weight and volume. On that basis, one of our fundamental economic needs is to preserve the environment of Vancouver Island as a good place for people to live and, therefore, as a good place for industries to locate.

With regard to the money that has already been spent, let us look at three expenses the Government took out of the $1.2 billion last year before the fund got fully operational. First was $79 million over five years for South Moresby Park. Members on all sides of the House supported the creation of South Moresby Park. But should that money necessarily have come out of the Western Diversification Fund?

Second, there was $9.5 million for shakes and shingles market development. The shakes and shingles economy of British Columbia was hit by the 35 per cent tariff imposed by our friends in the United States. In co-operation with the shakes and shingles manufacturers, the Western Diversification Fund is putting $9.5 million trying to expand that market again and perhaps find other markets.

What about the $53 million for the salmon enhancement project? It is this program that I want to question because that $53 million will be spent over the next five years. It will be added to $154.3 million spread over five years, money that will come from the Department of Fisheries and Oceans.

As you know, Madam Speaker, the Salmonoid Enhancement Program has been the responsibility of the Department of Fisheries and Oceans. During this last year the Minister of Fisheries and Oceans (Mr. Siddon) went to the Cabinet Committee on Economic and Regional Development to tap into the policy reserve funds to the tune of some $50 million per year for the next five years. He was not given that money from the policy reserve fund from where it should have come. Instead, money was made available from the Western Diversification Fund. It is less money than the Minister was seeking, and it is just enough to barely maintain the current project levels. It is important funding.

The Salmonoid Enhancement Program is important to British Columbia. But is there some kind of a hoax being perpetrated on us? This money should have come from the regular Estimates of the Department of Fisheries and Oceans or from policy reserve funds. Instead, the Government makes a great show of announcing extra funding. It is called new money from the Western Diversification Fund but it is going back into what should have come from a line department. This use of the Western Diversification Fund to meet commitments that should be made from other departments, is, I think, a hoax.

While we support the concept and the principle of this Bill, we have to ask whether or not the Government is really committed. It seems the Government is not prepared to put its money where its mouth is in this whole area.

Mr. Waddell: Madam Speaker, I have a comment and a question for the Hon. Member. The so-called free trade agreement with the United States has also to be considered in western diversification and regional growth. There is a body of opinion in British Columbia reflected this weekend in the polls shown in *The Vancouver Sun*. People do not really understand the free trade agreement, although they think it will go through. Although there tends to be a split, the majority are in favour of it. Interestingly enough, a huge majority feel the Americans will benefit by the deal.

I am concerned that a lot of British Columbians do not understand that we never won what British Columbians hoped we would win in the free trade agreement, namely, secure access to the American market. An economy like British Columbia's is an undiversified economy, really, an export economy of raw materials. We will be giving away control of our energy resources and threatening our sovereignty by it, but we are going to take this leap of faith. We should at least have been given a guarantee of access to the American market for our fish and forest products, mining and so on. I do not think we got that in the deal. In fact, I know we do not have it in the

deal because I have read it. Congress can still pass countervailing laws that will do the same thing again as was done to our lumber and shakes and shingles industry. Does the Hon. Member have any comment whether the two are intertwined as I think they are?

Mr. Manly: Madam Speaker, very briefly, I agree 100 per cent with the Hon. Member for Vancouver—Kingsway (Mr. Waddell). Not only that, but the western diversification initiative itself along with the regional development program for Atlantic Canada and northern Ontario can be made the subject of controversy over the next five to seven years under this agreement. Canada and the United States have to sit down, bargain and horse trade as to what constitutes an acceptable or unacceptable subsidy. Although from the point of view of western Canada this $1.2 billion is insufficient to help us diversify, in the eyes of the Americans it might seem to be a great deal of money for them to look at as an unjustified subsidy and, therefore, subject to countervail. The Hon. Member is quite right, that we do not have the kind of secure access under the trade agreement that was promised to us by the Prime Minister.

Mr. David Kilgour (Edmonton—Strathcona): Madam Speaker, when the Bill was called this morning again, as you explained it, I was doing some research on the western Canadian economy. I cannot pass up this opportunity to make some comments about a matter so important for the 7.3 million people who live in the West today. First, I would like to comment about the point my friend from Vancouver—Kingsway made on the trade agreement with which I will deal at some length in a moment.

• (1240)

In view of the fact that there is now an election campaign in Manitoba, I wonder if any of my friends from the New Democratic Party know that Manitoba has a payroll tax under the present New Democratic Government. If a payroll is greater than a certain amount, I believe a 2 per cent or 2.5 per cent tax is paid. If my friends from the New Democratic Party could think of one device that is more anti-employment and more harmful to the creation of new jobs in a province, I wish they would tell me. To my knowledge, Manitoba is the only province in Canada which has such a tax. It is the only—

Mr. Waddell: It has a lower unemployment rate than your province.

Mr. Kilgour: I will come to that in a moment. One wonders why the New Democratic Party is at 25 per cent in Manitoba now. I gather it will go lower. One of the reasons for that is that payroll tax which has made it harder for people to create new jobs in Manitoba. I can assure the Hon. Members from the New Democratic Party, as a former Manitoban, that Manitoba has done well in spite of the New Democratic Party's policies, not because of them.

Mr. Axworthy: And Filmon is going to keep it.

Mr. Kilgour: The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) has made a comment on behalf of the Liberal Party. It has been so long since there has been a Liberal Party in Manitoba that even my family used to belong to it.

The labour force information that came out this morning gives us figures for the various parts of the country. We see, for example, that Oshawa's unemployment rate is 4.4 per cent. Taking a quick look, I see that that is the lowest figure for any city in Canada. Why is that? Is it because of the Auto Pact, the Auto Pact that will be enshrined in the trade agreement? If the United States wanted to cancel the Auto Pact, which it could do with a year's notice, it would have to cancel the entire trade agreement. That is a point that Liberals and New Democrats might contemplate.

In the West, the unemployment rate in Winnipeg is 8.5 per cent in Regina it is 6.2 per cent, in Saskatoon it is 12.6 per cent, in Calgary it is 8.0 per cent, in Edmonton it is 11.6 per cent, in Vancouver it is 9.7 per cent and in Victoria it is 11.9 per cent. Let us compare that with Toronto which has an unemployment rate of 3.9 per cent.

We cannot have a united country when the unemployment rate is higher in Newfoundland, New Brunswick and western Canada than it is elsewhere. That is why all of us in western Canada want to do something about creating more opportunities for young and for middle-aged people. That is the way to build a country with strong, diversified economies in the Maritimes and western Canada.

The old national policy of Sir John A. Macdonald and Wilfrid Laurier created strong, diversified, stable economies in central Canada. Those of us in outer Canada now feel it is time we had a new national policy which would do the same things for the other eight provinces and the North. I believe that this Bill is a step in the direction a new national policy would be required to take.

It was asked whether or not the trade agreement will help the West. Hon. Members will notice that three of the four western premiers are strongly in favour of the proposed trade agreement. I trust that on April 26, four premiers from western Canada will be in favour of it.

Business groups, farming groups and western Canadians everywhere believe that this is our chance to have an opportunity, not just for western Canadians but for all Canadians, to have more stability, security and discipline in our trading relationships. I wonder if Hon. Members know that between two million and three million Canadians depend upon access to the U.S. market for their livelihoods. Based on the fact that about one-third of the population is in the West, by my arithmetic, about 600,000 western Canadians are dependent upon the U.S. market for their pay cheques. In that sense, whether one is a pensioner, an artist or a provincial public employee, the trade agreement and the promise it offers for the creation and security of employment is very important to all westerners and to all Canadians, in my submission.

Western Canada's major exports to the United States include a good share of the almost $3 billion in agricultural products of all sorts sold by Canadian farmers in the U.S. last year. Our grains, beef, pork, natural gas, oil and potash all have faced barriers. The trade agreement will give us more secure access than we would have otherwise.

Do Hon. Members of the Liberal and New Democratic Parties really think that tearing up the agreement, something which both of them have promised to do, will do anything for their constituents or for western Canada? As someone said the other day, as soon as one of them were to tear up the trade agreement, the new American administration, whether under President Bush or President Dukakis, would simply say, "I have something to tear up for you," and that would be the Auto Pact. I think the support for the trade agreement is strong in western Canada among all thoughtful men and women who want to improve the standard of living in our regions.

It seems to me that the models we should be looking at for western Canada might well be Switzerland, West Germany and Japan. Each of those countries has achieved a high general standard of living and relatively full employment throughout their respective countries by producing a range of high-quality finished products which are exported with major marketing skill and with first-class service to customers. All three populations know that success today in the increasingly interdependent world economy depends on intelligence, quality control and technology, and they act accordingly. I feel that this Bill will move us in this direction, and therefore I think it is one which all Hon. Members should support.

In the West, economic life has historically depended upon things like fish, fur, wheat, beef, forest products, coal, oil, gas and minerals. All of these resource products continue to play a substantial role in our economy. The prosperity of architects, teachers and public employees all depend in a very real way on how these resource products are doing.

Let me give Hon. Members an example of the way one northwestern Canadian put it. Not too long ago he said of a typical Yukon mining development, that the ore goes to Tokyo, the profits to Toronto, the taxes to Ottawa, the jobs to Vancouver, and they are left with a hole in the ground which, if the federal Government gives permission, they could use as a garbage dump. When coal moves to Japan, it comes back as Toyotas or other Japanese cars. Unemployment in that country is virtually non-existent whereas unemployment in the West, as I have indicated before and as we all know, is far too high.

Hon. Members will know that the current prospects for some of the resource sectors such as grains and oilseeds are not as promising as we would like them to be. Therefore, we must come up with a new strategy that will help us create jobs in other sectors.

As an example of what I hope the western diversification strategy will do, I would point to the case of an alfalfa heater which is being built in my own constituency. I understand that it has a market in Nebraska and someone will pay about half a million dollars for that unit. Someone else in south Edmonton is trying to develop a super computer.

• (1250)

As Members know, we have an extremely talented, highly educated population throughout the west. We have a multicultural population, people from all over the world. Many of them are very entrepreneurial, and many know about other cultures and economies and how we can find a niche in those economies. We have an entrepreneurial dynamism in the west. We have, if you like, a necessity to compete and do well as part of Canada. The ingredients for high technology are all there, as a study by the OECD pointed out. We have a great many things going for us as a region. We have the people, the resources, the will, and this Bill will perhaps give us a little bit more help to put these things in place.

I might say just a few words about oil sands, which are so important to Alberta. If Alberta and western Canada can become the leading centre of oil sands technology in the world we could help develop and build plants in our own region, environmentally sound plants, and go on to help develop oil sands in other parts of the world. We are already using our oil and gas technology in China and the Soviet Union. There is no reason that we cannot build a technology-based superstructure, if you like, in western Canada that would export services around the world.

That is probably where the best hope for the western economy lies. Not to abandon or put aside or stop stressing our resources, but to build a technological base on top of those resources. For example, let me give some suggestions with respect to forestry, since the Hon. Member spoke of it. Why not give further encouragement to harvesting energy from forest biomass? This could be an economic boost for our forest industry and help Canada become a world leader in biomass energy technology. Why not upgrade the importance of the federal Minister responsible for forestry, in part by having him or her responsible for forestry alone? Why not do more research, as I hope we will under this Bill, on things like forest farming on marginal agricultural land and more research into methods of utilizing species such as birch, green ash, willow, alder and soft maples? Why not give some additional federal support to the two forestry schools in western Canada at the University of Alberta and the University of British Columbia? Can we not recruit to public and private forestry service more scientists, more policy analysts and economists? How about more federal funding for western forest renewal through agreements with all four western provinces?

Tourism has been talked about at great length in this House. We could say that British Columbia depends upon three sectors: tourism, forestry and mining. If you reduce U.S. access to all three of those sectors, then you will have calamity in that province. The same for Alberta. Our tourism offers enormous potential. There is potential in Saskatchewan and

Manitoba which should be developed. This, as many people have said, is the perfect industry because it brings people in, uses existing facilities, and they leave without pollution. I very much hope that tourism is one area that the western diversification office will look at very carefully because I am told by the end of the century it will be the largest industry in Canada. It offers enormous promise to western Canada.

I must not sit down without saying a word about natural gas. As we know, the industry has had some difficulties. The private sector is understandably reluctant to undertake some of these large oil sands and gas projects because they lack a sense of what the price will be. My suggestion would be that if the difference between the price for some of these oil sands and other projects and the world price could be negotiated in advance, perhaps with the help of the department, it might make the chances of these projects going ahead much better. Security of future supply is so critical that in my view the risk is warranted.

We must give encouragement to new oil sands technology, new ways of separating the sand from the oil. Let me end my remarks with this example because it makes the point probably more strongly than anything I can say and I believe all of this is true. There is an Albertan by the name of Shannon who spent 12 years trying to develop a process for putting coal and bitumen together to produce a clean fuel. I gather within the last several months the method has been perfected. He received I think a $45 million grant from the U.S. Department of Energy to build a plant, not in Canada but in Ohio. It is going to be almost a quarter of a billion dollar plant and it will take Ohio coal and bitumen, and would you believe 85 per cent of it will come from Cold Lake, Alberta by pipeline, put those two together and produce a new clean fuel.

The question that all of us in western Canada ask is, why on earth is that project being built in Ohio? Why is it not being built in Alberta where we have an abundance of both coal and bitumen?

This is the kind of thing I hope this Bill will ensure that we stop doing to ourselves. I hope from this Bill will come an era in which it will be unheard of that anyone would put the first pilot project for a plant to use bitumen and coal somewhere other than western Canada. Therefore, I say in support of the Bill that it is a step in the right direction.

The Acting Speaker (Mrs. Champagne): Questions or comments.

Mr. Nystrom: Madam Speaker, I have a copy of a letter to the editor of *The Ottawa Citizen* of August 1, 1981, signed by David Kilgour, MP, Edmonton—Strathcona. As an avid reader of newspapers and a pack-rat I found this in my files. It says in part:

> The sending of Bruce Rawson to Edmonton as the federal government's "senior advisor on Western Canadian affairs" will be seen by many Westerners as another in a long series of gimmicks from a regime which sees our region primarily as a convenient whipping boy in an attempt to shore up political support elsewhere.

The Hon. Member was very critical of Mr. Rawson being sent to western Canada by the former Liberal Government. Mr. Rawson is now the new head of the western diversification office and is being sent to Edmonton by the present Government.

Very simply, has the Hon. Member changed his mind on the competence of Mr. Rawson? Is he acceptable now where he was not before?

Mr. Kilgour: Madam Speaker, I am truly impressed by the research facilities of the NDP and the Hon. Member. They must read an awful lot of newspapers very carefully.

Mr. Rawson is a distinguished Albertan. He started out in the Alberta Attorney General's department long before I was there. His wife continued to live in Edmonton, I believe his children were in university there, while he was here. Having worked with him when he was Deputy Minister of Indian Affairs in the days when I was a Parliamentary Secretary, I can assure the Hon. Member that Mr. Rawson is a highly competent individual. I have since laughed with him about that letter and I have changed my view of him. He is an excellent individual for this job and I cannot think of anyone who would do a better job than Bruce Rawson.

While I have had some problems getting some projects approved, as I am sure the Hon. Member has, I think Mr. Rawson is eminently qualified to be heading up this new department.

• (1300)

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Madam Speaker, it is certainly my intention to debate this issue but, noting the clock, I wonder whether the Speaker would like to defer the beginning of my remarks until after Question Period.

The Acting Speaker (Mrs. Champagne): There are 13 minutes left if the Hon. Member would like to start his comments. However, if there is unanimous consent by the House to call it 1.l4, I will do so.

Mr. Axworthy: I am quite prepared to go on. I was not aware that there was a 14-minute extension as I was not in the House when it was announced. I am quite prepared to start now if you like.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy).

Mr. Axworthy: Madam Speaker, I would like to take this opportunity to address once again the issue of western development. I have read with interest the comments of the Member for Edmonton—Strathcona (Mr. Kilgour) who just spoke. I want to compliment him in particular for an article he wrote recently entitled "Policy Options". It was a very thoughtful piece. I did not agree entirely with the content, but I did admire his efforts to put western development into a

framework of analysis, even though I think he fell substantially short on some of his prescriptions.

The Member mentioned how the trade agreement will affect western Canada. It has been heralded by the Prime Minister (Mr. Mulroney) as the great salvation for the West. It has been held out as the generator of massive economic growth, all kinds of new initiatives, and development of industry.

Even as late as this weekend the Economic Conference Board has estimated that any expectations for a grand economic bonanza are fallacious. The Department of Finance, now confirmed by the Economic Conference Board, pointed out that the best we can assume, the most optimistic scenario of economic benefits of the trade agreement, is half of 1 per cent of gross per year which, any economitrician will tell you, is within the margin of error of any forecasting model. It is so marginal, so meaningless, as to not even be within the capacity to make an accurate forecast.

This consistent effort to try to paint the trade agreement as being the key which will open economic riches is in fact contradicted, first by the Government's own report put forward by the Department of Finance, and now confirmed by the Economic Conference Board, which in itself supports a trade agreement for other reasons but confirms that any expectation that it will result in huge economic growth is not to be believed.

I suggest that the Hon. Member go back and look at the hard facts, rather than the theology, as presented in his Government's own analysis and in the recent analysis by the Economic Conference Board. It is simply not there. The expectations which were raised over two years ago are not being borne out.

In fact, as the Conference Board itself points out, the Government will be facing a major deficit that will have to be made up by increased taxation. The Conference Board estimates an annual deficit of close to $4 billion cumulative that will have to be made up by increased taxes, or increasing the deficit of the Government itself. It would be very prudent for Conservative Members of Parliament, before talking about the trade agreement, to check their facts. They need not believe me, they need only believe their own Government, their own Department of Finance, and the Economic Conference Board which is a business based group. Those are the prescriptions of those organizations.

Second, it is important to put some perspective as well on whether in fact the free trade agreement will have a specific incentive for regional development. I am often amused by the efforts of the Member for Edmonton—Strathcona and other Conservative Members to make a comparison between the Auto Pact and western Canada. They constantly use the argument that if the Auto Pact was good for Oshawa the free trade agreement should be good for western Canada, as if they were the same thing when in fact they are not. They are quite different, quite contrary trade agreements.

The Auto Pact is a managed trade agreement which carries within it very clear safeguards ensuring that job investment takes place in Canada, whereas the proposed agreement with the Americans contains none of those safeguards. In fact, they have taken the safeguards away from the Auto Pact itself and have put no safeguards in for any other industry. They will be applying the principle of national treatment, which is that there can be no safeguards, preferences, or advantages for Canadian businesses over American businesses. Therefore, any effort to try to make the comparison is fallacious, it does not hold true.

I would only ask the Member, who I believe has a commitment to doing proper research, to look at what happened to various regions in Europe after the Common Market. Has it helped the north of England for example? In fact, the north of England has become more depressed since joining the Common Market than it was before. Certain regions of the southeast portion of France have become more depressed. The Mediere region, for example, has suffered more as a result of that than it did previously. One of the reasons for that is that once you apply a simple market-based system and eliminate the opportunity to undertake public action to provide for a redress of imbalances, of course the forces of the market-place and geography take over and you eliminate the opportunity to have a political economy, to make certain choices from the public sector to compensate for or reallocate the market-place.

That, after all, has been the history of Canada. There would not be a Canada if those choices had not been made. The founders of Confederation from Lower and Upper Canada and the Maritimes formed this country based upon a political choice. They could have easily followed the north-south lines of the market-place and geography but they did not. They wanted to create a different country. Since then we have had to take decisions like building a railroad with great government subsidy from east to west to hold the country together, a public sector communications system, a national health system, and regional development programs. The impact of the trade agreement will be to reduce substantially and limit the capacity of federal and provincial governments to undertake those initiatives.

Let me give the Member for Edmonton—Strathcona an example. He concluded his remarks by talking about a project to turn coal into a new form of energy. There is another coal project which is very important to western Canada, that is, the movement of western Canadian coal to Ontario to be burned in the hydro plants of Ontario in order for them to meet their environmental restraints.

A task force of federal-provincial public servants reported about a year ago on a very exciting economic development project for western Canada. They pointed out that the Government of Ontario presently buys about $1 billion worth of coal a year from the Americans. However, it is coal with a high sulphur content, it is dirty coal and it spews acid rain into the air. Ontario Hydro must reduce those emissions by 50 per cent by the year 1990. They have a choice. They can either

invest very heavily in expensive scrubbers and technologies to eliminate the sulphur content, or they can purchase western Canadian coal from the foothills of Alberta.

That would have enormous economic payoffs. There would be $6 billion or $7 billion of new capital investment and 20,000 to 30,000 new jobs, not only in the mines themselves but along the railroad lines from western Canada to the hydro plants in Ontario. That is an incredibly important regional development project for the West.

The key to making it work, as the task force reported, would be necessary freight rate subsidies of about $6 or $7 a tonne. No one should be frightened by that. We have been using freight rate subsidies in Canada since Confederation in order to compensate for our geography. There are freight rate programs in the Atlantic. Of course, the most important freight rate program is under the Western Grain Transportation Act, which subsidized the movement of grain by about $60 and $70 a tonne. Without that we would not be able to export our grain because we must send our wheat and barley along an extensive railway line.

• (1310)

The task force reported that the key to making it work is a freight rate program. That is a legitimate and interesting possibility for western Canadian development. It would involve $6 billion or $7 billion of investment and some 20,000 to 30,000 jobs.

While this would make for a useful debate for Canadians, we will no longer have the right to make that decision on the day the trade agreement the Prime Minister has signed comes into effect. Western Canadians will not be able to bring about that kind of program because the trade agreement would clearly eliminate the possibility of a new freight rate subsidy for the movement of western coal. Once the agreement is signed, would the Americans watch a $1 billion a year purchase be replaced by western Canadian coal without kicking up a fuss or threatening to abrogate the agreement because it betrays the principles of national treatment? Would they not undertake trade actions against this?

The Member from Alberta should have a strong interest in the development of western Canadian coal. If he supports that trade agreement he will be rejecting one of the most important potential projects for western Canadian economic development in this generation. How can he say that this will be a great boon for western Canada when it will be eliminating some of the major projects that we would have.

That is not the only example. Mr. Archie McLean, Vice-President of McCain's Food, who is a Conservative by his own admission, wrote to the Minister for International Trade (Miss Carney). He said that while he is a hard core Conservative, she is dead wrong when it comes to the trade agreement. The food processing industry is an essential part of the food chain in Canada and an essential industry in western Canada. Mr. McLean said that as a Canadian food processor he has the choice either to shut down his plants in Canada or move south.

Western Canada bases a large part of its industry on agriculture and food processing. That industry is being put into jeopardy, and let me give an example of why. McCain's has a large plant in Portage la Prairie where it makes frozen French fries. They buy potatoes from the farmers of the Portage Interlake district of Manitoba for about $120 a tonne. This is a very important source of supply for those farmers. However, McCains can get the same potatoes in Idaho for $93 a tonne. Mr. McLean suggests that his next plant would be located where the input costs are lower. The same example applies to other vegetables, chickens and other products.

Madam Speaker, I hope I will be able to continue after Question Period and edify the House as to why the trade agreement is a disaster for western Canada.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) will be welcome to continue his speech after Question Period.

It being 1.14 p.m., I do now leave the chair until 2 p.m.

At 1.14 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

THE LATE JUDGE MARCEL CRÊTE

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I want to take this opportunity to pay a last tribute to a great Canadian, the Hon. Marcel Crête, Chief Justice of the Quebec Court of Appeal, who died Friday night in Montreal. We were very sad at the news of his death. Judge Crête contributed greatly to the development of law in Quebec.

Born in La Tuque, the Chief Justice went to school in Grand-Mère and Trois-Rivières before going to Laval University. He was called to the bar in 1937 and studied at Osgoode Hall in Toronto.

The Chief Justice practised law in Grand-Mère for 29 years before being appointed to the Superior Court of Trois-Rivières in September 1966. He was subsequently appointed to the highest court in the province, the Quebec Court of Appeal, in January 1972. Finally, in 1980 he became Chief Justice.

Respected by his colleagues and friends, Judge Marcel Crête was a man of integrity and principle. In 1986, he was awarded the Médaille du Barreau in recognition of his great legal skills and commitment to the community.

S. O. 21

The death of Chief Justic Marcel Crête is a great loss to us all. I am sure my colleagues in the House share my grief and will want to join me in extending our sincere condolences to his family and friends.

* * *

[*English*]

BANKS AND BANKING

CHARTERED BANKS—SUPPORT FOR REFUSAL OF APPLICATION TO SELL LIFE INSURANCE

Mr. Jack Scowen (Mackenzie): Mr. Speaker, Canadian banks are still asking for permission to get into the life insurance business but our Minister of Finance (Mr. Wilson) is right in not allowing Canadian banks to sell life insurance.

There has been little or no movement from banks to stop the petty charges that are a burden to their customers. The banks have not stopped charging customers for services they did not explain to customers when their accounts were opened, nor do they feel they have to give an explanation or proof of work done when money is taken out of a customer's account without the customer's knowledge.

Can you imagine the games, Mr. Speaker, that could be played with insurance? I have already heard of one banking institution which refused to pay an insured loan because it claimed the insured customer knew of his health condition when the loan was taken out. I agree with the Minister.

* * *

DISASTERS

SINKING OF NOVA SCOTIAN FISHING VESSEL WITH LOSS OF LIVES

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I am sure all Members will want to express sympathy to the community of Sambro, Nova Scotia, for the apparent loss of a 68-foot wooden vessel, *Bonnie Lou II*, and a crew of five young men. The subsequent search and rescue attempt took place in very heavy seas under adverse weather conditions, once again showing the danger and difficulty of a fishing occupation in Canada.

In October the Minister of Transport (Mr. Crosbie) released the Coast Guard Study into Fishing Vessel Safety. Much attention was given to the placement of blame on those who fish for a living and the way they practise their trade, suggesting that fishermen were careless.

There are a number of issues that need to be addressed by the Minister. First, mandatory use of EPRBs aboard fishing vessels would ensure that distress signals can be monitored. Recently two resolutions were passed in the Nova Scotia Legislature, supported by all Parties, calling upon the federal Government to establish a search and rescue base at Yarmouth for the South West Nova region. I urge that sympathy be followed by action so that the dangers inherent in this occupation can be reduced.

* * *

• (1405)

[*Translation*]

QUÉBEC

TRIBUTE TO ROBERT BOURASSA

Mr. Guy St. Julien (Abitibi): Mr. Speaker, on March 8 the Premier of Quebec, Mr. Robert Bourassa, announced that Quebec would start building new hydro-electric power stations this year.

Construction on three new stations at LG-1, Laforge and Brisay at James Bay, in the federal riding of Abitibi, at a cost of $7.5 billion during the next seven years, is a reassuring prospect for Quebecers, since it will create 40,000 jobs, involve major investments, and we will be able to export our surplus power to the United States.

Mr. Bourassa said that to him, letting Quebecers benefit from this natural resource was a tangible form of patriotism.

Mr. Speaker, it is a source of pride for Quebecers who believe in this great project and it is a source of great satisfaction for me as a former employee with technical surveys at Hydro-Quebec from 1965 to 1968.

Bravo, Mr. Bourassa, you are a great Quebecer!

* * *

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—AMENDMENT OF STATUTES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, in a study which has just been completed for us by the Law and Government Division of the Library of Parliament, it appears there may be as many as 21 individual Acts of Parliament that will have to be amended before the trade deal with the United States can be put into effect, everything from the Bank Act to the Copyright Act to the Canadian Wheat Board Act.

Yet no Canadian House of Commons committee is even holding hearings on this vast deal, and no committee has held such hearings since the final text of the agreement was issued.

Compare this with the United States. There, at least nine congressional committees and subcommittees are holding hearings, including Agriculture, Energy and Power, Consumer Protection, Mining and Natural Resources, Small Business, Finance, Foreign Affairs, and the Ways and Means Subcommittee on Trade. All these hearings permit American special interests to push hard for changes favouring them.

In short, we see here yet another—

Mr. Speaker: I am sorry to interrupt the Hon. Member but his time has expired.

* * *

EMPLOYMENT

NUMBER OF JOBS CREATED SINCE 1984

Mr. Bob Horner (Mississauga North): Mr. Speaker, I rise today to draw your attention to Statistics Canada employment figures which were released last Friday. In 1984 we promised jobs, jobs, jobs. Have we delivered? Some 1,213,000 jobs have been created across Canada. Unemployment figures have fallen. In 1984 they were 11.7 per cent. They are now down to 7.8 per cent, the lowest in seven years. The number of unemployed persons has decreased by 420,000.

Some 84 per cent of these jobs are full-time. By contrast, under the last Liberal administration 80 per cent of the jobs were part-time.

Youth unemployment has fallen from 18.3 per cent to 12 per cent. By contrast, it rose 5.4 per cent under the last Liberal Government, and it rose 2.5 per cent when the Right Hon. Leader of the Opposition (Mr. Turner) was the Minister of Finance.

Unemployment has decreased in all areas across Canada. In my area of Ontario we are at 5.1 per cent unemployment, the lowest level in 13 years.

What have we done for women? The number of women in managerial positions has increased 36 per cent since 1984—

Mr. Speaker: I am sorry to interrupt the Hon. Member but his time has expired.

* * *

WAR MEASURES ACT

INVOCATION IN 1970—POSITION OF PROGRESSIVE CONSERVATIVE PARTY

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, back in October, 1970, I was proud to be one of 16 Members in the House of Commons who voted against the imposition of the War Measures Act. We did so because there was no evidence of an apprehended insurrection at that time.

The recent release of Don Jamieson's diary appears to substantiate the view that there wasn't any evidence of an apprehended insurrection. At that time the Conservative Party of Canada voted for the imposition of the War Measures Act.

Over the weekend the Prime Minister (Mr. Mulroney) in effect counselled the Leader of the Opposition (Mr. Turner) to break the law by revealing some cabinet secrets. I suggest that, instead of that, the Prime Minister should explain why his Party supported the imposition of the War Measures Act back in 1970. Can he tell us why his Party voted in favour of that particular Act? Can he tell us what his own role was at that particular time?

From a very reliable book entitled *Friends in High Places* by Claire Hoy I quote the following:

> "Brian was the point man for a lot of people, for a lot of passing on of information" and that "he was dealing with Claude Ryan and Bourassa and Claude Castonguay, and for a whole lot of people."

Mr. Speaker: I am sorry, but the Hon. Member's time has expired.

* * *

FINANCE

CREDIT CARD INTEREST RATES

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, it is just a year ago that the Standing Committee on Finance and Economic Affairs presented its report on credit card interest rates in Canada.

Contrary to speculation around the Hill, my broken wrist is not due to having my arm twisted by any credit card lobbyist.

I refer to the report because it is a demonstration of how Parliament can work for Canadian consumers. Since the report, interest rates on credit cards have been reduced, and there have been other gains made for consumers. But there is much yet to be done.

The deficiencies in what has been done thus far will be made up by the Private Member's Bill, Bill C-266, which I have introduced. I hope that in the near future the Bill will be drawn for second reading and that it will receive support from all Parties in the House.

* * *

• (1410)

DISASTERS

CHERNOBYL NUCLEAR ACCIDENT—RADIATION LEVELS—INCIDENCE OF SICKNESS

Miss Aideen Nicholson (Trinity): Mr. Speaker, it has now been almost two years since the Chernobyl nuclear accident in

April, 1986. There has been some evidence that sickness from radioactive fall-out is on the increase in Ukraine. Malnutrition is also a problem. Some residents of the Ukraine are unable to secure food from uncontaminated areas and are afraid to use local meat or milk.

The Soviet news agency, Tass, reported in July, 1987, that almost 75 per cent of the land around Chernobyl has been recultivated. Some 14 settlements that were evacuated at the time of the accident have been resettled, while another 20 will soon follow. These measures may very well increase the numbers of people becoming sick because of exposure to radiation in the environment and in the food chain.

Granted that the Chernobyl reactor lacked the safety features of later models such as the CANDU, the public is still very concerned about the possibility of another nuclear accident.

Therefore, I urge the Government to support the work being done internationally in such areas as evaluating acceptable levels of radiation and forms of intervention, informing the public, ensuring prompt notification of accidents, and supporting a proposal by the OECD to require states to consult their neighbours before building nuclear power stations in frontier areas.

* * *

VISIBLE MINORITIES

APPOINTMENT OF GIL SCOTT AS PUBLIC SERVICE COMMISSIONER

Mr. Alan Redway (York East): Mr. Speaker, the struggle for equality for opportunity took another giant step forward last Saturday night at the Harry Jerome awards dinner in Toronto when the Prime Minister (Mr. Mulroney) announced the appointment of Gil Scott as a Commissioner of the Public Service Commission of Canada, the first ever visible minority person to hold that position.

This, combined with the appointment of Lincoln Alexander, the first ever visible minority person to serve as Lieutenant-Governor; the appointment of Cal Best, the first ever visible minority person to serve as a Canadian Ambassador; the Employment Equity Act, and the Affirmative Action Program for visible minorities in the Public Service, all in just over three years, is a record of which the Prime Minister and the Government can be proud.

However, the struggle for equal opportunity is not over and, in the words of one young Harry Jerome award winner last Saturday night, "the future is now".

INDIAN AFFAIRS

COMPARISON OF CONDITIONS ON RESERVES AND IN MÉTIS COMMUNITIES

Mr. Rod Murphy (Churchill): Mr. Speaker, this weekend I had an opportunity to tour some remote communities in the Churchill riding. I was depressed by the fact that after many years of both Liberal and Conservative regimes the people living on reserves do not have water systems, do not have sewage systems, do not have adequate housing, and do not have the same amount of money spent per capita on their young children for education.

At the same time I toured some of my Métis communities which in many cases have water and sewage systems, more money spent on education, and better housing programs.

I call upon the federal Government to live up to its responsibilities to provide native people not only of northern Manitoba but of the whole country with adequate systems of housing, of water, of sewage, and of education.

I am concerned about the seniors in my riding, but I am more concerned about the youth. To see three-year olds, four-year olds, and five-year olds living and growing up at the end of the 20th century and not to see any attempt by the federal Government to resolve the problems is a complete catastrophe and a national disgrace.

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PROVINCIAL AFFAIRS

ONTARIO—INCREASE IN PROVINCIAL DEFICIT

Mr. Elliott Hardey (Kent): Mr. Speaker, it is hard to believe, but the economic boom times in Ontario seem to be bringing about a spending binge by the provincial Liberals that would make even Pierre Elliott Trudeau blush.

David Peterson is throwing money in every direction, and the people continue to line up for more. They think that Santa Claus has come to town again.

Last year's newly discovered $1 billion is gone. Even with a 5.9 per cent spending increase, Ontario could have balanced its books this year. Instead, unprecedented spending has gobbled up that $1 billion windfall, has increased the Ontario annual deficit again this year, and now the Premier is forecasting increased taxes.

What a pity that the federal Government continues to put the Trudeau mess in order but Ontario may not benefit as it begins borrowing itself into economic chaos.

The piper will have to be paid. How long will it be before someone else will have to be brought into Ontario, this time to fix up the David Peterson economic mess?

• (1415)

IMMIGRATION

CANADIAN INVESTOR PROGRAM—QUÉBEC PRACTICE HALTED

Mr. John Oostrom (Willowdale): Mr. Speaker, the Canadian Investor Program allowed individuals with a net worth of $500,000 to attain landed status if they invest $250,000 in a Canadian venture for three years.

Recently Québec Immigration found a loophole whereby immigrant investors were being guaranteed their investments of $250,000 and received an annual interest rate of 3 per cent on the amount. This practice is contrary to the Immigration Act. The Minister, once informed of this practice, moved quickly and suspended the guarantees. He will not allow visas to be sold.

This scheme probably pre-empted the standard medical and security clearances, and it is not fair nor ethical for all those wishing to enter Canada. One immigration law must apply all across Canada.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF THE KING AND QUEEN OF SWEDEN

Mr. Speaker: I know that Hon. Members would want me to bring to all Members' attention the presence in the gallery of Their Majesties King Carl XVI Gustaf and Queen Silvia of Sweden.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

MIDDLE EAST—MINISTER'S SPEECH—GOVERNMENT POLICY

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have a question for the Prime Minister.

Over the weekend the Prime Minister avoided or evaded answering questions concerning the speech given last week by the Secretary of State for External Affairs on the very important matter of the Middle East. Considering both the confusion and the concern those remarks have raised, it is important for Canadians to know if the Prime Minister and the Secretary of State for External Affairs are speaking with the same voice and from the same text.

I would like to ask the Prime Minister the following questions. Did he discuss this matter with the Secretary of State and review the speech? Did he approve of the final text of the remarks given by the Secretary of State and, perhaps, most important, do the remarks of the Secretary of State explicitly express the position of the Prime Minister and his Government on the very important and delicate matters taking place in the Middle East?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as I indicated in the House the other day, the statement I made to the Canada-Israel Committee of course reflects the policy of the Government of Canada.

It is a policy that has been expressed, both in the letter which the Prime Minister wrote to the Prime Minister of Israel, in answers that I have given in the House of Commons, and in other positions the Government has taken.

The Hon. Member asks if the Prime Minister and I have discussed the matter in detail. He is asking the question: Did the Prime Minister of Canada and the Secretary of State for External Affairs discuss this speech word for word for word. Of course we did not. This Prime Minister of Canada has distinguished himself, among other ways, in encouraging his Ministers to exercise their responsibilities in their own fields and in their own Departments. I have done that. My colleague, the Minister of Finance, has done that. We do it with the full support of the Prime Minister of Canada.

The position of this country on issues relating to the Middle East is clear and is stated consistently by the Prime Minister, by myself, and by other spokesmen authorized to speak in that field for the Government.

CONTENT OF SPEECH—PRIME MINISTER'S POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, we know what the Secretary of State for External Affairs believes and what he has stated. My question was for the Prime Minister.

I want to repeat my question to the Prime Minister especially in light of his statement over the weekend about the remarks given by the Secretary of State. He said, "In speaking frankly you may question his words, but not his motives".

In this case the words are very important. They carry a great deal of meaning. I want to ask the Prime Minister explicitly: Does he question the words of the Secretary of State? Is he differing in any way from the remarks that were given in front of the Canada-Israel Committee last week? Does he have reservations and concerns about the kind of tone and nature of the remarks given by the Secretary of State?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the question of my hon. friend is very surprising in light of a statement made this morning by his colleague, the Liberal Member for Notre-Dame-de-Grâce—Lachine East. He was quoted as saying this morning, referring to the NDP and Liberal speeches, and the Conservative speech given by the Secretary of State, that he read all of the speeches very thoroughly and it seems to him that there are no contradictions

between any of the speeches and that the basic policy of the three Parties is the same. This was a statement made by the Hon. Member for Notre-Dame-de-Grâce—Lachine East this morning. I wonder where my hon. friend is coming from.

• (1420)

With regard to my position, I have been on the record consistently. Perhaps I could quote something that I indicated on Saturday in Toronto. I said: "With regard to statements elsewhere, Mr. Clark has been a firm and a loyal friend of Israel throughout his entire political life. He spoke as a friend of Israel. "He spoke very much as a solid and a committed friend of Israel, trying to send out a message that a true friend can give, . . . that violence breeds violence and it would be most unfortunate if this gave rise to a situation which endangered this fragile democracy in the Middle East which is Israel and which we all support. Mr. Clark was attempting to be constructive to a friend . . . He spoke with the conviction of someone who believes he could be frank because his friendship with Israel could never be question questioned."

The speech of the Secretary of State for External Affairs issued support for Israel, support for negotiated peace with the moderate Arab states. It called for restraint and an end to violence on both sides, and it spoke of his active support of the Shultz plan for a negotiated peace in the area. Surely no Member of the House would quarrel with any of those objectives.

NEGOTIATION OF PEACE AGREEMENT—POSITION OF ARAB COUNTRIES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, no one quarrels with those objectives, but the speech contained many other remarks that the Prime Minister did not cite. We are trying to determine whether the Prime Minister is in full agreement with the full and complete text of the remarks given by the Secretary of State.

If I might, I would like to ask an explicit question. The Secretary of State said that the Government of Canada had evidence that Saudi Arabia, Jordan, and Egypt were prepared to lend their assistance in negotiations toward peace. That is something we would all welcome. I would ask the Prime Minister if he would share that evidence with the House and if he would be able to provide a clear demonstration that these three countries are in fact prepared to negotiate a peace agreement with Israel that will recognize its existence. Would the Prime Minister tell us whether the other countries of the Middle East which have been part of those hostilities, particularly Syria, share those same views? These are very important questions, and I want to know if the Prime Minister therefore agrees with the assertions made by the Secretary of State for External Affairs.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I take it that the Hon. Member is genuinely interested in the attitude of countries that are neighbours to Israel with regard to the peace process. If he would read my speech to the Canada-Israel Committee, and I would recommend that all Canadians and Hon. Members who are interested in that speech read it carefully, he would find that I made reference to conversations I have had with leaders of Egypt, leaders of Saudi Arabia, and leaders of Jordan. My conclusion from those conversations was that they are interested in playing a constructive role toward the achievement of a peaceful situation in that region. That is the case.

There is another option open to everyone with this issue, and that is the option of making this a matter of partisan disagreement. I share the view of the Hon. Member for Notre-Dame-de-Grâce—Lachine East that this is not and should not be a matter of partisan disagreement. If the Hon. Member wants to get into the business of quoting statements made by individual Members of this House, I have some statements that I can enter into the debate. I would prefer not to do that because I think it is not constructive.

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AIR CANADA

ACQUISITION OF AIRCRAFT—REPORTED PURCHASE FROM EUROPEAN AIRBUS CONSORTIUM

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Minister of Transport. Last Friday's *Financial Post* reported that Air Canada is awaiting government approval to proceed with a $1.5 billion purchase of 34 aircraft from the European consortium, Airbus Industrie.

The Minister knows that the lobbying firm of Government Consultants International owned by Frank Moores, former Conservative Premier of Newfoundland, is acting on behalf of the European consortium. He knows as well that Government Consultants International has hired the Minister's Deputy Minister, Ramsey Withers, as its new president and chief executive officer. Will the Minister tell the House whether or not Mr. Ramsey Withers had any role whatsoever to play in screening or approving Air Canada's new corporate plan?

• (1425)

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, without the newspapers, of course, the Opposition would be silent in the House.

With respect to the question, I do not know who Government Consultants International—

Mr. Benjamin: Not all of us.

Mr. Crosbie: Good. Some of them have fantasies, of course.

I do not know who Government Consultants International represent. I do not know whether they represent the Airbus consortium or not. Nor do I know whether or not Air Canada is going to recommend to the Government that it replace its

present aircraft with aircraft from Airbus. We have not received any decision from Air Canada.

With respect to Mr. Withers, he is a man of complete integrity, honour, faithful service, and rectitude. He has complied completely with the conflict of interest guidelines. He has nothing whatsoever to do with Air Canada's recommendation in this matter. I have to ask my hon. friend, is there no smear too low, no person too remote—

Mr. Speaker: The Hon. Member for Humber—Port au Port—St. Barbe.

Mr. Crosbie: —to impugn their integrity in a base manner as he is now attempting to do?

Mr. Tobin: Mr. Speaker, if hot air, bluster and false outrage were the mark—

Mr. Speaker: Order. I think it would be proper if the Hon. Member for Humber—Port au Port—St. Barbe put his question succinctly. Perhaps I can prevail upon the Hon. Minister to answer in the same way.

Mr. Tobin: Mr. Speaker, he has been touchy ever since a provincial Liberal won a seat in his riding a few days ago.

POSSIBLE ROLE OF LOBBYISTS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, Bill C-82, with respect to registration of lobbyists, received second reading in the House today. The Bill creates certain requirements for lobbyists. In the spirit of that Bill, is the Minister prepared to make available to the House a list of all contacts and representations made to him or any official of Transport Canada by GCI, which is owned by his good friend Frank Moores, whom he claims to know nothing about, or by other lobbying agencies acting on behalf of companies that want to provide new aircraft to Air Canada?

This is a $1.5 billion contract we are talking about and the people of Canada have the right to have questions asked of and answers given by a Minister without bluster or false outrage.

Some Hon. Members: Oh, oh!

Mr. McDermid: Everyone in the press gallery is smiling, Brian.

Mr. Speaker: The Hon. Minister will answer without either of the last two adjectives.

Mr. Benjamin: What a hope.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, Charles Laughton will never be dead as long as the hon. gentleman is around to feign injured innocence.

Let me say that Mr. Withers, who is not a politician and who has given 40 years of his life to serving the Government of Canada in Defence and Transport, has had no connection with this matter. It is a sign of a desperate Party opposite that they have to try to malign a civil servant, people not even in politics, with such scurrilous questions, trying to tie together Government Consultants—

Mr. Speaker: Perhaps the Hon. Minister could complete his answer.

Mr. Crosbie: In short, my answer is this. The question is beyond contempt, absolutely beyond contempt.

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FILM INDUSTRY

DISTRIBUTION—INTRODUCTION OF LEGISLATION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is for the Minister of Communications but in her absence I will direct it to the Prime Minister.

He will be aware of the excellent performance his Minister gave in the TV show *The Campbells*. It is just too bad she could not put on the same performance in her portfolio.

Some Hon. Members: Oh, oh!

Mr. Waddell: I want to ask him about that.

[*Translation*]

Mr. Ian Waddell: Mr. Speaker, a year ago in February 1987, the Government promised it would table a Bill on film distribution in Canada.

I would like to ask the Prime Minister when the Government intends to table this Bill in the House?

Right Hon. Brian Mulroney (Prime Minister): Mr Speaker, the Hon. Member was quite right to comment favourably on the performance of the Minister of Communications. She is an altogether exceptional person and has served this country admirably. She is now breaking new ground in the field of culture and communications, and I am sure the Hon. Member will be very pleased with the end results, which the Minister will table at the appropriate time. However, the situation is a delicate one, and the Minister is anxious to turn this into an impressive finale, as I am sure she will.

• (1430)

[*English*]

POSSIBLE EFFECT OF CANADA—UNITED STATES FREE TRADE AGREEMENT

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, would the Prime Minister tell the House why it is a difficult situation? We have been waiting a year for the Bill.

Would he care to comment to the House on a report which has come from Washington that there is now to be perhaps a side letter to the free trade Bill in which Washington might

pledge to initiate an unfair trade action under U.S. trade law if Ottawa adopts the film legislation?

Would the Prime Minister not acknowledge that it has been American pressure, from the President, to Jack Valenti, to other lobbyists, that in fact has prevented the Government from bringing forward the long awaited film distribution legislation?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend knows that he has just made an unfair and inaccurate statement. Between two sovereign nations, the United States of America and Canada, we have a free trade agreement. I will not dignify any comment coming from an anonymous source in Washington or elsewhere in respect of any possible side letters which would demean the existence of the treaty itself. I know that, upon reflection, my hon. friend will want to withdraw any such allusion.

Mr. Waddell: Mr. Speaker, the Prime Minister will note that I have not made any allusions. I am just asking him when we are going to have the Bill and we are not getting any answers.

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PUBLISHING INDUSTRY

ACQUISITION OF GINN TEXTBOOK PUBLISHING COMPANY

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I will ask my final supplementary question on a related topic, publishing. Under the so-called Baie Comeau agreement, if you like, or policy, which will be dear to the Prime Minister's heart, when a Canadian subsidiary of an American publishing company is taken over it has to be offered for sale to a Canadian company. That is true in the case of Ginn Company right now.

Would the Prime Minister guarantee that once a company is taken over under this policy Canadians in fact have control of the company, rather than a back-door control by Gulf and Western as is happening right now with the sale of Ginn Company?

Hon. Barbara McDougall (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, the evidence of the answer is in the action that the Government took. The Government has moved quickly and consistently, both with the Baie Comeau book publishing policy and in the context of the free trade agreement, on a policy which means a great deal to the Government, particularly given that this arrangement with Gulf and Western regarding Ginn was made before either of those policies was in place and we were able to get this agreement from them.

We are very pleased with this. It means that Ginn will remain in Canadian hands. Since its major product is primary school textbooks, I think it was a good one for us to start with on this book publishing policy.

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[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

REQUEST THAT REGIONAL INDUSTRIAL DEVELOPMENT PLAN BE PROLONGED

Hon. Jean Lapierre (Shefford): Mr. Speaker, in the absence of the Minister of Regional Industrial Expansion, I would like to direct my question to the Prime Minister.

Mr. Speaker, the Prime Minister is aware that the budget for the Eastern Quebec development agreement expires on March 31, and since the Minister of Regional Industrial Expansion has a habit of being late, whether we are talking about Montreal East or the space agency, could the Prime Minister inform the House whether his Government will be able to announce that the Eastern Quebec development plan and the agencies for outlying regions will be extended after March 31?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development): Mr. Speaker, when the Hon. Member refers to the Government's or the Minister's record on industrial development in Quebec, he should remember that from September 1984 to January 1988, $532 million in federal assistance was spent in Quebec. If the Hon. Member were to look at the situation objectively, he would be embarrassed to compare this record with that of the previous Liberal Government.

As for extending the Eastern Quebec plan or other regional programs, the Minister, as you well know, has already mentioned a number of proposals, and when he is ready to announce either an extension or new initiatives, he will do so at the appropriate time.

TERMINATION OF REGIONAL INDUSTRIAL DEVELOPMENT PLAN

Hon. Jean Lapierre (Shefford): Mr. Speaker, the Minister says not to worry because everything is all right in regional economic development, but could he perhaps explain to the House why his own Minister of Regional Industrial Expansion has been telling his colleagues Quebecers must be shown that the Government's determination to renew its regional development policy does not stop at the borders of Quebec?

The IRDP will expire at the beginning of June, and the Government has no plans for a substitute in Quebec. Could the Minister inform the House whether this Government intends to establish a realistic regional economic development program for Quebec as it has done in other parts of the country? Why are we going to be the last ones in on regional economic development?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development): Once again, Mr. Speaker, the Hon. Member's ignorance is appalling. As far as regional development is concerned, the amounts spent in Quebec and across Canada compare more than favorably with what was done before under the Liberal Government.

For instance, in 1984-85, $832 million was spent on subsidies and grants, and now we have matched that with an additional $868 million. This is more than $1 billion. It is certainly not true to say that Quebec has been left out.

When the IRDP expires at the end of June, 1988, as provided under the legislation, other programs will be set up to support industrial development in all parts of Quebec.

* * *

[*English*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

PRELIMINARY RULING ON CANADIAN FISH EXPORTS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is for the Hon. Secretary of State for External Affairs. In spite of intensive negotiations last week in Washington, Canada and the United States have been unable to agree on alternatives to the GATT preliminary ruling on Canada's export restrictions on unprocessed salmon and herring.

Because the fishing industry, in co-operation with the Government, needs more time to study possible solutions to this impasse, will the Minister assure the House and the West Coast fishing industry that Canada will not accept the GATT ruling when the full GATT Council meets on March 22 and that there will be more time to study this issue so that a satisfactory resolution can be found?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this is a very important issue as is understood by all Members of this House and particularly West Coast Members who have been in touch with me and other Ministers.

I would like to amend the observation made by the Hon. Member in the preface to his question. Canada and the United States have not yet reached agreement. The discussions that occurred last week were constructive. We are considering now, at the ministerial level in both Canada and the United States, what our next step will be.

As I indicated to the Member when he put a similar question earlier in this process, last week, I think it is not helpful to the Canadian position to get ahead of ourselves. We have to take this step by step and we are doing that.

REQUEST THAT CANADA REJECT GATT RULING

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, will the Minister not agree that the United States appears to be using this GATT ruling to get access to our fisheries resource and is blowing up a $2 million or $3 million problem to get at a $750 million industry?

If the Minister agrees with that, why will he not commit Canada to refuse the GATT ruling which is going to destroy completely our ability to manage our own resource?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as we have discussed in this House before, there are two questions at issue here. One is how we resolve this particular problem. I have just given a report to the House as to our progress on that matter.

The second has to do with the consistency of the New Democratic Party on the question of GATT. One day, in a statement of principle, it is for GATT. Then, when GATT is applied, it is against GATT. The New Democratic Party cannot have it both ways. It has to get its act together.

* * *

FINANCE

NORTHERN TAX ALLOWANCES—GEOGRAPHICAL DELINEATION OF AFFECTED COMMUNITIES

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is directed to the Minister of Finance and is with regard to the special tax benefit for northern and isolated communities. I wonder whether the Minister is aware of how much unfairness has been created as a result of the regulations related to this tax measure.

For example, there are a great many communities which over-qualify on the Minister's point system which, yet, are ruled ineligible simply because they are just a few kilometres short of the required distance.

Has the Minister had the time and the opportunity to consider carefully a proposal which I formally submitted to him whereby the distance factor would be folded in with the point system? It is my submission that this would give this important useful measure greater equity.

• (1440)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am sure the Hon. Member would agree with me that we have taken a very important step forward. A number of communities now have permanent access to the northern benefit, and pensioners, small business people, and native peoples who previously did not have access to the remission order providing for the northern benefits now have access on a permanent basis. That is an important starting point in any discussion of northern benefits.

He has pointed out the problems he has seen in his constituency on the borderline between communities within the prescribed region for northern benefits and those that are just outside. We recognize that there are difficulties. That is why we have called for the appointment of a commission that can study these in various parts of the country so that there will be an equitable system that will apply equally to different parts of the country and provide a more equitable basis upon which this northern benefit can contribute.

Mr. Penner: What ought to be a most useful tax measure is in fact causing confusion, causing division, and causing a good deal of distress in many communities.

REQUEST THAT REGULATIONS BE AMENDED

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, will the Minister move quickly to amend these regulations and not pass on his responsibility to a commission or task force? We know what has to be done. Why do we not just get on and do it?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member says that he knows what has to be done. I suggest to him that that is a very facile way of dealing with the problem. If we knew what had to be done we would not be calling for the creation of this commission.

These borderlines between different communities are very difficult to address and very difficult to delineate because different sizes of communities, different geographical relationships and elements that are important in deciding whether a community should be inside or outside the prescribed areas are important questions upon which an objective person like a commissioner can give the Government some guidelines. Otherwise, I am sure that he or his colleagues would be the first to say that certain communities received special treatment because they have a Conservative Member of Parliament and another did not because it had a Liberal or NDP Member of Parliament. In fact, I believe that was already stated in this House last week.

APPOINTMENT OF COMMISSION

Mr. Rod Murphy (Churchill): Mr. Speaker, the Minister of Finance announced his intention to change the taxation policy for northern benefits almost two years ago. A year and one-half ago he announced the specifics of his intention. At that time I and others wrote him about the problems. One of his own Conservative Members rose in the House to say there was a problem.

Why is he only now setting up a commission to look into the problems with regard to this tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, since the time that the Hon. Member wrote we spent much effort in trying to find the proper resolution. It has been very difficult to do so and that is why we believe the best way to proceed is to have an objective commissioner travel to different parts of the country and give us some advice on this.

I should point out to the Hon. Member that the value of this benefit is some $150 million to $175 million, which is considerably greater than the some $50 million under the remission order. Therefore, a number of communities have benefited by this and, as I indicated previously, pensioners, native people, small business people and others who did not have access to this benefit have access to it now.

We are trying to ensure that it is equitable, but the benefit has been provided to a much larger group of people. I do not think we should lose sight of that.

MINISTER'S POSITION

Mr. Rod Murphy (Churchill): Mr. Speaker, there are people who can swim across to the American border who would benefit from this particular exclusion. There are others who live in the North who do not qualify. In the age of parliamentary reform and tax reform, why would the Minister not listen to Members of Parliament? Why did he not act when people were complaining about this problem? Since he refused to act, will he make whatever changes come about retroactive because there are people in the North, not only in Manitoba but in other parts of Canada, who are excluded and unfairly treated because he would not listen and act when he should have.

Hon. Michael Wilson (Minister of Finance): I think it is quite wrong to say that I have not listened.

Mr. Murphy: You said no.

Mr. Wilson (Etobicoke Centre): I have listened to a wide range of Members of Parliament.

Mr. Murphy: You said no.

Mr. Wilson (Etobicoke Centre): The Hon. Member cannot ask his question seriously if he has his mouth open during the time I am trying to answer. We believe that the best way to deal with this is through a commissioner. We feel that will lead to a more objective resolution for difficult problems.

He says there are many people in the North who are not receiving this benefit. I say to those people that nothing has been taken away from them. Many people in the North are now receiving this benefit for the first time.

* * *

WAR MEASURES ACT

INVOCATION IN 1970—REQUEST FOR MEASURE TO ENSURE AGAINST REPETITION

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of National Defence. According to a recent report, the diaries of the late Don Jamieson indicate

that the War Measures Act was invoked in 1970 on the basis of very flimsy evidence. This is a matter of great concern to all Canadians, particularly to Canadians of Japanese origin who felt the sting of the War Measures Act in the past.

Will the Minister agree to amend the emergency measures legislation currently before the House to ensure that this sort of thing can never ever happen again in this new legislation, based on flimsy evidence? Let us get it right this time.

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, I fully share my hon. friend's concern. It is important that we protect civil liberties even in times of crisis. As a result of that, I proposed amendments some days ago which would give any citizen of Canada who felt aggrieved the ability to take the Government to court and insist that the Government demonstrate to the court that it had just cause for invoking the new legislation. If it could not justify that, the legislation's invocation would be struck down by the courts.

I call upon Members of the House to pass this legislation as expeditiously as possible.

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FISHERIES

CANADA-FRANCE DISPUTE—REQUEST THAT CANADA DEMAND APOLOGY FOR FRENCH GOVERNMENT'S STATEMENT

Mr. George Baker (Gander—Twillingate): Mr. Speaker, St. Pierre and Miquelon have been officially declared a disaster area because, according to the Government of France: "The fishery around St. Pierre has been depleted and the Canadian Government won't allow them into other areas".

My question is directed to the Secretary of State for External Affairs or the Prime Minister. In view of the fact that this situation was caused by overfishing by the metropolitan fleet from France, will the Government of Canada demand an apology from the Government of France for painting Canada as being the villain in this declaration of disaster?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the situation to which the Hon. Member refers is a result of the firm position taken by the Government of Canada in the matter of this fisheries dispute, particularly since negotiations regrettably broke off last October 9.

The Hon. Member knows that our negotiator, Mr. Fortier, and the French representative are to meet again shortly and attempt to discuss how and by what procedures the matter can be restarted. We hope there will be a settlement. In the meantime, we believe that our firm position is having a great deal of influence on the situation.

• (1450)

It is true that France has declared Saint Pierre and Miquelon a disaster zone. The hon. gentleman is familiar with disaster zones; he sits in one.

Some Hon. Members: Oh, oh!

OPERATIONS OF FRENCH FACTORY FREEZER TRAWLERS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, today four gigantic factory freezer trawlers from France are operating off the south coast of Newfoundland. They have caught 11,000 tonnes of fish, double the entire quota for 1988 allocated by the Government of France. They are going back to France next week to process their fish, to come back in the fall to load up again.

In view of that fact, will the Government of Canada ask the Government of France to make the metropolitan fleet end its fishing now for 1988 before the south coast of Newfoundland has to be a declared a disaster area?

Mr. Crosbie: Mr. Speaker, not only is the hon. gentleman sitting in a disaster zone, he is led by a disaster— "Ali Babble and the Forty Rodents", Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Minister will attempt to answer the question.

Hon. John C. Crosbie (Minister of Transport): In fact, the Department of Fisheries and Oceans checked on the matter today and it says that the 3PS cod fishery is following the same pattern this year as in previous years. The Canadian fishery in that area is following the normal pattern, and total catches to date are about the same as in 1987. What seems to have happened is that the cod stocks have moved out of the disputed 3PS zone because, as the hon. gentleman knows, cod fish are apt to swim and move. They have moved off into the Burgeo bank area in the western gullies where the French are no longer permitted to fish as a result of actions taken by this Government which the Hon. Member should be down on his knees praying for every day.

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RAILWAYS

BRANCH LINE REHABILITATION PROGRAM—EXPENDITURES IN WESTERN CANADA

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Minister of Transport. The 10-year rail line rehabilitation program is fast approaching its end and there are still hundreds of miles of branch lines needing rehabilitation work. Will the Minister explain why, with only one year and $140 million left in the rehab program, he has decided to spend only $25 million this year to upgrade lines in

western Canada? There is much work to do and so little time to do it.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the hon. gentleman refers to a cause that is very popular, of course, in the West. I do not believe the program is scheduled to end until 1990. We will be dealing with other projects during the year, and as to whether the spending will be just $25 million or three times $25 million will be determined during the course of the year.

REQUEST THAT TERMINATOR DATE BE EXTENDED

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, there is in existence contracts with the rail companies totalling more than $140 million on the rehab program. The program is over in 1989. Will the Minister assure those communities which need work done that he will extend the time to 1990, as he suggested, in order to spend that $140 million and get the job completed as far as the need is presently established?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I can certainly assure the hon. gentleman that the fund will be used and further branch lines will be rehabilitated so long as we have the agreement of the grain companies, users, and those involved that these lines are lines that can properly be rehabilitated and that this is the best use of the funds. So there certainly will be additional moneys spent on branch line rehabilitation.

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EXTERNAL AFFAIRS

MIDDLE EAST—SHULTZ PEACE PLAN—CANADIAN POSITION

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the current visit to Washington of Prime Minister Shamir, reportedly to discuss the Shultz peace plan, will the Minister advise the House if the Government has shared with Washington its views on this plan? And will the Minister inform the House what those views are?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, these, of course, are very critical days for the development of the possible movement toward peace in the Middle East. Mr. Shamir arrives today in Washington. Canada has expressed clearly and unequivocally our support for the initiatives being taken by the United States Secretary of State. As the House will know, they are based upon the principle of territorial compromise in accordance with Security Council Resolution 242. That requires movement by both sides.

To that end, among other initiatives in which we might have some influence, I have instructed Ambassadors for Canada in countries in the Middle East, and in countries that might have some influence upon Palestinians, to encourage Palestinian leaders vigorously to recognize formally and declare formally their acceptance of the independence and territorial integrity of the State of Israel.

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[*Translation*]

AEROSPACE INDUSTRY

CANADIAN SPACE PROGRAM—ESTABLISHMENT OF CENTRAL AGENCY

Mr. David Berger (Laurier): Mr. Speaker, my question to the Minister of State for Science and Technology has to do with the space agency.

[*English*]

In an interview last week, the Minister of State for Science and Technology referred to the varied elements of Canada's space program such as radar satellite and mobile communications saying: "All of this begs to be co-ordinated by a central agency". Is it still the Minister's position that Canada needs a central agency to co-ordinate space activities whether or not Canada proceeds with the American space station?

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, several of the major components of the comprehensive space effort have moved beyond a conceptual phase into a more detailed design phase. The eventual technical nature of these facilities, be it a space station or Radarsat program, will, of course, influence the design, shape, mandate and mission of a central co-ordinating agency. Cabinet is seized with a number of options being considered within the next two weeks and will make a decision on the agency following that.

ESTABLISHMENT OF SPACE AGENCY—GOVERNMENT POLICY

Mr. David Berger (Laurier): I do not know why the Minister tries to avoid the question. Last week he said, when he was asked whether the space agency depended on the space station: "Well, I mean, I don't want to mix up the two". He went on to say: "There remains a requirement for a central agency to co-ordinate and manage these international obligations". So I come back to my question. Will the Minister rise in his place and state unequivocally, as he did in an interview with CBO Radio last week, that Canada needs a space agency whether or not we proceed with the American space station?

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, I cannot recall using the words, "mixed up". The Hon. Member has been known to mix up agencies with stations.

The fact is that a number of the major components of the space program are moving into another phase and Cabinet is considering various options which are available. The necessity

to co-ordinate these efforts will emerge, and the shape of an agency will emerge, after this has been considered.

Canada is a leading nation in space and we have no intention whatever to give up that lead. We have every intention to co-ordinate properly and manage any of the international obligations that are associated with that.

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IMMIGRATION

FEDERAL COURT OF CANADA RULING—POWERS OF IMMIGRATION APPEAL BOARD

Mr. John Oostrom (Willowdale): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Last week a ruling by the Federal Court of Canada curtailed the powers of the Immigration Appeal Board. Could the Minister inform the House of the absolute chaos and consequences to Canada's immigration system as a result of this ruling, coupled with the Senate's inaction on Bill C-55 and Bill C-84?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I thank my colleague for the question. I know how sensitive he is to immigration issues. We have not yet taken a decision as to whether or not we will go before the Court of Appeal about the decision with respect to the Immigration Appeal Board.

I have said in the House many times that the House of Commons has already voted on two Bills to deal with the immigration issues. We just have to look every day in the newspapers to see the problems we increasingly face. As long as the Senators will not make up their minds about this Bill, and as long as they drag their feet on this decision, I can do nothing.

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• (1500)

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—GRAPE GROWERS—GOVERNMENT POSITION

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is for the Minister of Agriculture. Since everyone, including the Government, admits that grape growers are going to be put out of business by the free trade agreement, can the Government tell us the amount of assistance and the type of assistance that will be made available to the large number of Canadian producers of wine grapes in Ontario and British Columbia who will be put out of business upon implementation of this agreement?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I want to reject the contents of the Hon. Member's observation. We must recognize that the difficulty that the grape and wine industry finds itself in is a direct result of provincial trade barriers and of provincial pricing mechanisms.

The Hon. Member will know that those negotiations go on, led quite appropriately by the federal Government, in co-operation and conjunction with the provinces.

He should take some satisfaction, as the industry is taking some satisfaction, with the fact that I convened a meeting of all the provincial players within the industry, as early as December 4, I believe. Meetings have been held in B.C. and also in Ontario since that period of time at almost two-week intervals. I expect to receive recommendations from the federal-provincial industry committee in the not too distant future.

Mr. Althouse: Supplementary question, Mr. Speaker.

Mr. Speaker: This will be the last question in Question Period, given the time. A single question by the Hon. Member for York West.

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IMMIGRATION

FEDERAL COURT OF CANADA RULING—REQUEST THAT GOVERNMENT NOT LAUNCH APPEAL

Mr. Sergio Marchi (York West): Mr. Speaker, my question is addressed to the Minister of Employment and Immigration. It concerns the Federal Court ruling which effectively places the Immigration Appeal Board in a straitjacket because of the provisions of the Bill. The problem is with the Bill and not with the Senators, including Conservative Senators who are equally incensed.

Given that the Government's own legislation even before it becomes law has caused this paralysis in the system which will only aggravate the backlog, will the Minister give us an undertaking that he will not appeal the situation, which will lengthen the time in procedure, but instead that he will remove this provision from the Bill and allow the independence of the system and the effectiveness of the system to continue rather than causing this paralysis?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I will not give any undertaking to my friend, but if you will tell your friends on the other side—

Mr. Marchi: Address the Chair.

Mr. Speaker: I will hear a question of privilege from the Hon. Member for Notre-Dame-de-Grâce—Lachine East.

PRIVILEGE

APPOINTMENT OF MEMBERS TO LEGISLATIVE COMMITTEE ON BILL C-72

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I rise on a question of privilege of which notice was given to you this morning. This question of privilege is with respect to the striking of the Legislative Committee on Bill C-72 last Friday.

As you know, Mr. Speaker, Bill C-72 is the Bill on official languages. In particular, this is a Bill designed to help the language minority communities in Canada.

My complaint and the basis for my question of privilege is that this legislative committee has no representation from the anglophone minority from Quebec, although that could have been done. It is well known that this community has considerable concern for this Bill and has considerable concern for language rights.

I also point out that the Acadian community in Canada is not represented on the committee, nor is the francophone community of the West.

I have no objection to those people who are named, in particular the Hon. Member for Ottawa—Vanier (Mr. Gauthier), who is the only representative of a language minority on the committee. Surely, the other language minorities should be represented. This is particularly so because there has been an attempt by certain Conservative Members in the House to amend and weaken the Bill—

Some Hon. Members: Order!

Mr. Speaker: The Hon. Member rises with respect to the appointments to a legislative committee. So that the public that is watching and listening to this will understand what this means, after a Bill has passed second reading it then goes in most cases to a legislative committee. The members of the legislative committee are determined by the Whips of all three Parties. It is for the Speaker to appoint the chairperson.

Depending on the wish of all three Parties, the legislative committee can be of different sizes. The Hon. Member is rising on a question of privilege because he says that some groups in the country that are important in this matter do not have, I take it, a Member who sits specifically in a seat which represents their concerns. That is the Hon. Member's concern. I would ask the Hon. Member not to again get into the debate on second reading of Bill C-72.

Mr. Allmand: Mr. Speaker, I will get right to the point. Under Standing Order 93(1) legislative committees can have up to 30 members. I am not suggesting for one moment that we should have a committee of 30 members, but surely the committee should have more than seven members, the number which it presently has, particularly to allow different language minorities in the country to be represented on the committee.

I would urge you, Mr. Speaker, to use your influence, since you have a role to play in the appointment of the chairperson of the committee, to see if this committee cannot be enlarged in accordance with the Standing Orders so that the Anglophones from Quebec, the Acadians from the Atlantic provinces and western Francophones can also be represented on this committee. This would ensure that all interests, especially the interest of those for whom the Bill was designed, come out of that committee in a substantial, sound way.

Mr. Speaker: The Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) has raised a question which is clearly of very great importance to the Chair. Bill C-72, quite properly so, has gained a great deal of attention from all sides of the House. There have been different views as to the Bill itself.

What the Hon. Member is now asking the Chair to do is something that the Chair cannot do, that is, expand unilaterally the numbers on a committee, or for that matter determine the appointment of Hon. Members to the committee, which as I indicated a few minutes ago is the prerogative of each of the Parties.

It is true that the Chair, that is, myself, has not only the privilege but the obligation to appoint the chairperson of that committee. Hon. Members will know that I have exercised that prerogative, and I think properly so, by appointing my Deputy Speaker, who I think will not only be acceptable to all Members in the House but who has clearly demonstrated on many occasions his impartiality and his concern for both linguistic communities.

I am sorry to have to advise the Hon. Member for Notre-Dame-de-Grâce—Lachine East that, despite the fact that he might very well have a complaint with his colleagues in his own Party, or his own Whip, or others in the Chamber, it is not a matter on which the Chair can intervene. I know that the Hon. Member will understand that I cannot let the matter go on any further because I am powerless to intervene. I have also to advise that, while it may very well be an appropriate complaint to be taken elsewhere, it is not a question of privilege before this Chamber.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I rise on a matter relating to this question of privilege. Of course, I find it very difficult to accept that the committee should be composed of only seven members and that we have only one from this caucus on the committee. I understand the feelings of the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand). It was not our decision but the decision of the government Members who form a majority on the committee to restrict the number to seven.

My point to you, Mr. Speaker, deals with Standing Order 93(3), which deals with the requirement that within two days after adoption of a Bill at second reading, the legislative committee must meet to set its priorities and to set its meeting schedule. As you know, Mr. Speaker, there were some

difficulties in getting this committee struck. I shared with you in confidence some of my concerns about that, Mr. Speaker. I did not raise them in the House.

However, I am now concerned that the committee will have to sit soon, and it will have to sit according to our Standing Orders within two days after adoption, which is now impossible, since that was last Monday. A week ago in the House we adopted the said Bill C-72. We are one week into our agenda. The committee has not met and will not meet today or tomorrow. I understand that it will meet some time this week. So that my concerns on this matter can be met in an effective and efficient manner, I wonder if the Speaker can tell me when he expects the committee to meet so that we can have some idea.

[*Translation*]

Mr. Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier) has raised an important point under our Standing Orders, but I feel it would not be proper for the Chair to comment today on the date on which the committee should meet for the first time. I fully understand the Hon. Member's concern, and he has indeed told me about the delay. Clearly this delay is contrary to our Standing Orders. Now, I think that the committee will meet for the first time soon, hopefully sometime this week. I understand this is a very important matter, but discussions with the Government Leader in the House and with other Hon. Members concerning the exact date would be useful to the Hon. Member. But it would not be proper for the Chair to set up the date of the first meeting.

Mr. Gauthier: That was not my point, Mr. Speaker. My point was that under S.O. 93,(3) which reads:

> (3) A legislative committee constituted pursuant to sections (1) and (2) of this Standing Order, shall meet within two sittings days after the adoption of the motion for the second reading and reference to a legislative committee of the bill . . .

Mr. Speaker, my point is that until today, which is March 14, we are in violation of our Standing Orders because the committee has failed to meet. It happens sometimes that the Government fails to reply to our questions within the 45 statutory days. There is no possible remedy for that, other than a request to the Chair asking him to do something to speed up matters.

In this case, to say the least, there was clearly a breach of S.O. 93,(3). I would like an assurance from the Chair that the Committee will meet as soon as possible, and I will be satisfied with that.

Mr. Speaker: Perhaps I could be of some help to the Hon. Member. He is perfectly right. This is clearly a situation where there has been a breach of our Standing Orders. Since the first intervention, I have been advised that the first meeting will probably be held on Thursday.

GOVERNMENT ORDERS

[*Translation*]

WESTERN DIVERSIFICATION ACT

MOTION TO ENDORSE THE MOTION OF MR. MULRONEY

The House resumed consideration of the motion of Mr. Lewis:

> That this House endorses the adoption of the motion, on Monday, March 7, 1988, of the Prime Minister for second reading and reference to a Legislative Committee of Bill C-113, An Act to promote the development and diversification of the economy of Western Canada, to establish the Department of Western Economic Diversification and to make consequential amendments to other Acts.

Mr. Speaker: When the House took recess at 1.14 p.m., the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) had the floor.

• (1510)

[*English*]

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, just before I continue, I wonder whether the Chair could indicate how much time I have remaining.

Mr. Speaker: Seven minutes.

Mr. Axworthy: Mr. Speaker, seven minutes will not do justice to the remarks I want to make, but I will do my best.

As I was pointing out before the luncheon break, the proposed trade agreement being negotiated when signed will have a devastating effect upon the western Canadian economy in a number of areas. I cited as evidence the representations of the food processing industry. It is also instructive to look at the kinds of concerns being raised by the agricultural community. The abandonment of the clear principle of subsidies on the transportation system, the surrender of that basic principle, will cause enormous consternation in the future. When we become involved in the negotiations at Geneva concerning agriculture, the precedent that the Government has now accepted and established in the Western Grain Transportation Act, which in fact is a trade related subsidy, will be used by other countries as a way to force the veto of that very essential means of development.

If we look at the fruit and vegetable industry, the whole development of the Fraser Valley in British Columbia will be put in jeopardy. The British Columbia Federation of Agriculture appeared before our task force just a few weeks ago and clearly enunciated major concerns that the horticultural industry of the province would be in jeopardy. It is also true for the vegetable industry of Manitoba with the problems being faced in that area.

The Hon. Member for Edmonton—Strathcona (Mr. Kilgour) went to great length to indicate the bonanza which would be created in the petrochemical, oil, and gas industries—the energy field. The effect of the trade agreement on

the energy sector will be more serious than on any other sector. For example, the United States needs our energy resources. It has the biggest appetite for energy of any country in the world. Basically it is becoming a buyer's market. At the very moment when we know that the United States desperately needs our energy resources, what do we do? We fix a price. We do not go to a market price, or to allowing that kind of demand to set prices. The constraint is that if we raise prices for the Americans we would have to raise them for Canadian consumers. We will not be able to take full advantage of the opportunities created by the fact that it is now a buyer's market.

I submit that we are giving up one of the most competitive advantages of western Canada. Let us also consider the petrochemical field. How was it formed? How were various industries in Manitoba formed? They were formed by using energy as a competitive advantage. We gave a special price to those users, but we could no longer do that.

The trade agreement will substantially limit the major industrial advantage we have in terms of developing a new comparative arrangement *vis-à-vis* the United States. Where do we have an advantage over them? Is it in skilled manpower or resources? The Americans have those commodities. Increasingly our advantage is in cheaper energy resources. However, the Government is giving it up. The Government is surrendering it. It is abandoning the future of western Canada in utilizing hydroelectric power, natural gas, and petroleum to give Canadian industry a substantial advantage in competing with the Americans and competing world-wide. That totally denies logic and the opportunity for industry to grow in western Canada. We are the source blood of energy, whether it is hydroelectric power in British Columbia and Manitoba or natural gas in Alberta, British Columbia, and Saskatchewan. The fact is that that is the key to the future of the western Canadian economy. However, the Government has put a lock on it. It has put a fix on it. It has given away that opportunity.

The Hon. Member for Edmonton—Strathcona attempted to justify the trade deal as being a great bonanza. The fact is that we will lose jobs in a number of existing industries. Also we are giving up a major competitive advantage in one of our most important industries. I submit that western Canada will be devastated in its opportunity and its potential. Whatever small amount of money will trickle in as a result of western diversification, it will be lost in comparison with the enormous subtraction that will take place as a consequence of the Government going ahead and ratifying the particular deal with the Americans.

• (1520)

That is the real story for western Canada. Contrary to the claims and promises, it will become an albatross around western Canada and a major deterrent to the development of new industrial and resource based industries in the West. That is the real tragedy, and the House should be debating the surrender and abandonment of the western Canadian economy by the Government.

Mr. Kilgour: Madam Speaker, I would like to speak very briefly to a number of points which the Hon. Member raised. He told us that the Auto Pact was managed trade. Will he tell us when other than I believe in 1968, when any of the minimum production safeguards were used other than briefly in 1980 or 1981 when Chrysler was in difficulty. In fact, to all intents and purposes we have free trade in the auto industry. That is why Oshawa and southern Ontario is doing so well. In western Canada we are all delighted about that, but I do not think it is fair for the Member to pretend that the Auto Pact is not a free trade agreement. It is one that can be terminated on one year's notice by the Congress, whereas under the trade deal if Congress wants to kill the Auto Pact it will have to kill the entire trade agreement. In that sense it entrenches a very good thing for southern Ontario and parts of Quebec, and I am all for it.

The Member mentioned the use of high sulphur coal. I have looked into this matter. I share fully the concerns of my fellow western Canadian colleagues about the use of high sulphur coal. Perhaps the Hon. Member can do something with Premier Peterson about encouraging Ontario Hydro not to use high sulphur coal. I was told recently that in a few years when those contracts run out we will be able to move low sulphur western coal by pipeline through to Ontario Hydro. There will no need for a transportation subsidy. I assume the subsidy is what the Hon. Member is concerned about in the trade agreement.

The Hon. Member mentioned food processing. I tried over the lunch hour to get a list of the organizations in western Canada in favour of the trade agreement but three or four provincial Governments are in favour, presumably four on April 26 with Manitoba, the Canada West Foundation, the C. D. Howe Institute, the Canadian Cattlemen and Milton Harris. I remind the Hon. Member that Mr. Harris is president of the Harris steel group. He said he will abandon his lifelong Liberal membership because he feels so strongly that this agreement is good for the steel industry across Canada. The grain and oil seed sector will benefit, the lumber industry will benefit. Who in western Canada other than the Hon. Member and the outgoing dead or dying Government of Manitoba and Mel Hurtig, a friend of mine in Edmonton, agrees with the Hon. Member on this?

The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) referred to the energy agreement. I have a paper here by Professor Brian Scarfe of the University of Alberta on the trade agreement. Professor Scarfe certainly thinks, as do most people in the energy industry in Calgary, Edmonton, Saskatoon and everywhere else, that the agreement will do a great deal to help create jobs and keep jobs in the energy industry. Perhaps the Member might like to deal with some of those points, or perhaps his friend, the Hon. Member for Vancouver—Kingsway (Mr. Waddell), might do it for him.

Mr. Axworthy: Madam Speaker, first let me comment on the Auto Pact. It is instructive that Victor Lomo who represents the Auto Pacts Manufacturers of Canada, a most important industrial based group, has said he is against this agreement because it will devastate the auto parts industry of Ontario. He appeared before a Liberal trade task force about four weeks ago. I will be glad to send the Hon. Member the comments of Mr. Lomo.

Second, the Member raises the question about the coal project. The fact is, and I use it as illustration, that the choice and option for Canadians to use a form of subsidy for regional development is now constrained by this trade agreement. We know that all kinds of projects in the future will require that kind of investment in the infrastructure of western Canada because of our geography and climate. In fact, the restraint and inhibition put on developing the western coal project as it now stands is one of the most serious and clear examples of how we put a straitjacket on regional development for western Canada from a federal level.

Third, who supports the trade deal? We finished a series of hearings across the West. I can name groups. There are the data processors, a number of agricultural groups, a number of social organizations and coalitions. If the Hon. Member looked at the surveys he will see that one was just conducted in British Columbia last week which pointed out that 60 per cent of the people want an election to determine this matter and a large percentage of women are against it.

Mr. Waddell: Eighty per cent think that Americans will benefit.

Mr. Axworthy: And 80 per cent think the Americans will benefit. I suggest the Hon. Member should consult western Canadians. There are as many people concerned about the trade deal as are in favour of it. There are many industrial groups which know they will be seriously affected. The truckers, the furniture manufacturers, the food processors, the data processors and people in the high technology industries all realize that they have been put in jeopardy.

The Hon. Member mentions lumber. This agreement entrenches an $800 million tax on the Canadian lumber industry. It requires us to impose a penalty on ourselves and it has not been negotiated away. Similarly, the Government gave away in the agreement the right of the fish processing industry to use an export tax to protect processing industries on the West Coast and on the East Coast. The Government had an opportunity to gain an advantage for western Canadians but the Government gave it away. The Hon. Member for Edmonton—Strathcona (Mr. Kilgour) and other Members from western Canada have not subjected the deal to the kind of clear analysis required for its economic impact. I submit to this House that if Members look at this in an honest way and look at the figures of the Government's own analysis, western Canada ends up the economic loser under the Mulroney trade deal.

Mr. Murphy: Madam Speaker, I wish to ask the Member who was at one time a Cabinet Minister in the Liberal Government what happened to the western development fund. In doing so, I would like to quote from western Canadian newspapers including *The Winnipeg Free Press*. On October 29, 1980 there is a picture of the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) when he was a Cabinet Minister talking about this bonus to Manitoba and speaking about the western development fund of $4 billion which will be used to help the western economy diversify. The article goes on to talk about the types of initiatives that should take place. That was October, 1980.

In January, 1981 a Saskatchewan paper had an article saying that the province is in the dark concerning the western development fund.

Going a bit further, in May, 1981 there is an article in *The Financial Post* about the western development fund saying that the $4 billion has been put on ice.

In June, 1981 we have the person who normally occupies the Chair, the Hon. Member for Vancouver South (Mr. Fraser) asking what has happened to the western development fund. The Hon. Member from Winnipeg—Fort Garry says "It is cynical to say that the western development fund has disappeared or that it is not going to be used.

I can go on month after month, year after year, but since the Member was the man who was supposed to be, to use the quote from *The Winnipeg Free Press*, "parcelling out the money to western Canada", can he explain to this House what happened to that promise? Here we are in 1988 four years after his Party left, so we cannot blame him for the problems of the last four years, but what happened in 1980? What happened in 1981? What happened in 1982? What happened in 1983? And what happened before September 4, 1984?

I know the Member from Winnipeg—Fort Garry knows there was high unemployment, that the agricultural industry was suffering, that the provinces at that time were quite willing to participate in a western development fund. I do not want to cut the Member off, but I do want to have a chance to answer the question. It seems to me that the $4 billion was a phantom fund. Certainly some money was spent in western Canada but all the hype, the publicity, the PR and all the promises disappeared. Since the Member was the person who was supposed to be parcelling out the money, perhaps he can explain, four years after he is no longer a Minister, what happened to the dollars?

Mr. Axworthy: Madam Speaker, I am surprised the Hon. Member who comes from western Canada is so totally and absolutely ignorant about what did happen to it. I would have thought a Member serving his constituents would have spent a little time determining the facts. They are very simple.

Of the $4 billion, $3.5 billion was spent on modernizing the railway system of western Canada. That was based upon consultation with the provinces, with the industry and with the

sector. The conclusion was very clear. But the single most important investment required was the total modernization of the railway system. We could not move the products from his riding to ports with the deterioration that was going on in the railway system. The Government of Canada, through the western cabinet committee, made a clear decision to invest $3.5 billion in the modernization of railways. That has taken place and is ongoing at the present time.

• (1530)

I am really surprised that the Hon. Member does not know that the rest of the money was established as part of a native economic development fund, setting up a bank to allow native groups across western Canada to start their own businesses and self-development projects, many of which are now working. The fact that an Hon. Member with a large native population in his riding does not know about that simply shows that he has not been doing his homework.

While we are on the subject, I would simply point out that in addition to those two major investments, the previous Government also put $1.2 billion into a special regional allocation of which over $550 million was spent in my home Province of Manitoba. That was matched by private sector and provincial moneys, so in fact an additional $2.1 billion was spent by 1984 on a whole range of projects for the development of western Canada.

I would be glad to elaborate on this some more if the Hon. Member really wants to know. I am totally surprised that he would not know by this time, four years later, what an important and effective investment we made in the West.

Mr. George Minaker (Winnipeg—St. James): Madam Speaker, I am pleased to have an opportunity to speak on debate today, particularly because in the last couple of weeks, I have seen this particular fund in action. I am quite excited about the projects that are being considered or have been approved by the fund.

We all know that the fund was established because western Canada is a very unique region and its resources of mining, fishing and agriculture are susceptible to international markets. As the market falls internationally, there is a bust and if there are good prices on those commodities, there is a boom. Our Government has said that that is not satisfactory, that we have to diversify the West. Not only that, the Government has said that westerners should say what they want. The people and the businesses of western Canada should have input.

The Government has assigned a western cabinet Minister the responsibility for the western diversification fund. A Deputy Minister is located in western Canada and now western Canadians are making the decisions in Edmonton, a centre of western Canada.

I would like to tell Hon. Members of one of the projects I had an opportunity to announce in my riding in Winnipeg last week, and that is the Elder's Aquafarm. I think this is a very unique project. There was a malting plant right in the centre of Winnipeg that was not being utilized any longer for environmental reasons. The Elder's Grain Company came up with the idea of converting the tanks used for malting into fish tanks. The company started to proceed with this project and it will cost in excess of some $2 million to achieve it. The interesting part is that there are now fish being raised economically in the centre of Winnipeg. Profits will be made by this private company in association with the western diversification fund.

An Hon. Member: Winnipeg goldeye?

Mr. Minaker: No, it is not Winnipeg goldeye. The company is raising Arctic char and trout. They anticipate that within a couple of years, over one million pounds of pan-sized fish will be produced by this plant to be sold in western Canada and the United States. This has come about because of the diversification fund which has assisted the company to some degree. I might add that the fund has made a loan that the company will be paying back, it was not an outright grant. This project will create 15 jobs.

Another project the western diversification office is looking at is one which I think is very interesting, namely, a robotics paint shop for commercial aeroplanes. Aeroplanes could be automatically painted by robots without any human contact with the fumes and the deadly gases. The company that is dealing with the western diversification office on this has already designed a robotic shop for the CN Railway yards in Transcona, and that has been a success. The company can now take this knowledge and software and develop it not only in Manitoba but in Saskatchewan. The company would then develop through private enterprise this paint shop for aeroplanes located in Winnipeg which will create many, many jobs. These are the kinds of projects this fund is attracting.

Another area that is being attracted by the fund is the geriatric health field. A company is interested in developing and expanding its location with a product developed in Europe. This company wants to bring this technology to western Canada and is talking about doubling the size of the plant. It is talking about 50 jobs. This is what the diversification fund is doing in my area, and I am sure this is happening in Saskatchewan and elsewhere as well. Our Government believes that westerners should have a chance at these kinds of projects.

Just to give Hon. Members an idea of the interest of the Opposition in this, members of the NDP voted against providing the western diversification fund with an initial $100 million, and they also voted against the $127 million for the Atlantic Canada Opportunities Agency. We know what they are interested in.

Liberal Members talk about being interested in diversification in the West. I would like to tell Hon. Members about the voting record of Liberal Members. That pattern of voting would turn down the economy of western Canada even further than it would have gone if they had stayed in Government.

We know how important the energy sector is for western Canada. In the first session, the Liberals voted against the repeal of the disastrous National Energy Program, including changes to the royalty regime. They voted against the repeal of the incremental oil revenue tax in that first session.

The Liberals voted against competition in air and rail transportation. We all know that transportation plays a very important part in the economy of the western provinces. Our goods must be transported across such a large area. The Liberals voted against increased competition in transportation which would mean lower transportation rates.

The agricultural sector is a very important part of the economy of western Canada as well. The Liberals voted against the $500,000 capital gains tax exemption for Canadian farmers and so did the NDP. They do not realize that farms are the pension plans of farming families. If farmers were taxed on capital gains, they would not find it worth their while to sell the farms. There would not be a changeover within a family unit or within the sector, and we need new blood in the farming community.

The Liberals also voted against the expenditure of $92 million for drought relief for western farmers, Bill C-101, in the first session. This is the kind of interest members of the Liberal Party have in western Canada. No wonder they talk negatively about the western diversification fund. It is good for western Canada, and it would appear from their voting record that they are not interested in western Canada.

The Liberals voted against giving the Canadian Wheat Board $200 million to meet its deficit, Bill C-47 in the second session. Again, they were not interested in western Canada. The Liberals voted against increased foreign investment through the creation of Investment Canada and the dismantling of FIRA in the first session. We know how important foreign investment is. Foreign investment is now encouraged to come to Canada.

The project to which I referred earlier dealing with geriatric health involves foreign investment which is willing to invest and expand in Winnipeg and bring technology with it. I am sure it would not be interested in doing that if FIRA were still in place. That is the kind of attitude members of the Opposition have toward diversification. We are fortunate to some degree in Manitoba that we are probably more diversified than most western provinces. Yet even then, we are still at the mercy of international wheat prices.

• (1540)

We as a Government saw fit to support strongly the farm community in its time of need over the past two years. We injected billions of dollars into that sector, not only in western Canada but in all of Canada, to make it stay alive. We also made sure the towns and communities dependent upon the industry stayed alive.

I was at a meeting with my friend and colleague, the Hon. Member for Brandon—Souris (Mr. Clark), organized by the Keystone Agriculture Organization. Delegate after delegate, all of them farmers, stood up and thanked our Government for taking an interest in agriculture, which is the opposite of what the NDP Government of Manitoba did. We have increased payments to the industry by some 400 per cent since we became the Government. That shows the interest we have in agriculture, particularly in western Canada.

I know you have been signalling that my time is running out, Madam Speaker, so I will sit down and let someone else continue.

The Acting Speaker (Mrs. Champagne): Questions and comments.

Mr. Kilgour: Madam Speaker, I would like to hear more from the Hon. Member, if he would be so kind as to tell us about what the diversification strategy would tend to do in his province. He will recall that I mentioned earlier the payroll tax, which is such a disincentive to employment in Manitoba. Can he tell us anything more about that and what other disincentives there are in Manitoba?

Mr. Minaker: Madam Speaker, I think I gave examples of the type of diversification taking place in my riding. There was, as well, an announcement concerning research work in the engineering department at the University of Manitoba. There has also been some expansion in the plastics industry. We have a big aerospace industry which, in turn, is looking at ways it can diversify and expand.

Obviously the best way, in our opinion, for Manitoba to diversify is through free trade. There is no question about it. Free trade will be very good for Manitoba. That is why I could never understand why my friend from Churchill never supported free trade. Some 6.1 per cent of our export sales to the U.S. are in softwood lumber. I think all of the softwood lumber in Manitoba is in the Churchill riding. Similarly, International Nickel and the mining association completely endorse free trade. Thompson, Manitoba, a great city, relies completely on the sale of minerals, over 80 per cent of which are exported to the U.S. Therefore, I cannot understand why the Hon. Member for Churchill does not support free trade. It is good for Manitoba, particularly his region. I would think the majority of the major employers in his region depend on trade with the U.S. These are the areas where diversification will take place, particularly as free trade comes in.

Mr. Clark (Brandon—Souris): Madam Speaker, the Hon. Member is talking about economic development in the North. As he knows, the present Government of Manitoba invested incredible amounts of money in hydroelectric development in the North. Can the Hon. Member tell us something about where the market for that hydroelectricity would likely be? If it is the U.S., would the people of Manitoba not benefit from free trade because they would be able to export that electricity to the U.S?

Mr. Minaker: Madam Speaker, I thank the Hon. Member for the question. As a matter of fact, at present some 6 per cent of our exports to the U.S. consist of hydroelectric energy. There is a potential market there which could result in further hydro-generating stations being built on the Nelson River. There is still something like 3,000 megawatts of energy flowing down the river unused. Clearly, the market to the south is a good one and free trade will open it up and encourage us to export energy to the U.S.

It is ironic that the former NDP Government of Manitoba actually pays a lobbyist in Washington to try to protect that province's present sales to the U.S. There are protectionist Senators who want to restrict or place a tariff on hydro energy exported to the U.S. It is ironic that the NDP Government will pay literally tens of thousands of dollars to a lobbyist in Washington to try to protect existing sales but will not support free trade which opens up the opportunity to sell even more to the U.S.

Then again, when one talks and listens to the Hon. Member for Oshawa (Mr. Broadbent), leader of the NDP, one can understand fully. He is opposed to free trade but his riding probably benefits the most from the Auto Pact. Billions of dollars have been invested by the auto industry in Oshawa. On the one hand, he is happy that they are doing this, but on the other hand, when he leaves Oshawa, he says he is against free trade. I cannot understand where the NDP is coming from.

Mr. Rod Murphy (Churchill): Madam Speaker, as the Hon. Member for Simcoe North (Mr. Lewis) was saying, this will certainly be the best speech we hear today.

Mr. Redway: Don't denigrate your own comments.

Mr. Murphy: Of course, the Deputy Government House Leader was sitting here and encouraged me to get up and speak only because he recognizes the need to have someone speak on behalf of western Canada. The reason that this is necessary is that when the Hon. Member for Edmonton—Strathcona (Mr. Kilgour) got up and asked a hard-hitting question of a fellow Conservative Member, the Hon. Member for Winnipeg—St. James (Mr. Minaker), about the payroll tax in Manitoba, the Hon. Member absolutely refused to deal with it. Do you know why? Because his leader in Manitoba, flip-flop Filmon, decided that he will now defend the payroll tax. Here is an opportunity for the Hon. Member to slam the New Democrats on something that is, according to the Hon. Member, very unpopular in Manitoba. Yet the Hon. Member for Winnipeg—St. James does not want to be in the position of attacking his former cabinet colleague in Manitoba, Mr. Filmon, and avoids the question.

• (1550)

This is an opportunity for me to speak on the issues on which the Member for Winnipeg—St. James (Mr. Minaker) is afraid to speak. However, before I talk about this particular problem I want to add to the comments that I made when the Hon. Member for Winnipeg—St. James spoke earlier. We are now in a situation similar to that in October, 1980 when the then Minister of Finance, Mr. MacEachen, who is now in the other place, declared that there was going to be $4 billion for a western development fund. We waited through the rest of 1980, through 1981, through 1982, through 1983, and until the Liberals were defeated in 1984, and the western development fund did not come into being.

The Member for Winnipeg—Fort Garry (Mr. Axworthy) said that a lot of money was spent on transportation and the rest was spent on native economic development. Yes, there was money spent on western transportation and there was money committed for native economic development, money that was never spent. The former Minister, the Member for Winnipeg—Fort Garry, had talked about a western development fund for diversifying the West, a fund which would create new industries in the West and would help all parts of the West to have industrial development. That money never came. In the West we started calling it the phantom fund.

We can understand the nervousness of the Member for Winnipeg—Fort Garry because, as I said earlier, he was the Minister in the Liberal regime and was supposed to parcel out the money. He travelled to B.C., Alberta, Saskatchewan, and Manitoba talking about how valuable this $4 billion would be for the West. We are still waiting. It never happened. That was a broken promise of the Liberals. That is the sort of thing which makes people in western Canada upset about what happens on this Hill.

In 1980 and 1981 people in the West thought the Government was giving them the shaft. In October, 1980, there was a sense that we had finally been recognized as a region of Canada which would no longer only be involved in growing wheat and exporting natural resources. The talk about a $4 billion western development fund gave a lot of hope to people in the West. As time passed, that hope was taken away and we saw that nothing was going to happen. First there was a retreat. It was no longer $4 billion but became $2 billion. It was no longer to diversify the West, it was, as the Member for Winnipeg—Fort Garry just said, to help maintain the transportation system in the West. We were not told the truth, and every time a cabinet Minister stood up we found out that there was less and less money for the West and that the money would be used for fewer and fewer programs.

Here we are, four years after the defeat of the Liberals, with another Government. this Government has less than 18 months left in its term of office and last year it promised a western diversification fund. Legislation is before a committee of this House at this time and nothing has happened. People in the West are again asking what is going on. They were promised the money and the provinces have put forward proposals, but the Government did not even introduce the legislation into the House until just over a month ago.

We in the West feel that we are again being given more cynical political promises. We went through that with the

former Liberal Government. The Member for Winnipeg—Fort Garry never defended the West, and his answers in the House today proved that the western development fund was a myth.

The same situation is now occurring with the Conservatives. In answer to questions from his own colleagues, the Member for Brandon—Souris (Mr. Clark) and the Member for Edmonton—Strathcona, the Member for Winnipeg—St. James went off on a tirade on free trade because he did not dare to answer anything about the government program. The Member for Winnipeg—St. James, a Manitoba Member, did not talk about any of the proposals made by the Manitoba Government. He did not mention one of those programs which could benefit from the western diversification plan.

We have talked about the $3 billion which the Government of Manitoba has suggested as a priority. The Government of Manitoba said that it would not inflict its political philosophy on the federal Government but would give it an option. In November, 1987, this package was sent to the federal Government explaining a number of proposals which the federal Government could consider if it wanted to spend some of the money from the western diversification fund in Manitoba. As I indicated earlier, Vic Schroeder, the Minister of Industry, Trade and Technology, said that Manitoba was presenting these proposals to the federal Government for its assessment. The Government of Manitoba was willing to meet with the federal Ministers responsible to discuss the programs upon which further action could be taken.

As you know, about two weeks ago the Member for St. Boniface (Mr. Duguay), the Chairman of the Manitoba PC caucus in this place, said that money was not going to Manitoba because the Howard Pawley Government was attacking the federal Tories and that it was not very nice to attack the Prime Minister (Mr. Mulroney) on free trade and say that perhaps the federal Government was not doing a great job in some areas. He implied that that was the reason Manitoba was not getting money. That was not accepted very well in Manitoba and the Minister of National Health and Welfare (Mr. Epp) went to Manitoba and said that that was not a problem, that the Government was not punishing Manitoba. He said that Manitobans should forget what the Member for St. Boniface, the Chairman of the Conservative caucus, said, that the federal Government is working on it.

Then the election was called in Manitoba, and two days later the Minister of National Health and Welfare, the Minister officially appointed by the Prime Minister to be responsible for Manitoba, says that things will be happening on western diversification in the Province of Manitoba and that they will happen before the election is over. He said that proposals will be approved by Cabinet before April 26, 1988. The Member for Brandon—Souris (Mr. Clark) says that that sounds good, and it does sound good.

There was reference in the *Winnipeg Free Press* on Friday to the Minister of National Health and Welfare. I am not allowed to use his name so I will refer to him as the Minister of National Health and Welfare or the Member responsible for Manitoba, which is acceptable. However, it is what he said that is not acceptable. He said that he has not seen any proposals on the province's $3 billion list worthy of western diversification funding, but added that individual applications will be approved on their own merit.

• (1600)

Some four months after the Manitoba Government sent the proposals, the Minister responsible for Manitoba says that he has not seen any worthy proposals. Yet at the same time he said that the Government will give money to Manitoba for some of these presumably unworthy proposals before the people of Manitoba vote in six weeks from now. People must be cynical when a cabinet Minister says that, and must be extremely cynical when it is said by a cabinet Minister who did not defend Manitoba when it came to a decision—

Mr. Horner: What has that got to do with anything?

Mr. Murphy: We are talking about the western diversification fund. The Member on the far right asks what it is all about. We are talking about the western diversification fund and what the Minister responsible for Manitoba said in Manitoba. Presumably it is relevant, and I am quite willing to let him read the *Free Press*. If he does not believe what the Minister said, he can talk to him in caucus. Perhaps the Minister of National Health and Welfare in a quiet, closed room, with no press available, can defend his actions better than he has done so far.

This promise of money from the same Minister who said that none of the projects are worthy is a cynical act. Later I will list those projects to show the importance of some of them. While we may not agree on the specifics of some of the proposals, I am sure you will agree that some of the ideas being suggested have merit.

Before I was interrupted by the Conservative Member opposite, I was saying how people were cynical when the previous Liberals were in power. They thought the western development fund was a fraud and that the previous Minister of Finance, Mr. MacEachen, tried to create an illusion. They were cynical when the money for the western development fund promised by the Member for Winnipeg—Fort Garry when he was Minister of Transport never appeared.

People in the West have become cynical. It is no wonder that they are cynical when one considers the statement by the Member for Provencher (Mr. Epp) that he does not believe the proposals are worthy but will ratify and fund some of them before April 26 of this year. This is the same Government that awarded the CF-18 program to Montreal over what the Government's own official said was a technically better and cheaper proposal from an outfit in Manitoba. This is the same Government that did not hear the cries of the farmers. It was not concerned about the plight of farmers until 5 a.m.—

Mr. Clark (Brandon—Souris): That is a lot of garbage.

Mr. Murphy: They are a little upset over there. They do not like being reminded of this. No one has ever denied that that phone call took place. At 5 a.m., the Premier of Saskatchewan, in the last weeks of an election campaign, phoned the Prime Minister to plead for some action for the farmers. It is not because the farmers are in trouble—

Mr. Clark (Brandon—Souris): That is a lot of garbage.

Mr. Murphy: —not because they are going bankrupt, because of interest rates or farm foreclosures, but because the Conservative Government of Grant Devine was in trouble. Suddenly a billion dollars is promised.

Mr. Hardey: That is the most ridiculous poppycock I ever heard.

Mr. Murphy: It is no wonder that people are cynical when one considers the Government's actions with respect to the CF-18 decision, the plight of the farmers and how the Liberals utilized the western development fund. It is no wonder they are cynical when the Minister for National Health and Welfare makes such a promise during an election campaign in Manitoba. It is no wonder that people do not trust the Government.

The situation facing the farmers was serious long before the Saskatchewan election was called. The problems of the West existed not just in 1987 but also in 1984 when the Government was elected. It took until 1987 for the Government to discover that there were problems in the West and perhaps it should create a new fund with a name other than the western development fund, because the Liberals ruined that. The Government decided to call this new fund the western diversification fund.

Mr. Hardey: Are you against that program?

Mr. Murphy: The Member opposite asks if we are against the program. We are not against the program, but we are saying that we do not want any more phantoms.

In 1980, a Liberal could have asked if we are against the western development fund. We would have said that we are not against the program but we want something real.

We do not want political patronage or favouritism. We do not want the cynicism of the Minister of National Health and Welfare. We do not want the threats of the Member from St. Boniface who chaired the Conservative caucus.

Let me list some of the projects for Manitoba. When the Government of Manitoba sent its proposals to the federal Government, I am sure Conservative Members of the House would have seen them as well. They would have seen specific and concrete proposals.

There was a request to meet with the federal Minister responsible, the Hon. Minister of Indian Affairs and Northern Development (Mr. McKnight), and the Minister of National Health and Welfare.

You indicate that I only have one minute left, Madam Speaker, which means I have less time left than the Conservative Member who sat down because he had run out of time.

We talked about a propulsion system centre, upgrading the copper zinc in my riding, the health industry, the energy industry and the rural problem. We talked about grain handling, rural sewer and water infrastructure and a number of different programs.

There is no way I can go through all of those programs in the time I have left. However, I am certainly willing to explain those priorities if the Conservative Member wishes to ask me.

The point is that proposals were made to the federal Government which we are told have not been found worthy by the Minister responsible for Manitoba. We have also been told that he will approve some of them because something is needed in Manitoba to make the federal Tories look good before the next election.

Mr. Kilgour: Madam Speaker, I am holding a document containing the resolutions of the fifty-eighth Congress of the Federal New Democratic Party. There are some rather surprising resolutions.

I want to ask the Member about three of the economic resolutions of his own constituency association. One states that the Churchill NDP move that it become the policy of the NDP that the federal Government directly control interest rates. Does that mean the Bank of Canada is no longer to be involved in that process?

Second, the Churchill NDP resolved that the NDP press the Government to regulate the wholesale price of fossil fuels with a view to equalizing cost across the country. How does he believe that will help western Canada?

• (1610)

Third, the resolution submitted by the Hon. Member's constituency is asking for voluntary retirement at the age of 55 years without penalty. Would he tell us whether that means there would be no penalty with respect to a pension normally taken at the age of 65 years, or what does he have in mind?

If he has time, would he please tell us whether his Party was in favour of or opposed to the National Energy Program?

Mr. Murphy: Madam Speaker, I am not afraid to defend the resolutions presented by the membership in my riding. I presume, in the same vein, the Hon. Member for Edmonton—Strathcona (Mr. Kilgour) still believes in the many letters he used to write when he was an opposition Member, for example, his letter in 1981 when he attacked the use of Bruce Rawson as a senior adviser to the Government on western Canadian affairs. That was in 1981 when the Liberals were in power. We also have the Hon. Member's long article attacking the appointment of Mr. Rawson. Presumably, Mr. Rawson, in the mind of the Hon. Member for Edmonton—Strathcona, was an unworthy person for that appointment. We do know, and I know the Hon. Member for Edmonton—Strathcona knows,

that the Conservatives appointed that same Mr. Rawson to be the senior person with respect to the western diversification fund.

I do not want to accuse the Hon. Member for Edmonton—Strathcona for having different thoughts now that he is on the government side than he did when he was in the Opposition with respect to people, programs and philosophies because I know that that same Member has held different views as a Conservative. Sometimes he thinks the Government is doing a good job for the West and other times he is appalled at the job the Conservatives are doing for the West. He is appalled to the extent that he refuses to go to caucus meetings of his own Party. He refuses to meet with his fellow Conservative Members of Parliament. So I am not concerned that the Hon. Member for Edmonton—Strathcona says one thing about Mr. Rawson in 1981 and says the exact opposite in this House today. He does have a record of inconsistent statements.

With respect to the three specific resolutions, I am quite willing to talk about those, although they do not deal with western diversification, nor with the problems and proposals of people from western Canada. I wish the Hon. Member had asked me a question on that. I think it is very important for Members from different provinces to hear what people in the West are saying. First, the Hon. Member seemed to imply that there was something wrong with my riding association saying that we should do something to control interest rates. My riding association, like many other riding associations, whether New Democratic, Liberal or Conservative, are very concerned about interest rates because we have seen farm foreclosures and small industries going under. We have seen people lose their homes. I make absolutely no apology. For that matter, I am proud that members of my constituency association are saying we have to do something to control interest rates.

That does not mean there is no role for the central bank. It does mean that the federal Government has a role to play as well. We have to take a look at the situation. We do not want to go back to the days of the Right Hon. Member for Yellowhead (Mr. Clark) where interest rates were at 18 per cent, 19 per cent and 20 per cent. What my riding association is saying is that there are other things to consider than what the Chairman of the Bank of Canada thinks. He may be concerned about inflation, which tends to be the main preoccupation of the Bank of Canada, but there are people in the regions, on farms, people in small business, men and women right across this country, who are very concerned about keeping their businesses operating and interest rates have killed and maimed many small businesses.

Despite the implications made by the Hon. Member for Edmonton—Strathcona, I think a resolution saying we should look at controlling interest rates is a damn good thing for this country.

Second, the Hon. Member referred to controlling the price of fossil fuels. Let me explain why that resolution was introduced in 1985. For his benefit, I will point out that I represent a northern riding where most of the communities are 300, 400, 500 or 600 miles north of the City of Winnipeg. The people in my riding buy gasoline just as do people right across this country. However, they noticed that if they drive to a community to the south, they pay 36 cents a litre for gas, if they go 50 miles north, they pay 40 cents a litre for gas. If they go 150 miles north, they pay 50 cents a litre for gas, and if they go further north they pay more than that. The City of Thompson, Manitoba decided to abandon the commercial dealerships. It decided not to pay those high prices that Esso, Texaco or Shell insisted on. The people of that city were going to put together a gas co-op. The community of Thompson discovered they could sell gas for 10 cents a litre less than the commercial operators were charging. The City of Thompson could do that quite easily because it had a fairly large population. It had a population of 14,000 people and all of them wanted to set up their own gas co-op and be able to sell gas for a lot less. However, that is not so easy for the people in smaller towns.

The people in smaller towns went to Shell and to the other companies and told them that Thompson, Manitoba, 250 miles away, was selling gas for 6 cents, 7 cents or 8 cents a litre less than people were paying in The Pas or in some of the other communities. They wanted to know why. We have an oligarchy in this country which basically controls the wholesale distribution and price of gas.

I notice that the Member who asked the question has disappeared. I think the answer overwhelmed him. The northern communities realized they were not in a situation where there was free enterprise and competition. They were being told by the local dealer that he would love to sell gas to them at a cheaper price but he could not because Shell and the other gas companies would not let him. So the people in my riding said we should have some system put in place which allowed for the freight cost into the North because it does cost more when you ship oil and gas to the North. They found out that they could move gas 450 miles into Thompson and still sell it for 10 cents a litre less than what the private enterprise competition was charging.

I can understand why the people in my riding put forward a resolution saying, yes, we should do something to regulate fossil fuel prices so that people do not get ripped off, and I support the people in my riding association who put that forward. I suspect that most of the people in a producing province and in a producing city such as Alberta would also support the same type of resolution.

• (1620)

The Acting Speaker (Mrs. Champagne): Resuming debate with the Hon. Member for Edmonton South (Mr. Edwards).

Mr. Jim Edwards (Edmonton South): Madam Speaker, I was about to say that it is a pleasure to participate in the April 26 Manitoba election campaign.

Mr. Murphy: That's not true. The Hon. Member for Winnipeg—St. James (Mr. Minaker) avoided it.

Mr. Edwards: It seemed as if we were getting into the preliminary skirmishes, but then of course we do not know who the players are and that may be premature.

It has been stated by Members on both sides of the House that others have talked about western diversification, but it is only now and only recently that something substantial is being done about it. I can recall attending a national industry meeting in Winnipeg in April, 1982, and having the Prime Minister of the day, the Right Hon. Pierre Elliott Trudeau, speak on his vision of western Canada. Those who were not amused were bemused. It seemed to be an awakening on the road to Damascus on the part of this remarkable Canadian. Of course, as the Hon. Member for Churchill (Mr. Murphy) has so aptly put it, that was the beginning and the end of it. There was double-tracking, which I think was credited to the Liberals' account. But there was more double-talking than there was double-tracking.

We are now doing something about it. I should point out that the Government did not wait until the legislation appeared in the House to act on western diversification. In fact, not long after the announcement was made in Edmonton on August 4, 1987, applications began to flood in. In fact, there was so much interest and so much pre-activity shown with respect to the issue of western diversification that I am told there was a considerable amount of staff burn-out and staff turnover in the beginning weeks.

Frankly, while it was known that there was western entrepreneurial genius and outstanding ideas within western Canada, no one quite estimated the quality, depth and volume of that activity. It is now six months since the initiative was announced. I am happy to report that based on my experience it is operating very well. The office in Edmonton is running well. Many projects have been approved or are in the final assessment phase. Others, for various reasons, have been sent back for modification or, in fact, have been rejected for not meeting the criteria. I hope that there will be some time to touch upon those criteria.

There are quite a few distinguishing characteristics of the western diversification initiative that set it apart from previous initiatives of previous Governments and, indeed, initiatives of provincial Governments, in that it is designed to top up, to facilitate, to lever, to be last dollar in. In other words, it is the final achiever of projects that are otherwise worthy.

I could touch on one or two examples of initiatives that went through prior to the establishment of western diversification. I think of the western transportation diversification fund, which was a last gasp effort of the previous Government but which we have acted on.

I point out that in the cultural field, in which I have more than a passing interest, I had the privilege of participating just last Tuesday at the ribbon-cutting of a new $7 million motion picture production studio in my constituency which was enabled in part through a grant from WTID.

This is quite a departure in philosophy from that of previous Governments, as I have mentioned. We have stopped the process of throwing dollars at the sunset. That is a significant departure. If there is one thing which rankles the populace, it is the idea of keeping alive an industry which should not be kept alive through government intervention. Indeed, a great deal of research, planning and consultation went into the establishment of the western diversification fund and the western diversification office. At the request of at least two provincial Governments the announcement of the initiative was delayed on two occasions so that the provincial Governments could have their proper input. I know that that occurred. I know that the initiative will succeed with greater efficacy because of that consultation and that input.

There are a good many examples of value added in the traditional fields of oil and gas and agriculture in my own Province of Alberta which had been enhanced or were in the process of being enhanced. There are a great many others in the process. But it is in the field of research and technology that I think we can take greatest pride in some of the achievements that have already gone ahead in the Province of Alberta.

Some of these are tangential to western diversification, within the umbrella of the initiative that is, and others are directly within the umbrella. For example, there was established in April of 1986 the Canada-Alberta subsidiary agreement on northern development, a $40 million program offering assistance in three key areas: expanded diversity of economic development in the North; assistance for northern residents to develop and access employment opportunities; and facilitation of the development of community and regional infrastructure in order to improve the long-term viability of business and industrial initiatives.

As you are well aware, Madam Speaker, our Deputy Prime Minister (Mr. Mazankowski) chairs a committee which is instrumental in striving to bring western Canadian low-sulphur coal to Ontario for the use of Ontario Hydro. The committee is chaired by the Deputy Prime Minister and consists of Premiers Getty, Vander Zalm, Devine and Peterson. The objective is to improve the economic attractiveness of western Canadian coal so that Ontario coal users will make commercial decisions to increase their use of Canadian coal.

As well, there have been a number of initiatives undertaken by the Government of Alberta which is pushing forward high technology and research at the Alberta Microelectronics Centre, a non-profit organization located at the University of Alberta and the University of Calgary. The fabrication facility is in the northern city. The design facility is in the Stampede city. That centre will assist Alberta's growing electronics industry with the design and manufacture of leading-edge products which can be marketed worldwide. The Government of Alberta, I am happy to note, has contributed $14 million over three years for the centre starting in 1985.

The Alberta Laser Institute, which many of my colleagues are following with considerable interest, was established to work closely with private sector companies to transfer technology involving materials processing, laser sensors and the medical and electronic application of lasers to improve productivity, competitiveness and new product development. Again, I congratulate the Government of Alberta for contributing $5 million over five years.

So far there have been two major announcements under western diversification within the Province of Alberta. There was the $9.5 million participation in Daishowa Canada Limited, which will construct a major greenfield bleached kraft pulpmill near Peace River. That mill will cost more than $500 million and will create 630 mill and woodland jobs and 1,260 indirect jobs. The provincial Government is co-operating by assisting with rail and road access and other infrastructure.

This mill is unique because it is based on the use of aspen, or, as we used to call it, poplar, which is in some of our Alberta forests and which is certainly regarded by Alberta homesteaders and those who are trying to grow gardens as something of a weed. But it is now being put to proper use. I know that the Minister of State for Forestry and Mines (Mr. Merrithew) has been very much involved in the encouragement and the development of research in the use of aspen, which is no longer a weed but a distinct asset.

I had the opportunity just two weeks ago to tour a facility in the constituency of my friend, the Hon. Member for Edmonton—Strathcona (Mr. Kilgour). The proprietor of the business happens to be a resident of my constituency. This is typical of the kind of world-scale research that is going on in the Province of Alberta, which will overcome the great handicap of distance and absence of markets which has plagued and hindered the diversification of the western economy heretofore. This particular facility is owned by local interests and collaborates with Japanese interests. It is known as Synphar Chemicals and is associated with the Taiho conglomerate of Japan. The work in which they are engaged relates to the extraction of natural compounds from plants and exotic seeds to substitute for the worrisome products derived from coal tar, which are used extensively in cosmetics and are unfortunately used in some food additives.

• (1630)

This research is going forward. At the end of the tour I said to the proprietor: "Are you looking for something from the Government?" He said: "No, Sir, we are not. We are going to do it on our own". I am happy to say that there are some situations which do not require government intervention. However, I am happy to say that western diversification will assist those who do, where it is critical to the success or failure of the venture.

Other work done by Norac Technologies Inc. relates to the extraction of natural compounds from plants and exotic seeds to substitute for the worrisome products derived from coal tar, which are used extensively in cosmetics and are unfortunately used in some food additives.

I was a little perturbed to hear the Hon. Member for Churchill (Mr. Murphy) criticizing a distinguished public servant, the Deputy Minister who, by the way, is designated to reside in Edmonton. I think it is unique in Canadian legislation that the head office of an authority would be established outside the national capital region. Perhaps the Atlantic authority has a similar designation in its legislation. The Deputy Minister in question, to whom the Hon. Member for Churchill referred, I am happy to say is—and this is not his only qualification for the job—a resident of the constituency of Edmonton South. I found that he and his staff have been exceedingly helpful, despite the tremendous volume of work they must do in sorting and assessing various proposals. They have been extremely helpful when my colleagues and I have been asked to refer to the office to determine the status of any particular project.

The people in the WDO office work long hours. They are committed to the success of western diversification. They are co-operative with provincial officials and with those who bring forward proposals.

I wish to touch on another role of the western diversification initiative, that is, the path-finding role. There are many other government programs which can be made applicable to our western situation. I am pleased that the WDO in Edmonton—and I am sure it is the same in the other offices across western Canada—has the capability of seeking out government programs, be they in the cultural field, telecommunications, agriculture, or whatever application, and of bringing the proposers and the doers together.

I mentioned that heretofore there have been two major announcements under WDO in the Province of Alberta. I touched briefly on the Daishowa project, which was announced on February 8 in a joint announcement by the federal and provincial Governments and the Japanese-based company.

In addition, I should like to take a moment or two of the time of the House to touch on the Centre for Frontier Engineering Research. It was my privilege to have worked with the project since the fall of 1984 to try to assist in bringing it to fruition. It is a remarkable institute. The concept of the Centre for Frontier Energy Research is a dual one. The interest in frontier engineering research is reflected in an industry-driven program aimed at materials design and constructed for Arctic and offshore energy development. The commitment which the centre has made to technological frontiers can be seen in its program of ground-breaking research focused on conventional, heavy oil, and oil sands operations.

The areas of research are two—offshore structures and down hole tubular systems. In addition, the Centre for Frontier Energy Research has a mandate including a commitment to networking, the movement of current technical information through industry. CFER Atlantic operating out of the technical university of Nova Scotia has also been developing well. The proposed laboratories are now properly funded and are proceeding well under the construction program that was laid out for them when the project was announced on December 22, 1987.

The joint federal-provincial commitment is $18 million. The federal Government will provide a $7.75 million capital contribution, and $1 million of that will be matched by CFER through industry supporters. The Alberta Government will provide a total of $6.75 million, which includes a $4.5 million capital grant, $1.25 million toward operating funds through to 1993, and a $1 million maximum interest subsidy. The province will also provide a loan guarantee of up to $5 million.

In the words of the Deputy Prime Minister who participated in the announcement, the facility will increase Canada's competitiveness in world markets and increase opportunities for Canadian engineering firms to compete on a worldwide basis. The engineering profession, the consulting industry in the Province of Alberta, was decimated through the depression of the early 1980s. We were at risk of losing the critical core of that profession, a profession truly in the forefront of world competence in the areas of civil engineering, petroleum engineering, and soil mechanics. Institutes such as the Centre for Frontier Engineering Research and others to come will do a great deal to provide a sea anchor to guard against that loss of competence and that loss of a critical mass.

I was pleased to note, at the announcement of the establishment of CFER, that the frontiers are not limited to our western and northern frontiers and that indeed there is an Atlantic dimension to the capability of the institute.

I want to dwell for just a moment on one or two aspects of the western diversification project so that there is some clarity as to what kind of assistance is available and what kind of projects are to be funded. One key feature is that service industries and resource-related industries are eligible for funding. The definition of who may apply has been expanded to include non-profit business organizations.

Examples of the kinds of projects which will be considered for funding—and I stress the word "considered"—are those in the general area of business projects or activities that would involve the initiation, promotion, or expansion of enterprises.

In addition, projects which contribute to the enhancement of the business climate or the development of business infrastructure will be considered, as will proposals for the modernization or expansion of existing industrial facilities.

I have dwelt at some length on research and development, another prime area of interest of the western diversification initiative. Projects involving systems or software development, new product identification, and the development of productivity improvement will be eligible as well.

We also have an eye to the export opportunities of the nation. Projects and activities with the capability of market development, whether it be domestic or international, fall within the terms of reference of the proposals.

Of course there are certain kinds of enterprises which are not eligible. Briefly, in the time remaining, I should caution that the program will not fund projects where the economic or employment benefits would apply primarily outside the western provinces. Projects designed to replace existing capital or operating requirements of government Departments of any of the three levels of government are not eligible for support. The program will not assist projects designed to create municipal infrastructure or foster urban redevelopment. In the case of commercial or industrial projects, the program cannot support proposals where the applicant's net equity position is unreasonably low.

• (1640)

I appreciate this opportunity to touch on some aspects of western diversification. I, for one, am delighted and proud that the Government of the day has seen fit to bring in this Bill.

The Acting Speaker (Mrs. Champagne): Are there any questions or comments? Resuming debate. The Hon. Member for Winnipeg North (Mr. Orlikow).

Mr. David Orlikow (Winnipeg North): Madam Speaker, I rise to speak in this debate because the people of Manitoba welcome the proposal of the Conservative Government to establish this western diversification program. The Premier of Manitoba welcomed the agreement and indicated that Manitoba would co-operate fully and that Manitoba expected to get its fair share of the $1.2 billion which we were led to believe the program would have in the way of funds to be allocated over the next five years.

It is not surprising that people in Manitoba, as people in the four western provinces and in Atlantic Canada, were vitally interested in this proposal of the federal Government because people in western Canada and in Atlantic Canada have felt for a long time that they have been treated as second class citizens. The major benefits in this country of ours have gone to central Canada, to the people and the industries of Ontario and Quebec. It was felt that western Canada was looked upon as a resource hinterland for central Canada and that attempts to diversify the have-not regions of Canada have, to a large extent, failed. The first real thought given to this problem was that given by the Rowell-Sirois Commission in the 1930s which investigated these regional disparities and provided the rationale for the transfer of federal payments to the poorer provinces.

We have had a number of programs whose design and intent was to help the poorer provinces of this country move up and improve their economies so people in those areas would be provided with a better standard of living. We saw in the period of the former Conservative Government headed by Mr. Diefenbaker the Hon. Member for Qu'Appelle—Moose Mountain (Mr. Hamilton), a cabinet Minister at that time, who helped to establish the Agricultural Rehabilitation Development Act, ARDA, as it is known, in 1961. Its purpose was to take marginal farmland and marginal farming operations out of production and put them into other activities. In the Pearson and Trudeau Governments we had the development of programs such as DEVCO, DREE and DRIE. These have had some success, but to a large extent the have-not provinces of Canada and the people in those provinces still have a standard of living far lower than the people in the

Province of Ontario and, to a somewhat lesser extent, the Province of Quebec.

One inquiry into the effectiveness of DREE was conducted by the Economic Council of Canada in its 1977 study entitled *Living Together*. The Council found that DREE expenditures were significant enough to measure against other economic activity in only one region, that of Atlantic Canada. The council concluded that there was suggestive evidence that DREE had helped to provide half of the additional jobs required in the 1970-75 period caused by decreased out-migration and a reduction in the employment rate of about 1 per cent. In other provinces, such as Quebec, Saskatchewan and elsewhere, no reduction in disparity was measurable, most likely because the DREE expenditure was so small on a per capita basis as to be unmeasurable. It did not say that DREE was immune from criticism.

DREE began as a federal initiative, became a conduit for funds for provincial projects and then became a federal agency again. These projects led to political battles between the provinces and the federal Government as to which initiative should be taken. Of course, federal Governments, Liberal or Conservative, wanted a higher profile in western Canada. These arguments were not surprising.

There is a rationale and a convincing one for the need for joint federal-provincial initiatives if regional development plans are to be successful. Nowhere is this more true than in the Province of Manitoba where the provincial Government has taken a highly successful approach to encouraging job creation through its job fund activities. The result of those activities and because of the well diversified economy in Manitoba, the unemployment rates in Manitoba for the last five or six years have been continuously either the lowest of any province or the second lowest.

It is an unexpected but unfortunate fact that throughout the 1980s the mineral, grains and petroleum markets, so important in Saskatchewan and Alberta, were uniformly depressed. Yet, here is where we get to the problem that we see about the nature of this western diversification fund and the $1.2 billion which is to be allocated. We see that certain provinces, British Columbia, Alberta and Saskatchewan have already been able to get approved, through this fund, tens of millions of dollars, while Manitoba has received virtually nothing. It is not surprising that there was a great deal of anger and hostility when the Conservative Member of Parliament, the Hon. Member for St. Boniface (Mr. Duguay), in explaining why Manitoba has so far received so little in approvals as compared to other provinces said, as reported in *The Winnipeg Free Press*, on February 29:

> If you want to work co-operatively, it doesn't help to criticize. It isn't helpful to engage in fed bashing.

Many Manitobans, and I think quite correctly, took exception and became angry by what they considered to be an attempt by the Member from St. Boniface—hopefully he was not speaking for the Conservative Government of Canada—to blackmail the people of Manitoba and to blackmail the Government of Manitoba. My colleague, the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) reacted, and I believe he spoke for most Manitobans when he made a statement on March 1 in response as follows:

> I ask Members opposite, was Manitoba supposed to be happy in the early stages of this Government about the cancellation of the VIA Rail shop and its subsequent downsizing? Were we supposed to be happy about the cancellation of the manufacturing and research technology centre? Were we supposed to be happy about the repeated attempts, now succeeding, to erode Winnipeg's role as a transportation sector in western Canada? Were we supposed to be happy about that abominable decision to award the CF-18 contract to Montreal?
>
> Were we supposed to just lie down and be quiet about all these things? Is the Manitoba Government to give up its principles with respect to free trade and other issues on which it disagrees with the federal Government? Is this a counsel on the part of the Member for St. Boniface and the Government to a lack of integrity in the political process? Are we all supposed to suck up to the federal Government in order for our regions to be treated well? It is totally unacceptable.

That is how the people of Manitoba, regardless of political Party, feel, and it is the way they should feel.

• (1650)

Another suggestion was that because there was an NDP Government in Manitoba, which is supposedly opposed to the private sector, all the proposals it made, and it made many proposals, were laughed at because they totalled billions of dollars. Manitoba did not expect to get billions of dollars. However, what it did expect, and what Manitobans, regardless of Party, will demand, is its fair share of the funds which will be allocated through the western diversification fund.

Another suggestion was that the reason Manitoba did not get approval was that it had an NDP Government which was not friendly or supportive of the private sector and all the proposals made by Manitoba were for government programs. That is not true either and I want to put on the record a few examples of the proposals which were brought forward and which have not yet been approved by the Conservative Government.

In the City of Flin Flon in northwestern Manitoba, the Hudson Bay Mining & Smelting Co. has a copper smelter and a zinc refinery. That company has been operating in Flin Flon for more than 50 years. It provides direct employment for over 2,000 workers in Flin Flon, Leaf Rapids and Snow Lake, Manitoba, and Creighton, Saskatchewan. That plant needs major modernization so that it can be more productive and competitive with other operations in other countries and so that it can meet the new environmental standards which have been set. We are talking about a $100-million modernization program. The Government of Manitoba expects the entire cost of that modernization to come from the federal Government through the western diversification fund, and this is a project which would meet any criteria which any Government would set.

There was a proposal for an agricultural biotechnology and training consortium made by the University of Manitoba, the

Brandon University and the Assiniboine Community College, in co-operation with agricultural organizations and the private sector, and I emphasize the private sector. This proposal is to set up a consortium to focus on developing applications in agricultural biotechnology and providing agricultural management training.

One does not have to be an expert and read technical journals, one need only read *The New York Times*, *Time* magazine, *Newsweek* or any of the financial newspapers published in Canada to know that almost every week new discoveries are made in the field of agriculture so that tomatoes, potatoes or the like will be made resistant to the pests which attack them. Canada is lagging very seriously behind in research in this area.

A proposal came from the Government of Manitoba to set up a biotechnology and training consortium, and given the difficulties western Canadian farmers are having competing for the sale of grain and other products with countries which subsidize very heavily their agricultural industries, the management abilities of Manitoba farmers are more and more important than ever. This consortium would help with that, but again there has been no response from the federal Government.

A rural industrial project was proposed by the Manitoba Government to its federal counterparts. It wanted to designate a site in a rural area of Manitoba where there is very little industrial activity and high unemployment rates on which would be established a $60-million oriented strandboard plant. That plant would provide 130 direct jobs plus employment in gathering and hauling the wood to the site. Of course, government funding was required, but the bulk of the funding would come from the private sector. Again, there has been no response from the federal Government.

There was a proposal that the Red River Community College, the large community college established in the City of Winnipeg, have its learning resource centre expanded. The present facility which was built some years ago was built to accommodate about 2,700 students. It now services over 5,000 full-time and several thousand part-time students.

I do not have to remind Hon. Members of the tremendous revolutions that are taking place in computers and their use and the need to expand the software which services those computers. It seems to me that the community college proposal has merit which no one can dispute. It is the high technology areas where we will find the jobs we will need for young people entering the job market and for those who will be displaced as traditional manufacturing industries become more efficient or obsolete. That is the kind of project we need, and we need it now.

A series of reports have been written as a result of studies done in Ontario and articles appearing in various journals telling us how badly we are doing in training Canadians, both young Canadians who will enter the job market in the next year or two and adults who are finding their jobs have become obsolete. We are not doing the job which is required. There was a report in *The Globe and Mail* either yesterday or today which said that many of our manufacturing industries which are moving into more highly sophisticated operations are telling us that we do not have the skilled workers required. We do not have the tool and die makers, the machinists or the people qualified in the newest electronics jobs. This proposal came from the Government of Manitoba that the community college be expanded and modernized so that it could do the job required. What did we hear from the federal Government? Nothing.

The people of Manitoba want to know why this situation is continuing. They want to know why these very practical proposals which have come from the Government of Manitoba have been ignored and downgraded by the federal Government.

One of the specific proposals made by the Government of Manitoba concerned increased procurement by the federal Government in the West. This is one area in which the Conservatives have consistently promised they will do better because this is something they consistently harped on when they were in opposition. I was here on many occasions when western Conservative Members and Atlantic Conservative Members complained loudly, and justifiably, that under the Liberal Government—

• (1700)

The Acting Speaker (Mrs. Champagne): It is with deep regret that I interrupt the Hon. Member, but the time for his intervention has now expired. A period of questions or comments could follow Private Members' Business.

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

PRIVATE MEMBERS' BUSINESS--BILLS

[*English*]

CANADA PENSION PLAN

MEASURE TO AMEND

Mr. John R. Rodriguez (Nickel Belt) moved that Bill C-250, an Act to amend the Canada Pension Plan (survivor's pension), be read the second time and referred to a legislative committee.

He said: Madam Speaker, I should start off with the genesis of Bill C-250 which seeks to amend the Canada Pension Plan Act, Section 44(1)(d).

The reason I presented this Bill, and have been presenting it since 1979, and it is a very tragic reason, is because of a 40-year old miner who was killed in the mines in Sudbury. After the tragedy of burying the miner, his spouse, having to get on

with her life with her dependants, went to the local Canada Pension Plan office to apply for survivor's benefits for herself and her dependants under the Act. She filled out the form and the person dealing with her said he was sorry but she did not qualify for survivor's benefits. She asked why she did not qualify for survivor's benefits. He said she did not qualify because she was 34 years of age.

Under the Canada Pension Plan Act, Section 44(1)(d), any surviving spouse under the age of 35 is not eligible to collect survivor's benefits. Not a penny. Here we have a widow with two dependent children, who had not been in the workforce since she had been married, being told that she would get at that time about $80 a month for each of the children and she would have to go on welfare.

There is another example of an older gentleman who went to Poland. He met and fell in love with a young woman and brought her back to Canada. He was in his late 50s, she in her late 20s. They had one child before he dropped dead of a heart attack one day. She was ineligible to collect survivor's benefits under the Act. Again, the invocation of Section 44(1)(d). What does that section say? It says:

> a survivor's pension shall be paid to the surviving spouse, as determined pursuant to this Act, of a deceased contributor who has made contributions for not less than the minimum qualifying period if, the surviving spouse has
>
> (i) reached 65 years of age, or
>
> (ii) in the case of a surviving spouse who has not reached 65 years of age,
>
> (A) had at the time of the death of the contributor reached 35 years of age.

She had not reached the age of 35 at the time of the death of her spouse and she would not be eligible for survivor's benefits. I would like to say unequivocally that that is discrimination based on age.

This issue was looked at by the parliamentary task force on pension reform chaired by the Hon. Member for Sudbury (Mr. Frith). The task force, after considering a large number of proposals and briefs, concluded that before comprehensive changes to the Canada Pension Plan survivor's benefits could be recommended, further study was required. That further study was done. A White Paper was issued which looked at the Canada Pension Plan and specifically at the question of survivor's provisions. I just want to read from page 39 of that White Paper published in September, 1987, just last fall. It said:

> Survivors who are under age 35 at the time of the death of their spouse, and who are not caring for a dependent child of the contributor, are not eligible for a survivor benefit until they reach age 65, unless they are disabled or become disabled.

We know that is what is provided for. This White Paper recognizes the discriminatory nature of Section 44(1)(d) and recommends that the surviving spouse ought to get the Canada Pension Plan benefit irrespective of age.

The report of the parliamentary committee on equality rights, in 1985, on page 40, under the subtitle "Benefits for Surviving Spouses" had this to say:

> Although CPP benefits for surviving spouses are not restricted to female spouses, it seems clear that these eligibility rules are based on assumptions about the dependency of women that may no longer be valid and that are unfair on their face. For example, the exclusion of spouses under 35 years of age who are neither disabled nor have dependent children is probably based on the theory that surviving spouses in their twenties and early thirties usually have little difficulty in finding employment or remarrying.

That committee recognized as well the discriminatory nature of Section 44(1)(d). It goes on to recommend that it be removed from the Act.

It seems to me that in that Act, when it deals with surviving spouses, there are other discriminatory provisions. If the surviving spouse is under 45 but over 35, they get a partial pension. They do not get the full pension. Their benefits are reduced by 1 1/20th for each month he or she is under 45. This works out to a pension of roughly $145.18.

• (1710)

The age provisions are clearly discriminatory and are contrary to the Charter of Rights. In fact, this whole question of survivor's benefits under the Canada Pension Plan Act are under review by the parliamentary committee which is studying the White Paper on survivor benefits under the Canada Pension Plan. I would hope that the committee, too, will recognize the discriminatory nature of Section 44(1)(d). In fact, I have been informed that both the provinces and the federal Government recognize that 44(1)(d) is indeed discriminatory. Therefore, why do we have to wait?

Canada Pension Plan officials in my riding told a woman who was under 35 who appeared before them seeking survivor's benefits that they could not give her the benefit but that she should take the issue to the Human Rights Commission and appeal through the process. We all know that to go through the courts is a very costly and protracted route. I do not know where poor people would get the money to challenge Section 44(1)(d) of the Canada Pension Plan Act. If what I have heard is true, that the federal Government, the Minister of National Health and Welfare (Mr. Epp), and his provincial counterparts have recognized the discriminatory nature of 44(1)(d), then surely with that kind of unanimity and with determination of purpose it would be easy to bring in an amendment to the Act.

I am sure that Members on this side of the House would be only too pleased to expedite an amendment to the Act which would create justice and remove an obviously discriminatory section of the Act. Incidentally, the reason I brought Bill C-250 forward was the very fact that we could expedite it and not have to put poor people through a whole process of legalisms which could go on indefinitely.

As an aside to the main purpose of this Bill, I have discovered that the federal Government has made certain changes to the benefits under the Canada Pension Plan disability benefits. These were all improvements to give recipients an increase in their pensions. However, private sector employers have been grabbing the money instead of allowing the

pensioners to get the increases. Even more outrageous, provincial Governments have been grabbing the increases which the federal Government has granted to those who are in receipt of disability pensions. The Province of Ontario is blatant in its grabbing from the pockets of the disabled and the poor. It is reducing the community and social services benefits to the poor. The Government of Ontario is reaching on to the table and taking the bread and meat right off the tables of poor people. I think that is a disgrace.

I have written to the Minister of National Health and Welfare about this, but all I hear back is that they are discussing it with the provinces. Well, that is not good enough. They have been discussing it with the provinces for two years and that is not good enough for the poor who have an entitlement to a disbility pension.

I ask Members not to let this Bill go the way of other Private Members' Bills which are debated for an hour and then talked out. I ask Members not to talk the Bill out, to take this opportunity to make a strike for what is right and just. For once, let this Bill go to committee, especially since the Government is in agreement that Section 44(1)(d) is indeed discriminatory.

I appeal to Members to let the Bill go. Do not talk the Bill out but let it go to committee so that we can eventually have the Act amended. I will not take credit for it. If the Government wants the credit for it, that is fine with me. I am prepared to erase C-250 from the front of the Bill and put the Minister's name there in lights. I am just a humble Member in this House. I do not seek the glory of having an amendment made to the Act. The Government can have the credit. All I want is justice for the poor people of the country who have been discriminated against, particularly women upon whom it has fallen harder than it has on men.

Mr. Lee Clark (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, I am pleased to participate in this debate and I would like to begin by saying to the Hon. Member for Nickel Belt (Mr. Rodriguez), whose Private Members' Bill we are discussing today, that while I might question his contention that he is just a humble Member of the House, because I think he is far more than whatever those words may imply, I do not in any way question his sincerity. I would applaud him for that and for his persistence in ensuring that this issue, which has been brought before the House on many occasions, remains before the House. In fact, I think he understands that the Government is as committed as is he to addressing the principles of the Bill before us.

As most Members know, the proposal set forth in Bill C-250 is an important and topical one. The issues of age discrimination and other equality considerations in the context of the Canada Pension Plan are an active concern of the Government at this time. In fact, on September 24, 1987, a consultation paper on survivor benefits under the Canada Pension Plan was tabled in the House of Commons and was referred to the standing committee. We are still eagerly looking forward to the standing committee's report.

In other words, Madam Speaker, we are now in the process of a major review of Canada Pension Plan survivor provisions. This review was undertaken so that federal and provincial Governments, which share jurisdiction over the Canada Pension Plan, could determine the most appropriate way to bring the plan's survivor benefits directly in line with equality provisions under the new Canadian Charter of Rights and Freedoms and in line with changes in family structure and other social changes that have taken place in Canada since the CPP's inception some 22 years ago.

When the Canada Pension Plan was being designed in the early 1960s the majority of Canadian families were one-earner families. Legislators therefore decided that when a contributor died a portion of his or her Canada Pension Plan retirement pension would be paid to the surviving spouse in certain circumstances. The benefit levels and eligibility requirements for survivor pensions were based on specific criteria which reflected the then current assumption that the majority of married women were financially dependent on their spouse for life. These dependency criteria included the recipient's age, the presence of dependent children or a disability, and a survivor's eligibility for other benefits under the plan.

During the pension reform discussions of recent years numerous Canadians have indicated that they share the Hon. Member's dissatisfaction with the Canada Pension Plan's existing structure for survivor benefits. Many have suggested that the dependency criterion has become outmoded and arbitrary and may be discriminatory in light of the Charter. There has been a growing perception, moreover, that application of the current survivor benefit eligibility criteria have resulted too often in a level of income protection inconsistent with the situation of Canadians who have become widowed.

As Hon. Members are aware, major changes to the Canada Pension Plan do require the approval of two-thirds of the Canadian provinces having two-thirds of the Canadian population, as well as the approval of Parliament. Federal and provincial legislators did reach a consensus on a comprehensive restructuring of Canada Pension Plan survivor benefits in time for such a reform to be included in Bill C-116.

• (1720)

Nevertheless, a federal-provincial working group of officials was established expressly for the purpose of re-examining the role of CPP survivor provisions in light of equality provisions under the Charter, as well as in view of growing pressure to improve benefit adequacy and the over-all context of social changes. In pursuing this task, the working group reviewed the substantial body of recommendations and other input which had already been presented to legislators and which has remained a matter of official record. The consultation paper on CPP survivor benefits, which presents a comprehensive

proposal for reform, and to which I and my hon. friend made reference earlier, was developed as a direct result of this study.

In essence, the proposals outlined in the consultation paper have provided us with a sound but flexible basis for public discussion and the means for determining whether the requisite consensus for a major reform of CPP survivor provisions exists or, alternatively, can be arrived at among both legislators and the public at large.

The consultation paper proposes a new benefit structure for future survivors that responds to the equality provisions under the Charter and to projected social changes. It also proposes improvements to the existing CPP structure to ensure that current survivors would also be treated in accordance with the Charter.

Finally, it proposes increases in benefits payable on behalf of children. Eligibility for CPP survivor benefits under the new structure, therefore, would not be based directly on considerations of age, disability and family status, as was the case during the first two decades of this plan's existence.

The consultation paper's proposals recognize instead, that financial difficulties may be experienced by surviving spouses of all ages, and that such difficulties may be greater and longer lasting when young children are present. The paper recognizes that a Canadian family's subsistence today is increasingly based on the gainful employment of both spouses and on the pension protection accumulated by each.

Reflecting these circumstances, the paper proposes to pay substantially higher monthly benefits concentrated over the difficult years of adjustment following a spouse's death, normally five years, rather than much lower lifetime payments. If implemented, this proposed new structure would initially apply only to future generations of younger Canadians as they experience widowhood. In recognition that all widowed individuals face a degree of difficulty following bereavement, the proposed new structure would provide surviving spouses with benefits on an equal basis, in accordance with the deceased spouse's CPP record of earnings.

Survivors who are carrying for dependent children would, however, be eligible for benefits over a longer period. As well, the consultation paper proposes important increases for CPP benefits payable in respect of dependent children of a deceased CPP contributor.

As I have stated, the consultation paper also proposes that benefits under the existing structure be substantially modified. Such changes would apply to current beneficiaries, as well as to the current older generation of Canadians who, in the event of being widowed at a future date, would have the option of choosing coverage under either the improved existing structure or the proposed new benefit structure.

Improvements to the current structure would include doubling the flat rate portion of CPP survivor benefits payable to all survivors under age 65. As well, the reductions which currently apply to survivors younger than age 45 would be eliminated, and survivors who, to date, have been denied CPP survivor payments because they were younger than age 35 when their spouse died—the Hon. Member referred to such a tragic case—would become eligible to receive benefits under the plan. Finally, children's benefits would have the same improvements that would be implemented under the proposed new benefit structure.

With regard to Bill C-250, the Hon. Member for Nickel Belt hopefully will be assured that Canadians are already in full agreement with his sentiments.

At the same time, it is important to recognize that federal and provincial legislators should not and cannot amend the CPP in haste. As I have explained, major amendments to the plan require a high level of consensus among the Canadian public and among legislators at both levels.

The federal Government, nevertheless, is committed to making changes as soon as such a consensus can be achieved. We may expect, therefore, to proceed with further consultation and negotiation among concerned Canadians, as soon as the Government has received the report of the Standing Committee on National Health and Welfare.

Ms. Sheila Copps (Hamilton East): Madam Speaker, I am pleased to participate in the debate on Bill C-250. When examining the premise upon which the legislation is being suggested by the Hon. Member for Nickel Belt (Mr. Rodriguez), I find that the basic intent of the Bill is to eliminate discrimination from the current provisions of the Canada Pension Plan in relation to widow's benefits or survivor's benefits. The notion of eliminating discrimination on the basis of age is a laudable one theoretically. However, one can see that even in the context of the Bill itself, it still has an unequal application. To my knowledge, the effect of passing his amendment would be to say that any person who is a survivor would be entitled to a benefit. Presumably, that person would be entitled to a benefit until the age 65 when a different benefit package would kick in. Quite clearly, even with that cut-off point, there is discrimination on the basis of age.

While eliminating discrimination on the basis of age may sound good in principle, there may be practical reasons to have discrimination on the basis of age.

Mr. Rodriguez: They would switch to regular CPP at age 65.

Ms. Copps: I understand that they would switch to regular CPP at 65, but I am simply saying that the principle of eliminating age discrimination sounds good in theory but may not always be applicable in practice.

Let me point out one area where I believe the principle of this Bill would not stand up to serious examination. It is an area within some of the discussion paper that relates to survivors' benefits and about which we were extremely concerned in the standing committee.

Let us consider the situation of a widow over the age 45. The discussion paper is based on the theory that as more and more women enter the workforce, since women tend to be the recipient in the application of spouse's benefits, the Government felt it might be better to provide them with a short-term bridging benefit of a period of three years' additional help. They would be expected to reintegrate into the workforce following this, and earn money that would then eliminate the necessity for survivor's benefits.

Statistics show that more and more young women are entering the workforce whether or not they have children, school age and below. I believe the flaw in the Member's Bill relates to the discussion of survivors between the ages of 45 and 65. The discussion paper suggests that since women are entering the workforce in greater numbers, they should be allowed this bridging benefit and be able to go into the workforce after this three-year period to compete essentially for the same wage as their male counterpart.

• (1730)

Two factors were discussed in the context of our response to the discussion paper which have not been touched on today. These factors, I believe, are relevant in the context of awarding survivors' benefits. First is the question of earnings. If we look at the typical woman under the age of 45, currently widowed, we find that 74.4 per cent actually reported earnings in 1985. We do not specify exactly at what amount those earnings are placed, but basically three-quarters of the widowed population at that point would be earning some kind of salary outside the home. That number drops, when one looks at widowed women between the ages of 45 and 54 years, to 67.2 per cent. Subsequent to that we see a dramatic drop in the number of widowed women between the ages of 55 and 64 years reporting earnings, so much so that only 38.7 per cent actually reported any earnings in 1985. That means that as public policy makers we may want to examine a policy in relation to survivor's benefits which is in fact discriminatory in a positive sense towards those older women who may not have a significant chance of re-entering the workforce.

Another element which we felt would certainly be relevant in the context of determining Canada Pension Plan benefits is again related to age statistics. It is the question of how many widowed women will go on to remarry and into a second financial partnership. For those people who are widowed under the age of 35 years, according to figures based on 1984 statistics, we can expect that 77.6 per cent of those particular widows will go on to remarry. However, if we look at the age category of 45 to 54 years, we find that only 38.9 per cent of that particular group can be expected to remarry. Obviously, if they are not entering into a second legal and financial partnership, their needs will be quite different. Again, those needs may be quantifiably different on the basis of age.

If we look at the category of widowed women between the ages of 55 and 64 years, we find that only 28.8 per cent will be going on to a second marriage. Therefore, the vast majority of widowed women over the age of 45 years do not expect to enter into another legal partnership of marriage or a financial partnership. So they will be totally on their own.

I do not feel it is realistic for us as public policy makers to say that in practical application there should not necessarily be discrimination on the basis of age. In fact, I think the Hon. Member for Nickel Belt was one of those who has been highly critical of the Government for not responding specifically with its promise to the older workers in the form of a replacement for the Labour Adjustments Benefits program.

The Labour Adjustment Benefits Program was a policy of the previous Liberal Government to provide long-term assistance to workers over the age of 55 years, in the so-called "sunset" category of industries. Those workers were eligible on the basis of their age. As public policy makers we recognize the principle that at a certain age and stage of one's life, one's chances of re-employment are much diminished. That is why I think that while the principle on the surface looks laudable, in practice, if we apply the principle that there should be absolutely no discrimination on the basis of age in the area of Canada Pension Plan benefits, we may cut off our nose to spite our face in the sense that we will not be able to help older widows who will, of necessity, need our help the most.

• (1740)

[*Translation*]

Mr. Claude Lanthier (LaSalle): Madam Speaker, first of all I would like to thank the Hon. Member, whose talents are also much appreciated on the Standing Committee on Labour, Employment and Immigration, for his insights and his interest in improving the survivor's benefits program under the Canada Pension Plan. I also wish to thank him for giving us this opportunity to consider a matter that, I believe, encompasses far more than merely eliminating the age factor from the present framework of survivor's benefits. I am of course referring to the possibility of the surviving spouse being under 65.

Madam Speaker, I think that in addition to the age factor, we should also be examining the basis of the entire structure of survivor's benefits as it now exists. I do not want to give the impression, however, that I disagree with the structure established by the fathers of the Canada Pension Plan when the Plan was set up in the sixties. This Plan was designed to respond to the needs of the sixties, and we can say that all things considered, it has worked quite well, thank you!

It is a fact, however, that the premises on which the present structure of survivor's benefits is based are no longer as relevant today and in fact have almost lost their *raison d'être*.

The society in which we live today no longer corresponds to the projection made of that society in the sixties or even to the image extrapolated at the time.

The social conditions that prevailed during that period have changed—some will say for the worse, others for the better—

and meanwhile, the structure of the survivor's benefits program has remained virtually the same, immutably laid down in the regulatory framework common to all Acts of Parliament.

The House will recall that the present structure of the survivor's benefits program under the Canada Pension Plan was designed mainly to guarantee income stability for surviving wives. This concept corresponded to the family situation prevailing when the Canada Pension Plan became effective in the sixties.

At the time, and we have to go back about 25 years, it was reasonable to expect that the contributions made by spouses to the family unit were well defined according to sex and reflected the traditional view that the wife was a mother and housewife, while the husband was the bread winner or wage earner. It was also reasonable to expect that the marriage would be long-lasting. Since women had little or no contact with the labour market for many years, it was expected that many women, especially if they were not old enough at the time of the decease of their spouse, would not be able to earn enough money to maintain their previous standard of living or be able to remarry or even to get by without necessarily maintaining their previous standard of living.

Madam Speaker, 20 years later, the same concept is still being used to provide the same kind of guarantees for persons who survive their spouses, although the situation has changed completely and is totally different from the conditions that prevailed 20 years ago. During the past two decades some major changes have taken place in the structure of the family unit and the role of spouses in that unit and in the economy. A striking example of it is the substantial increase in the number of women in the labour force.

Madam Speaker, I would like to take this opportunity to name some of the most important changes that have taken place when women started achieving greater financial independence, and I will also provide some figures to illustrate those changes.

I suggest that my facts can be easily checked by referring directly to the various documents I consulted, and I intend to table a list of those documents later on.

Madam Speaker, I was saying that during the last couple of decades, the labour force participation rate of women had substantially increased. In fact, it has increased steadily since the fifties, and it is expected that by the year 2000, one out of every two workers will be a woman, although in 1950 the ratio was only one out of five. In other words, by the year 2000 the ratio will be the same in the labour force and the general population.

Considering, however, that women's labour force participation rate only reflects the number of working women as a percentage of the total labour force, we must be careful when using these figures because they also depend on the number of men in the labour force. For instance, if the number of men in the labour force were to go down, this would raise the percentage of women in the labour force while there would be no increase in the actual number of working women.

Madam Speaker, that is why I think it is far more useful to consider the women's participation rate, which gives us the ratio of working women to the group of women 15 years or over. Between 1967 and 1985, which means from the time the regulations came into effect up to the present decade, the women's participation rate jumped from 40 per cent to about 70 per cent. We also see that the increase is largely due to the behaviour of married women, whose participation rate rose from 40 per cent in 1967 to 66 per cent in 1985, an increase of two-thirds. Various factors contributed to this increase.

I think it is important to consider this development, because each of these more or less irreversible factors shows that the survivor's circumstances no longer are, and no longer will be, the same as they were during the past 20 or 30 years.

First of all, we have seen a change in women's attitudes to their traditional role and in the perception they have of themselves. Women no longer see marriage as the ultimate goal nor as a protective shield that will save them forever more from solitude and financial insecurity. The rising divorce rate observed in recent years is certainly a reflection of this change in attitude.

Madam Speaker, between 1970 and 1983—within a period of 13, not 25 years the divorce rate doubled. Women feel a need to become more self-reliant and provide for their own financial security. They have become aware of their own potential, shed the traditional and discriminatory stereotypes, get a better education in a wider variety of subjects and increasingly take charge of their own economic circumstances.

To a certain extent, we can measure these changes using a number of indicators. The marriage rate is dropping and the birth rate as well. We are also seeing people postponing marriage and the birth of their first child until they are older. Women are less likely to leave their jobs when they marry or when they have children.

If we look at the participation rate of women in terms of family situation and in terms of the presence of children, we see that even with preschool children, married women have doubled their participation rate. From 34 per cent in 1967, the participation rate of married women with children of preschool age went up to twice that rate, 68 per cent, in 1985. Women with school age children went from 40 per cent up to 70 per cent in 1985, an increase of 75 per cent over the rate observed 20 years before.

Madam Speaker, we can even conclude that although the presence of children tends to restrict women's participation in the labour force, it is less restrictive in 1981 than it was in 1971. We can also assume that on the whole, women are more likely to see their labour market participation as a permanent

activity, even if about 50 per cent of married women work part-time.

Madam Speaker, women's education has also changed dramatically in recent years. These changes are particularly noticeable at the university and college levels, where the number of women enrolled has increased considerably. Interestingly, women students at universities and colleges are majoring in a wider variety of subjects than was previously the case. They have made considerable inroads in fields that traditionally have been a male preserve, which to a certain extent is an indication of a definite change in orientation.

Madam Speaker, it also reflects a turning away from the kind of training that prepared for responsibilities within the home. They now tend the focus on careers that will keep them on the labour market.

Madam Speaker, I see you are signalling that my time is almost up. The Government is now waiting for the Standing Committee of the House on National Health and Welfare, which was asked to proceed with public hearings on the subject, to submit its report. In the light of the results of this major consultation process, this Government, after obtaining the approval of the provinces, will implement new measures to provide Canadian men and women, through the Canada Pension Plan, with a survivor's benefits program that is better adapted to their changing needs.

[*English*]

Mr. Neil Young (Beaches): Madam Speaker, I wish to congratulate the Hon. Member for Nickel Belt (Mr. Rodriguez) for giving us the opportunity to talk about this extremely important matter in the House today. He tells us he has been fighting this issue since 1979. I can only say that perhaps his arguments as presented over the years were what convinced and persuaded the federal Government and the provincial Governments to agree to bring about amendments to the Canada Pension Plan to do what the Hon. Member for Nickel Belt has been arguing about over the years.

While I welcome some of the improvements that are proposed in the discussion paper on survivor benefits I want to say that in my view some of the assumptions made in it are faulty. I have argued this in the Standing Committee on National Health and Welfare which is now seized of that document.

That document makes a number of assumptions which do not hold up. The first is that because there is a greater participation of women in the workforce there is less need to pay survivor benefits to those women. It neglects the fact that many of the jobs that have been created for women over the years are really part-time jobs. It does not address the need for adequate child care to allow women to re-enter the workforce. There are a number of problems in the discussion paper.

However, since the matter is before the Standing Committee on National Health and Welfare and since that committee is in the process of bringing a response forward to the discussion paper I do not feel that I am at liberty to talk about the actual proposals that we are discussing. I see that the chairman of the committee, the Hon. Member for Oxford (Mr. Halliday) is sitting in the House today. I think it is safe enough to say without relating any confidences that that is one area of the discussion paper that would have received the unanimous support of the members of the committee. That is what I would have said 10 minutes ago, but since I heard the remarks of the Hon. Member for Hamilton East (Ms. Copps) on the Bill before the House I am not so sure whether or not it will be unanimous.

Quite frankly, I was surprised to hear the Hon. Member for Hamilton East make the type of criticisms against Bill C-250 that she made. What she seemed to argue is that discrimination against a woman under the age of 35 is okay because we need existing dollars under the Canada Pension Plan to go toward improvements for only women in higher age brackets. I see that the Hon. Member is shaking her head in a negative fashion. She seems to be saying that that is not what she meant.

Ms. Copps: That is not what I said.

Mr. Young: What I thought the Hon. Member said was that only a certain amount of dollars is available dollars which exist in the Canada Pension Plan with which improvements can be made. She seemed to argue that with those available dollars we should be seriously directing those moneys towards improving benefits for those who are in the higher age brackets. That is what I thought she said.

However, the Hon. Member is now saying that that is not what she said. I am delighted to hear that. I have received correspondence from young women under the age of 35 who have been widowed. Many of these women are facing heavy financial responsibilities, especially where children are involved. First, there is the traumatic experience that they go through when their spouse dies, more often than not in a tragic way. They are then faced with the responsibility of bringing their children up without any kind of financial support in some cases, especially if they are not actively participating in the workforce at that time. This can make their lives extremely difficult.

• (1750)

The White Paper argues that if those amendments were not made to the Canada Pension Plan, it could be construed as being a violation of the Charter of Rights and Freedoms against younger women at age 35. I am hopeful that when the item is discussed in committee we will end up with a unanimous recommendation to put an end to this discrimination and to do the right thing by these younger people.

There are some other problems in the Canada Pension Plan which could have been addressed in the discussion paper but unfortunately were not. For example, many delays are being encountered between the time an individual lodges an appeal against a decision rendered by the pension board, the time the

appeal has been filed, and the time that it is heard. Very often it takes in excess of 12 months.

When the Minister proposed amendments to the Canada Pension Plan in 1986—and they were passed in the House in July of the same year, roughly about six weeks after they were proposed and introduced—he assured us that a new appeal process would be set up very quickly.

Last week I had occasion to ask the Minister why appeals were still taking in excess of 12 months, very often 18 months between the time when the individual files an appeal and the time the appeal is heard. That is absolutely ridiculous. What did the Minister say when I asked him that question in the House? He said that the problem was that they had to be careful because they did not want to get caught up in workmen's compensation cases and so on.

It was an entirely different answer from the one that the Minister gave to Ms. Alexa McDonough, the leader of the New Democratic Party in Nova Scotia, when he wrote to her on December 10, 1987. He said that while he recognized the delays in appeals, he would also recognize that the new appeal process had not even been set up yet.

There has been a passage of time of some 18 months since the House passed the legislation and the amendments which gave the Minister authority to establish a new appeal tribunal, and it still has not been set up. People who are suffering real financial hardship because of some disability and who very often have no other income except what they could receive under the Canada Pension Plan cannot get at it, because the Minister has not set up the proper appeal procedure which he assured us would speed up the appeal process.

It is time the Government got on with these kinds of things. Today we could approve the Bill which the Hon. Member for Nickel Belt has placed before the House. We could handle that one area very quickly without awaiting the report of the Standing Committee on National Health and Welfare, which would support this measure in any event. The Minister supports it. Why do we not go ahead with it rather than wait for months until the Department produces legislation? We should proceed with this piece of legislation today and do the right thing for those women under age 35 who are being discriminated against. Even the Minister recognizes that. Let us get on with it and remove the discrimination once and for all.

Mr. Reginald Stackhouse (Scarborough West): Madam Speaker, I should like to begin by congratulating the Hon. Member who introduced the Bill. He did not have the wisdom to choose the right political Party, but he had the wisdom to choose parents who live in the riding of Scarborough West whom I am honoured to represent. I also congratulate him for being a good example of the opportunities afforded any Member of Parliament to initiate legislative debate and creative discussion as he has done with this Bill. I have known him to do it with others, such as the Bill on lobbying when it was my honour and pleasure to sit with him on the committee responsible for that legislation.

Again we see an example of a Member introducing a legislative proposal as far back as 1979 and reintroducing it as recently as this afternoon. I confidently believe that that seed sown and developed is about to come to fruition. He has made the suggestion that the Private Member's Bill number might be taken off and the Minister might reintroduce it as his recommendation. That gracious suggestion is one which I think may well prove to be the result of the debate this afternoon.

We will see the proposal contained in the Bill strengthened by the report and recommendations of the Standing Committee on National Health and Welfare, with further consideration by the Government itself. We will bring back to the House proposals which will meet not only the needs of the people referred to this afternoon but will provide assistance for more Canadians facing difficulty and challenge in this day. As a result of this legislative and governmental process, we will probably see a much better program or better legislative proposal than we might embrace today, even as good as it is.

I would hope that all Hon. Members of the House would see the necessity for the kind of review which is approaching a conclusion that we trust will be a happy one. One reason is the enormity of the size of the program to which we are referring. The survivor's pension program is in itself of incredible and impressive size. Some 483,000 spouses are receiving benefits as a result of the program, as are 94,000 orphans, at a cost to the public of $1,245 million. This manifests the kind of effort which the country is ready to put forward as we endeavour through such programs to assist each other.

We are seeing a need for careful review of the program so that we provide as much assistance to those who need it as is possible for a Government to do, as is possible for a public to do. That is what we are aiming to do. The very size of the program in terms of the figures I have cited shows the need for the process in which we are now involved and will carry it to its happy conclusion.

We must be sure that when the Bill receives the benefit of major amendments—and they will be major—that we have presented to us by the Government a Bill which comprehends the social change that has been a feature of the country's development since the Canada Pension Plan was first initiated. Certainly the number of working spouses is much larger today, and it is but one example of the way in which the social environment has been profoundly altered. Therefore, the kind of program we as a Government will wish to introduce will be one which comprehends all dimensions.

It is vital that all Members of the House and all members of the public concerned about this matter, including the large number watching the debate, be aware that it is not possible for this House or this Parliament on its own to provide the kind of change we want to provide for people who need it most. We have a complex method for amending Canada Pension

Plan legislation. It requires full consultation with the provinces, including the approval and support of two-thirds of the provincial Governments representing two-thirds of the population of Canada. It is necessary for us to carry forward the process which I have described, not only in terms of the committee and the House, but also in terms of further consultation with the provinces.

Therefore, I welcome the Bill which has been presented to us this afternoon. I see it in terms of a seed that will lead to full development and the fruition of a legislative proposal by the Government which will adequately meet the need in this regard.

• (1800)

The Acting Speaker (Mrs. Champagne): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1), the order shall be dropped from the Order Paper.

GOVERNMENT ORDERS

[*Translation*]

WESTERN ECONOMIC DIVERSIFICATION ACT

MOTION TO ENDORSE THE MOTION OF MR. MULRONEY

The House resumed consideration of the motion by Mr. Lewis:

> That this House endorses the adoption of the motion, on Monday, March 7, 1988, of the Prime Minister for second reading and reference to a Legislative Committee of Bill C-113, An Act to promote the development and diversification of the economy of Western Canada, to establish the Department of Western Economic Diversification and to make consequential amendments to other Acts.

The Acting Speaker (Mrs. Champagne): In accordance with the order made on March 11, 1988, this House will now continue consideration of the motion of the Minister of State for the Treasury Board (Mr. Lewis).

[*English*]

At five o'clock p.m., the Hon. Member for Winnipeg North (Mr. Orlikow) had completed his speech. I will now recognize Hon. Members who wish to question the Hon. Member for Winnipeg North or to comment on his speech. Otherwise we will resume the debate.

Mr. Rodriguez: Madam Speaker, during the speech by one of the Conservative Members from Manitoba, he asked why the New Democratic Party would be opposed to free trade with the United States when Manitoba Hydro was receiving billions of dollars in the export of its energy to the United States. Would the Hon. Member for Winnipeg North (Mr. Orlikow) answer the question: Why would the NDP be opposed to something which the Conservative Member from Manitoba said was such a good thing?

Mr. Orlikow: Madam Speaker, the one point made by the Hon. Member for Winnipeg—St. James (Mr. Minaker) with which I could agree is that Manitoba Hydro has been successful in completing contracts for sales of hydroelectric power to the midwest United States of about $3.5 billion, and more to come.

The reason the Manitoba Government opposed the so-called free trade agreement is that it does not protect future sales against opposition, which could well be successful, by American interests. There is nothing in the agreement as it is drafted at the present time which would prevent the coal producers in the United States from claiming that hydroelectric power from Manitoba or Quebec or British Columbia is subsidized. For example, in the Manitoba situation the federal Government helped finance the transmission lines which carry the power from northern Manitoba to Winnipeg and then farther to the United States. There is nothing to prevent coal companies or oil companies, if oil is again in surplus supply, or natural gas companies from bringing anti-dumping charges against us and calling for countervail duties to be imposed on the sale of power.

In the agreement, the definition regarding electricity has been changed. Electricity has gone from being an intangible, which it was up until now, to being classified as goods. That will make it easier for the people and interests in the United States who want to stop the sale and export of power from Manitoba or from any of the other provinces and it will make it easier for the Americans to invoke their anti-dumping claims.

There is something else which should be of interest to the people of Saskatchewan and Ontario. Under the terms of this agreement, it would be within the ability of the provincial hydroelectric utility, whether Manitoba, British Columbia or Quebec, to sell power to neighboring provinces. In the case of Manitoba, it is to sell power to Saskatchewan or Ontario at a price lower than it could sell power to the United States. That is very important. We take the view, and I think most Canadians take the view, that the resources of Canada may, under our constitution, be the responsibility of the individual provinces, but they certainly would hope and expect that the resources would be used to the advantage of all people. To say that the Americans can buy power at the same price as we might want to sell power to another province seems to be something we ought to oppose.

Lastly, Manitoba, like other provinces, has been looking at the possibility of establishing an aluminum processing plant in Manitoba. We have huge amounts of potential power to be developed. This agreement with the United States disallows incentive arrangements to be made for energy intensive industries. We cannot give a special deal or a cheaper price to an aluminum company or any other energy intensive using industry at a price that we would not permit the Americans. For all these reasons and others, the Manitoba Government has opposed the free trade agreement.

Mr. Clark (Brandon—Souris): Madam Speaker, the Hon. Member for Winnipeg North (Mr. Orlikow) knows that the provisions for countervail will exist on both sides of the border after an agreement is made, as they have in the past.

What surprises me is the suggestion by the Hon. Member, if I understood him correctly, that the Manitoba Government may be guilty, to use his words, of dumping hydroelectricity in the United States. He seems to be signalling that to the United States. Does the Hon. Member believe that the Manitoba Government is dumping electricity in the United States and that it would be subject to countervail?

Mr. Orlikow: No, Madam Speaker, of course I do not believe that. It has not happened. The Manitoba Government sells surplus power from the new generating plants. If Manitoba can complete the negotiations, it proposes to develop another power plant which will produce a great deal of power and it will sell a substantial part of that power to the United States. Of course it is not subsidized except in some of the ways which I have mentioned.

Talking about countervail, I wish the Hon. Member would give some thought to the views expressed, not publicly yet or very often, but certainly expressed privately by many leaders of farm organizations. They are worried that despite this agreement, the American and farm interests will be able to apply countervail duties against farm products being exported to the United States whenever they feel markets are being challenged. Also, our system of supply management and marketing boards will mean that prices Canadian farm producers get for their product will not compete with inputs of processed foods from the United States where they do not have marketing boards and supply management. I wish the Hon. Member for Brandon—Souris (Mr. Clark), who represents so many farmers, would give some thought to that kind of problem.

Mr. Bob Brisco (Kootenay West): Madam Speaker, I welcome the opportunity to speak on western diversification. Having listened to the Hon. Member for Winnipeg North (Mr. Orlikow) on the subject of hydroelectricity, surely he does not expect me to believe that the Province of Manitoba has undertaken the massive hydroelectric projects it has undertaken without first having some pretty firm commitments of markets to the south of the 49th parallel. If that be the case, then in my view that would just add one more very valid reason why the NDP will probably be rejected in the next provincial election.

• (1810)

I would also like to comment on the absence of an understanding of the difference between consumer-oriented power and power for commercial reasons. Perhaps if the Hon. Member for Winnipeg North were to review the trade agreement, he would gain enlightenment on the subject.

I would like to speak on behalf of the proponents of the very innovative, very timely western diversification program. One of the main features of this program is the fact that it will frequently accept under its terms of reference projects which would otherwise fall through the cracks. It will accept projects that do not quite meet the requirements of the Department of Regional Industrial Expansion, programs that do not quite fit the Department of Science and Technology or the subagreement in forestry or tourism with the Province of British Columbia or with any other province. The fact is that under western diversification, there will be an opportunity to assist that did not prevail before.

It is in that context that I wish to talk about the rather unique circumstance of a body of fresh water which is the longest navigable freshwater body in western North America. I am speaking of a stretch of water on the Columbia River from the Grand Coulee Dam in south central Washington State to Revelstoke, British Columbia, on the Trans-Canada Highway, a distance of some 350 miles.

The U.S. side of this body of water is now being enjoyed and will, I hope, be further enjoyed by the marine tourism sector. The American side has been totally surveyed for hydrographic charting, but the minute we hit the Canada-U.S. border, we discover that there is a blank space on the map. There is an outline of a lake and the towns and communities are identified, but there is no navigational chart available.

In order to prepare a navigational chart which would extend from the Canada-U.S. border to Revelstoke, one would be looking at an expenditure of about half a million dollars. It would be a very detailed study involving aerial photography and the depth of the lake measured in increments over a distance of a few metres, back and forth across the lake. It would take about five months. Then all that information would have to be correlated into charts. This is complicated by the fact that from Castlegar north, we are dealing with a body of water which is subject to substantial fluctuation by virtue of the Columbia River Treaty and the storage dams on that river.

That project really does not fit any other mould, but I am hopeful that under western diversification, we will see that project funded early. It may be that the Department of Fisheries and Oceans could be the provider of assistance. However, it also happens to have priorities of a navigational nature in the Beaufort Sea where we are continuing to look for new oil and gas discoveries. The Department has some emergency work to do in the Hecate Strait off northern Vancouver Island, so in order to get this project going, we find that there is a possibility that it will fit the western diversification fund.

There is another project going on in Kootenay West. A company called Kootenay Tractor will hopefully be in a position to purchase an entire product line from the United States to manufacture a log-forwarder. One might say that that is fine, we are glad to see a company from the United States go into production in Canada, but where is the diversification there. The diversification lies in the fact that the dealer of this particular log-forwarder has, on the basis of his own

experience, upgraded and strengthened the equipment so that it will be a more valuable and practical asset in the steep-slope terrain of British Columbia. Again, I hope that this project will fit the western diversification fund.

When we are talking about western diversification, we must also look at other areas where assistance under the western diversification fund is possible. Forentek is a major research facility for the forest industry, paid for largely by industry but in part by Government. Feric is a like institute of research. One institute is researching the end products and by-products of the forest industry and one is researching the need for value-added forest products. After all, about 50 per cent of all wood we export from Canada into the United States is value added in the United States. Clearly, by improving our capacity to diversify by value adding, we are creating new opportunities for employment and we are creating new products for the world. That opportunity exists within the research facilities of these institutes on the UBC campus.

Much of the equipment and machinery used, including computerized turnkey sawmills, comes from Germany and some of it comes from Sweden. There was a recent conference in Edmonton which I had the privilege of attending with the Minister of State for Forestry (Mr. Merrithew) and his Parliamentary Secretary. Canada's industry is now determined to move to a number one position in value-added commodities in the forest sector and in the production of world-class forestry equipment. That determination was made clear at that three-day conference.

Forentek and Feric are the kinds of institutes that will help us get an additional leg-up through western diversification, thus creating more and more jobs. That is the bottom line.

I must return to the concept that is so often touted by our socialist friends. They say that we have a Government which persists in keeping the people of the West drawers of water, hewers of wood and pumpers of oil and gas, and there is no diversification. Yet when we provide the opportunity for diversification, they decry it. They say things that are most uncomplimentary. There is an absence of fact and an absence of understanding.

I believe that this stems from the mind-set of the socialist. Socialists would rather wallow in misery than see success. I cannot understand why they cannot enjoy success and share the enjoyment, pride and pleasure of success. No, they would rather say that the people of British Columbia are still hewers of wood and drawers of water. That is where our Party philosophies are at opposite ends of the spectrum.

I sometimes think that socialists were weaned on pickles. I see the attitude of NDP Members in their voting record. They voted against the repeal of the National Energy Program. That certainly tells me that they supported it at its outset.

Mr. Hovdebo: So did the Conservatives.

Mr. Brisco: My colleague shouting from across the floor has not been seized by the facts.

The NDP marched lock-step down the road with Marc Lalonde on the National Energy Program. They voted against its repeal, knowing full well the economic disaster it had created in Saskatchewan, northern British Columbia, Alberta and even in the southern part of Manitoba. They also voted against the PGRT. They did not want to see the western energy accord succeed. They did not want to see the petroleum and natural gas industry take off. Why would they? That is success, and that is not cast in the mould of the NDP. They hate success. They want to be able to wallow in misery. Thank heaven that so many of us share a different attitude.

• (1820)

I have to support the comments of my colleague from Edmonton South who spoke so eloquently on this issue. However, having listened to the Hon. Member for Churchill (Mr. Murphy) and his comments on agriculture and what this Conservative Government failed to do, we should look at the socialist record. The NDP voted against a $500,000 capital gains exemption for farmers. They did not want the farmer to smell success or have some measure of financial security after a lifetime of labour on and investment in his own land. The NDP voted against the expenditure of $92 million for drought relief for western farmers. Farmers on the Prairies will be reminded of that not just in the next federal election but in the ensuing weeks in Manitoba.

The NDP voted against providing the Canadian Wheat Board with $200 million to meet its deficit. Why? Where is the support they espouse for the prairie farmer? Did they vote against these measures because they wanted farmers to have more? Or, did they vote against them because they did not understand the purpose of the motion? Or, did they vote against them just on the principle that they could not possibly bring themselves to support the Government in power?

Their rhetoric is the rhetoric of failure, failure to recognize success. If that be their particular bag, then I say let them carry on with it. However, I have no hesitation, when I look at the western diversification program, in saying how fine it is that the essential requirement which will determine the acceptability of proposals will be the contribution each project or activity makes to the diversification of the western economy. What better aim or ambition could there be?

What about Kootenay West? How do I feel when I see the forest industry in a slump? They all have that slump. It is very much a creature of the market-place. How do I feel when the price of metals drops off the scale and miners are out of work? How do I feel when Cominco cuts back on its employees as it did in the massive lay-offs we experienced in my constituency in 1985 and 1986? No other alternative to turn to. There has been no diversification, but now it is starting to happen. It started even before this program came into being. It started with the support of this Government and my personal support.

We are seeing some examples of diversification which will help to take those students fresh out of high school or college and give them new skills in new technologies which will provide for them in the future.

Where is the future in tying the prairie provinces inextricably to agriculture? Where is the future in tying Alberta to the petroleum industry, or cattle, without adding value to the product? Where is the future? This Government had the foresight to address that issue because it came to office with one fundamental commitment to Canada: jobs, jobs, jobs. While the unemployment numbers in Kootenay West are far from satisfying to me, at least I know they are nowhere near the point they were in 1984. At least I know that western diversification is going to work for my constituency and is working, just as Community Futures is working, just as other programs of the Government of Canada are working.

When it comes to expenditures and federal involvement in Kootenay West from September of 1984 until today, I will stack our record against anything accomplished by any other Member over the last 30 years.

I have no hesitation in supporting this program. I am proud of the Government for introducing it. It is a match for the Atlantic Accord and will help generate new technologies and new kinds of employment opportunities for young Canadians. With that I thank you for the opportunity to address the House this evening.

The Acting Speaker (Mrs. Champagne): Questions or comments.

Mr. Orlikow: Madam Speaker, the Hon. Member referred to the downturn in the oil and gas industry in western Canada, cut-backs in exploration and everything else that happened. He described that situation in the early 1980s as being caused by the National Energy Program. What he did not say is that in the U.S., which did not have an NEP but which did have the most pro-business President it has had in the last 50 years, Exxon, which invested $4 billion in developing a plant to extract oil from shale in Colorado, shut down that plant because the price of oil had dropped so far.

The world price of oil right now is below $15 U.S. a barrel. That means exploration and development by the major companies is going to be cut back because there is a surplus for the foreseeable future. If that happens in Canada, as has already happened in the U.S., who will the Member and his Conservative Party blame for it since they did away with the NEP?

Mr. Brisco: Madam Speaker, I would like to thank the Hon. Member for using that as an example. I cannot think of a more unfortunate example than oil extraction from shale. It is probably the most costly undertaking one could conceivably make in the oil and gas industry. I have to say that the extraction of that analogy from the precincts of the Hon. Member's thoughts is really begging the question and stretching credibility.

He talks about the difference between Canada and the U.S. and says that the NEP really was not that harmful. If his memory serves him well he will perhaps remember, or perhaps he has been told, that when the NEP was introduced, literally hundreds and hundreds of trucks containing oil rigs—and the Hon. Member might tell me if he knows approximately how many flatbeds it takes to move one standard rig—were lined up at the border as they headed south. An entire exploration industry moved out of the Province of Alberta and into the United States to get into the oil and gas discovery process. That was because of the National Energy Program.

• (1830)

I was in Alberta at the time that this was happening. I watched all the little service sectors which are so important to the industry fold. I saw small towns in which the economic base was the oil and gas service industry where one in ten houses was for sale. Twenty-two trucks of Canadian FracMaster in Red Deer for fracing in the oil sector sat idle, every one of them with $.5 million in high technology sitting on them. Only five were operating. People do drop things down drill holes, hence the need for tool retrieval companies, which were also idle. Commercial or industrial laundries which handled the oil-ridden clothes and cloths from the worksite were idle, jobs were gone.

I went into Fort St. John during that period and you could fire a cannon down the main street without hitting anything. Yet, before the National Energy Program was introduced you could not get a hotel room in Fort St. John to save your soul unless you had a reservation two weeks in advance. It was on that basis that one company of which I am aware decided that it would respond to that need in Fort St. John and build a hotel. It got built, and it went broke. It was a very unfortunate opening because it opened at about the time that Marc Lalonde, with his colleagues from the NDP, brought in the National Energy Program.

There is only one person whom I know in Alberta, whose name is known to Canadians, who has the courage today to stand up and say: "I supported the National Energy Program". I am darned if I know how he has avoided the lynch mob. That is Mel Hurtig. There is a man who really pushes his credibility and his luck. In spite of everything, he has been the beneficiary of a couple of million dollars from this Government for his excellent works on *The Canadian Encyclopedia*.

The fact is that Mr. Hurtig supported the National Energy Program in spite of the fact that he was well aware of the economic and social disaster which it created in the Province of Alberta, in northern British Columbia, in southern Saskatchewan, and even in the heavy oil of southern Manitoba.

If the Hon. Member for Winnipeg North wants to wax eloquent and use as an argument the fact that Exxon stopped work on oil extraction from shale on the basis of the oil price of $14, $15, $18, or $20 a barrel, that is not a very good basis for an argument.

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, I appreciate the opportunity to speak on the western diversification department which is being established. Before I get into that though I want to point out to the Member for Kootenay West (Mr. Brisco), who has just spoken, that he should look at the history of the National Energy Program.

If he looks back in *Hansard* he might find that his Party, in opposition, voted for the National Energy Program and that the New Democratic Party, also in opposition, voted against the National Energy Program. I suggest that before he commits himself in this House and in public he should look back in *Hansard* and find out who voted for and who voted against the National Energy Program. That does not mean that we did not support some parts of it, as did the Conservatives. I suggest that the Member, who is leaving the House, does not know what he is talking about when he says that the New Democratic Party supported the National Energy Program at its conception.

The Member also made a lot of noise about us voting against a number of programs. He indicates a certain ignorance of what has gone on in this House. We voted against $650,000 for the Member for York—Peel (Mr. Stevens). If the Government had gone along with us and taken that amount out of the Estimates, we would have supported them. It was quite possible for the Government to do that without affecting any of the other programs which we all supported. The Member should look before he talks. He should not make statements such as he has which are far from accurate.

We voted against $650,000 for that Member but we did not vote against those other things. It was quite possible for the Government to put those Estimates back on the table after removing the amounts about which he spoke.

We in the West have had a lot of experience with diversification and development. The Government changes the name but the hope and the effective help remains about the same, very small. We call the West next-year country and it is this kind of program which makes it next-year country because we have been getting this from Liberal and Conservative Governments for many years. Each time it has come to naught and that is why we are called next-year country, as well as the fact, of course, that we are always looking toward next year's crop. These are the kinds of programs which make us believe that we are indeed next-year country.

The previous Liberal Government launched the Western Development Fund in 1980. It was to be $4 billion over four years, $1 billion a year. It was to start immediately but the money never appeared. It never appeared in the Estimates or as cash on anyone's table in any way. It was diverted. Many of the projects which the Member for Winnipeg—Fort Garry (Mr. Axworthy) indicated the Liberal Government had put before the House and the country already existed. The money was already in the Estimates and had been tagged for these projects but suddenly it became money for the Western Development Fund.

My home city of Prince Albert was in receipt of some of these funds through a program to develop the airport terminal. That terminal had been on the books of the Department of Transport for many years. Suddenly the money became available and was designated as funds from the Western Development Fund even though they were in the Estimates of Transport. We are used to such smoke and mirrors in the West as far as development is concerned. The Liberal and the Conservative versions are not very much different.

We do not really expect too much in the West. We support the idea and the objectives but are very reticent to say that this will happen because too often in the past it has not happened. In this particular case we are told that it is going to be $1.2 billion over each of four years compared with the Liberals' $4 billion over four years. There is quite a difference in the amount, which I do not think makes much difference in determining whether the Liberals had a better program because we never got any money from them either.

• (1840)

What is the source of the funds? According to the Minister, the office of the Department of Regional Industrial Expansion will be closed and its budget and personnel will go to the department of western economic diversification, at a cost of some $11 million. The legislation indicates that the personnel will come from the Department of Regional Industrial Expansion and the Department of Indian Affairs and Northern Development, with total operating costs of some $19 million, according to the 1988-89 Estimates.

The $290 million of the $1.2 billion this year for all four provinces is not really new money. In 1985, economic and regional development funds amounted to $14.844 billion, which was reduced each year, to $11.792 billion by 1987, a drop of some $3 billion. Of that $3 billion, $1.2 billion is being restored to the West, some $200 million in the East and further funds for northern Ontario. Therefore, these funds do not necessarily represent new money, and do not even equal the $3 billion that was cut during those three years.

In 1987, the Department of Regional Economic Expansion was operating across Canada with funds of $11.792 billion. That department has disappeared, to be replaced by the department of western economic diversification, the Atlantic Canada Opportunities Agency, FEDNOR for northern Ontario development as well as the Department of Science and Technology. The smoke and mirrors approach taken by the Government means that we are not sure how that $11 billion has been allocated.

It has been suggested that this is not new money in light of the fact that several programs will expire. These include IRDP which will expire this year and the IRDA program which will run out the year after. The Western Transport Industrial Development Fund will terminate after another year. Therefore, the federal Government will no longer have to fund these programs. Furthermore, the personnel for the department will

come from the offices of DRIE and Indian Affairs and Northern Development.

The Minister responsible for western economic diversification will be the czar of development in western Canada. When one considers this legislation and the material which has been sent to us, it appears that the department of western economic diversification, although small, will be responsible for the co-ordination of the line departments, including such major departments as Agriculture and Transport.

The present definition of "Minister" reads:

> 'Minister' means such member of the Queen's Privy Council for Canada as is designated by the Governor in Council as the Minister for the purposes of this Act'.

The definition in this legislation states:

> 'Minister', in relation to any class of matters to which this Act extends in any province or region of a province, means such member of the Queen's Privy Council for Canada as is designated by the Governor in Council as the Minister for the purposes of this Act in relation to that class of matters in that province or region of a province;'

It means that this small department will become responsible for the co-ordination of line departments. Hon. Members will know that the Department of Transport is a major department in the West and has a lot of clout. It is very difficult to reverse a decision of the Department of Transport, but that is the responsibility of this department of western economic diversification.

While the concept of having such a department responsible for line departments is good, I doubt that the czar of Western Economic Diversification will have enough power. The Department of Regional Industrial Expansion had the responsibility of co-ordinating line departments in regional development and got nowhere. We know, from experience in the West, that it is a very difficult task.

There is also a danger that the Minister can turn this $1.2 billion into a slush fund to be used as a weapon against governments such as the Manitoba Government or individuals and organizations that do not follow government direction.

I do not believe the Minister will be able to fulfil his responsibility with $60 million a year for each province. The trade deal will not allow him to do the many things the Minister says he wants to do in the booklet he passed out to the House last August. He suggests there are a number of things the trade deal will limit. One of the things the Alberta Government, the Saskatchewan Government, the Manitoba Government, and probably the Ontario Government, have done in the development of small industries and companies in Canada, is to give them breaks with respect to the cost of energy and other resources. That is no longer possible under the trade deal. Under the trade deal we cannot give someone in Canada a break, unless that break is given to his opposition in the United States as well.

• (1850)

A lot of the strength of Canadian development in the West has been in transportation. There are really two ways in which one can support regional development in the West. First is by helping out in the development of the industry or whatever one intends to develop in the West and, second, by developing the kind of transportation structure which makes it possible for western products to reach the market at a price that is competitive with other products from the United States or eastern Canada. We will no longer be able to subsidize transportation. The trade deal limits that. It limits it immediately on things like granola. We think that is one of the directions in which the trade program is going. It does not say so specifically in all areas but it indicates that that is what we can expect.

We cannot give tax breaks. We will be required to input substitution of Canadian products. There is a section in the trade deal which suggests that if the company is working in Canada, it must be treated as if it was local. Therefore, we cannot say that we have a product in Canada which will be used to manufacture something else in Canada more cheaply. The American company can come in and use that product. All of these things are in the trade deal.

Also the idea that we can establish a "buy Canada" or "buy provincial" is going to be left out as well. We might be able to keep our "buy provincial" policies because we do not really have too good a trade between provinces, but we will not again after this trade deal comes into effect be able to have a "buy Canada" policy because it suggests that any product coming into Canada must be treated as if it were produced in Canada.

We are told that 12,000 tonnes of grapes that are produced in British Columbia, the whole wine industry, will be wiped out because we will not be able to protect that industry from its competition in the United States. One of the things the Government has suggested it was going to do, and do well, is to allow supply and services to be divided among all the provinces of Canada. The West is 26 per cent of the population and has only 11 per cent of the procurement of the Government of Canada. The CF-18s, the rail line rehabilitation, the municipal infrastructure, even the so-called diversification fund, are so far all committed to Canada. These have now been committed to Eastern Goodrich and Japanese firms, not to firms which could and do give us a lot of jobs.

I have been critical of the Bill and what is going to happen because of the Bill, but I am not critical of the idea. What we need is development and diversification in the West. We have strong industries in the West. We have agriculture, mining, energy, forestry. These are industries which are very strong and on those industries can be built the kind of economic development which will make the West a prosperous area. I agree that we need this kind of development. I use the words "development" instead of "diversification" because diversification implies something different. But we have the strong industries from which we can develop other industries which

would be important and would make us a strong and viable operation in the West. I have much more to say but the time does not allow.

Mrs. Barbara Sparrow (Calgary South): Madam Speaker, I am pleased to participate in support of Bill C-113, which establishes the western economic diversification department. When the Prime Minister (Mr. Mulroney) announced the details of the western diversification initiative last August, he stressed the Government's belief that Canada's regions must have a more direct role in shaping the programs that affect them. In other words, sharing the major decision-making process with the regions.

This initiative builds on ongoing Government action to implement the 1984 Prince Albert Declaration which sets out the fundamental principles that should underlie western Canadian economic development policies, recognition of the importance of providing opportunities to allow young people to remain in the West, the importance of strong western representation in the Cabinet and the need for co-operation, consultation and understanding between the federal Government and the West.

Indeed, we must build on our strengths by providing technical, financial and market opening support to those westerners with a will to win. I might add that, in my view, such a will does exist in the West.

It is important to emphasize that the western diversification fund is not a substitute for spending programs operated by other departments, particularly those active in key resource and economic infrastructure sectors like agriculture, energy, fisheries and transport.

Western diversification investments are seeking to take best advantage of new national policies with respect to such matters as international trade and industrial innovation. This is just one more of our Government's initiatives to add to the overhaul of Canada's finances, the Meech Lake Accord and the free trade initiative.

We have moved on the economic front, the social front, in external affairs and in improving federal-provincial relations, not to mention the 1.2 million jobs created since September 1984 and the fact that there are .5 million fewer Canadians living below the poverty line today than there were in 1984.

The western diversification initiative is further proof that our Government has been sensitive to western needs from the first months we came into office. In my own Province of Alberta, 53,000 jobs have been created since the election and the unemployment rate has fallen from a record of 12.1 per cent in September 1984 to 9.5 per cent. In Calgary it has gone from 13.1 per cent to 8.5 per cent, with 16,000 jobs having been created in the past 12 months. Housing starts are up in Alberta. The value of building permits has increased. Retail sales have increased by 8 per cent in the past year. International tourism has improved in the past year without even taking into account the influx of tourists brought about by Calgary's magnificent Winter Olympic Games.

• (1900)

In rig activity, there were 328 rigs drilling in February this year compared to 141 at the same time last year. I am proud to say also that the Party which abolished the National Energy Program has come through with special payments to farmers to help overcome the subsidized competition from Common Market countries. With western diversification we are intent on backing up and diversifying the resource sectors of the western economy, but we can also move into developing manufacturing and high-technology fields.

When Prime Minister Trudeau made one of his trips to the West in 1973 Calgary hosted the Western Economic Opportunities Conference that resulted in piles and piles of learned papers. Finally, in the 1980 Budget of his Government the creation of a $4 billion western development fund was announced. To questions I placed on the Order Paper I learned that $345 million of this was assigned to native economic development; $82 million was assigned to an agri-food development program; and $60 million was assigned to a Vancouver rapid transit system. Amounts assigned to western grain transportation related initiatives included $1.7 million, plus increased future commitments under the Western Grain Transportation Act.

However, it was interesting to me to learn that the initiatives associated with the fund were to be financed out of general budgetary revenues, and that the funding was established partly in recognition of the increased revenues anticipated under that devastating Liberal National Energy Program, devastating to the West. In other words, the West was being bled for some narrow initiatives which would do nothing, nothing to diversify its economy, and left it largely dependent on its non-renewable natural resources.

The Western Diversification Program is an entirely new concept. It is one which will co-ordinate all federal economic development activities in the West. The establishment of the headquarters in Edmonton will mean that a significant part of the decision-making on development projects will be shifted west, increasing the understanding of the economic atmosphere in which we must function and eliminating the delays of a distant bureaucracy.

It is planned that the WDO's head office in Edmonton, together with its sub-offices in Vancouver, Saskatoon, and Winnipeg, will use its allocation to top up projects, contribute to important infrastructure projects and aid in the exploration of new ways to expand the potential of our western resource base. Western diversification staff will also assist businesses to find their way through the Ottawa bureaucracy, no mean task. It will help people in the front lines of Canadian economic development. Through these contacts it is hoped, in co-operation with the provinces and the business community, that

strengths and weaknesses of local economies can be analysed sector by sector.

This program has been designed to serve as an active and aggressive voice which will ensure that national decision-making reflects western opportunities and western needs. Our Government has undertaken to continue to provide the environment in which business can flourish. For instance, new rules for financial institutions are encouraging vigour and competitiveness throughout the financial sector. Tax reform will reduce distortions, promote equity and reward productive investment. The new National Transportation Act will improve Canada's lifelines by removing freight rate discrimination.

With 10 western Members of Cabinet the structure is in place to support them and their policy initiatives. Western Canadians are knowledgeable and aware of how crucial a secured access to the lucrative United States' market is. My constituents have been solidly behind our free trade agreement with that country. At the same time westerners are conscious of the opportunities available in the Pacific Rim. I have noted with satisfaction their pursuit of those markets.

Our Government has shown that it has confidence in Canadians. Entrepreneurs in this country want access to markets and an opportunity to compete because we have the talent to compete with anyone in the world.

I believe the WDO's most significant contribution in the long run will be the strong influence it can bring to bear on behalf of western Canada in the formulation of federal economic development to prepare for the next decade and, indeed, the next century. My personal hope is that WDO will seek high returns in economic development and diversification, monitor the performance of its investments and cut its losses if expectations are not met.

The federal Government has increased dramatically its assistance to the energy and grain producers. This fund is in addition to those substantial amounts.

The energy sector is a vital component of the western economy. Western Canada accounts for approximately 99 per cent of Canada's crude oil and natural gas production. Alberta alone accounts for some 87 per cent of production. Western Canada remains highly dependent on the oil and gas sector as the engine of growth. It is my hope that through programs such as western diversification a broader economic base can be achieved.

When the price of oil declined in early 1986 the economy in the West, and in particular in Alberta and the City of Calgary, declined significantly in terms of jobs lost and serious reduction in investment and exploration activity. Spot prices fell to under $13 U.S. a barrel. In fact, they fell from almost $30 down to below $10 a barrel. With these rapid and unforeseen developments in the oil and gas markets the Governments of Saskatchewan, Alberta and Canada have taken measures to assist the industry and maintain employment.

Alberta announced royalty relief in support programs. Saskatchewan introduced three programs to promote industry activity or reduce royalty burdens. Among the federal Government's provision of tax relief measures and assistance were the elimination of the petroleum and gas revenue tax, the elimination of which the Opposition did not support, and the introduction of the Canadian Exploration and Development Incentive Program which, although it is to be phased out, has supported the industry through these very trying times.

At the federal-provincial-territorial conference of Ministers of Energy in January, 1987, the Ministers agreed to undertake a review of energy security which would include an assessment of the role of conservation, oil substitution, oil and gas transportation infrastructure, electricity and the means to accelerate the development of new energy projects.

The Standing Committee on Energy, Mines and Resources, of which I have the honour to be Chairman, undertook to do a study which we called "Oil: Scarcity or Security?" In particular, our committee's concern was the future availability of crude oil internationally and domestically and the future supply of conventional light crude oil.

• (1910)

Our report clearly indicated the potential for serious problems arising from the highly uneven distribution of the world's light petroleum resources. The committee recognizes that the federal Government must weigh other concerns as well in setting energy policy. The question of oil availability cannot be settled as a resource issue alone. The committee paid due attention to the need for the satisfactory resolution of environmental and native concerns. As Members will know, our committee is not empowered under Standing Orders to undertake studies in environmental or aboriginal issues. However, the committee did feel that it had a responsibility to indicate the implications of making policy which ignores the petroleum supply question.

The Minister of Energy, Mines and Resources (Mr. Masse), in the Government response to the report, did state that the Government is in general agreement with our observations that Canadian policy should be an intermediate one between the extremes of a *laissez-faire* approach and the massive intervention typified by the National Energy Program of the previous Government. The Minister went on to state that although the report suggested that strategic intervention should be directed at oil, because oil markets do not function in a normal economic fashion, the Government's approach has been to improve the functioning of domestic energy markets and internationally to co-operate with our trading partners in initiatives designed to improve the stability of international oil markets.

The initiatives already taken by the Government in the energy sector to date will help prevent a loss of technological leadership. Our oil and gas sector is among the most advanced anywhere, and it has benefited from exporting its technological

expertise around the world. Substantial potential for the future growth exists in technology intensive areas within the energy sector, such as oilsands mining and heavy oil recovery and upgrading. While the current unstable world oil price situation may have reduced the immediate urgency to develop alternative energy techniques, energy research and development continue to be extremely essential.

A major contribution to the ongoing diversification of Alberta's economy was announced on December 22 last year. This was a joint federal-provincial financial commitment for the development and construction of an $18 million engineering research facility to the Centre for Frontier Engineering Research called CFER. The federal Government, under the WDO, is providing a $7.75 million capital contribution, with $1 million of this to be matched by CFER through its industry supporters. The Alberta Government is providing a total of $6.75 million, which includes a $4.5 million capital grant, $1.25 million toward operating funds through 1993, and $1 million maximum interest subsidy. The province will also provide a loan guarantee of up to $5 million.

The planned facility will feature two unique world class laboratories, a low temperature structural laboratory and a tubular products laboratory. Research undertaken in the new facility will be aimed at the development of technology to lower both the capital and operating costs of Canada's industry resources.

CFER was established in 1983 with funding from the Devonian Group of Charitable Foundations, the Government of Alberta, and the private sector. It is a non-profit research organization located in Edmonton. Industry support for the research centre has come from some 40 firms, including oil, steel, and engineering consulting companies across Canada.

It is fundamentally important that Canada maintain this technological edge and that the federal Government's actions continue to support the oil and gas sector and help us maintain this advantage. I trust that the WDO will be interested in projects consistent with Canada's international trade policy, which would help firms in the sector to broaden a commercially competitive capacity to apply their considerable expertise to other domestic sectors and to exports.

Support of propane and natural gas fuels development will, I am sure, continue. In the future, non-conventional sources of supply, such as oilsands, heavy oil, plus frontier supplies will become an increasingly large factor in Canada's energy equation. A number of major projects to develop these resources at present being evaluated or under way will have the potential to bring on stream large new oil supplies while increasing Canada's technological leadership.

The importance of Canadian energy security should be coupled with the value and benefit of Canada's energy exports. The goal of security of supply can best be achieved in an environment that encourages a free international flow of energy commodities.

Since announcing its intention to place a priority on western diversification in the October 1986 Throne Speech, our Government has held numerous informal meetings and discussions with provincial Governments concerning the federal initiative and has welcomed specific proposals from those provinces. The Premiers have established a western ministerial working group on diversification to design, with the Government of Canada, the imminent federal strategy. The federal Government has agreed, with the emphasis placed by the Premiers on the importance of long-term policies, to secure economic stability, growth, and diversification in western Canada.

In conclusion, in preparing the western diversification initiative, the federal Government has listened closely to the advice of western Canadians. A consensus has emerged on the objectives, and the implementation of the western economic diversification department is a major step towards realizing those objectives.

I wish to state my firm support for Bill C-113.

Mr. Schellenberger: It was an excellent speech given by the Hon. Member for Calgary South (Mrs. Sparrow) which answered many of the questions raised here today about the value and worth of this western diversification program. I would like the Hon. Member to comment on a comment made by the Hon. Member for Prince Albert (Mr. Hovdebo) when he stated that there would be limitations because of the trade initiative between Canada and the United States.

Of the 262 odd offers for projects that WDO has made in the last five or six months, does the Hon. Member believe that most of those projects that are forthcoming in western Canada are not coming forward because of anticipated exports into that huge market into the United States? Many small businesses and new opportunities in the West seem to be very excited about the opportunities, not of a market of 2 million people or 25 million in Canada, but of the opportunity of moving south of the Alberta and Saskatchewan borders into states that have populations as great as all of Canada. The opportunity now is there because of the openness of the border and the loss of tariff inhibitions that have been there in the past. Even in the energy field workers can cross the border much more freely than they could in the past.

I would like the Hon. Member to comment on whether she believes that a lot of the help that the federal Government can give to western firms will in fact result from the anticipation of a better trading arrangement with the United States?

Mrs. Sparrow: I wish to thank my colleague, the Hon. Member for Wetaskiwin (Mr. Schellenberger), for his kind remarks and his questions. To start off I believe that there have already been 4,000 or 4,100 requests for assistance through the western diversification office.

• (1920)

The Hon. Member has suggested that 262 projects are being reviewed. Certainly this shows what western Canada has and that we are willing to work toward improving our areas in terms of natural resources and in the agricultural field.

However, in the area of free trade we are looking to a market of not only 25 million people, but of 250 million plus 25 million. We know that in the area of oil and gas it takes moneys invested in certain areas to bring on megaprojects. They are extremely expensive. Also, through high technology, we are working toward becoming more efficient in the production of the tar sands as well as the frontier areas.

In my previous remarks I mentioned CFER which will be built in Edmonton. It will do cold weather research with regard to tubular goods and will allow us to become far more efficient and productive.

I must say that the petrochemical industry is probably the main thrust under free trade. My hon. colleague is absolutely right that free trade will remove some of the tariffs, which go up as high as 18 per cent on some petrochemical products. They have really been a tremendous barrier to allowing us to improve export and production in that particular area.

First, certainly the petrochemical area will benefit a great deal. The second area must be investment. As we improve our efficiency and our ability to do enhanced oil recovery and improve pipeline transportation, I foresee that it will take a lot of investment. This is why I want to say that the Hon. Member is absolutely right. Free trade will allow western Canada to expand and will give us markets so that perhaps we will not be so reliant on a federal Government.

It is very interesting to note that for many years most major decisions have come out of central Canada. It is high time that the regional areas, be they the Atlantic provinces, the western provinces, or northern Ontario, had people with the expertise in their own areas to look at and approve the most beneficial projects in the areas with which they are concerned.

As far as regional assistance under free trade is concerned, of course it has been exempted and will be reviewed. There is nothing in the free trade agreement that will discourage the western diversification office that we are setting up or the $1.2 billion fund. This was clearly set out in the free trade agreement. Canada has so many regions which vary in population and in economics that it is only prudent to realize this and have it included in the free trade agreement.

I look forward to the future of this particular initiative which we have established out West, and I look forward to working with the Minister.

[*Translation*]

Mr. Prud'homme: Madam Speaker, when the debate has to do with the West it has a special attraction to me. I would have been sorry to see no one from Quebec say at least a few words. However I do deplore the lateness of the hour—I always like the thruth—because I have to meet an important group at 7.45 p.m., and I would have liked to speak longer in the debate, but what matters is not how long one speaks, but the feelings one tries to convey as is now the case on this Bill called the Western Economic Diversification Act.

[*English*]

It is well known to all my colleagues that I have a lot of affinity with western Canada. I must have been to western Canada over 200 times, at least to speak, since becoming a Member of Parliament. If there is someone who should understand, it is certainly me. I am from Quebec but I am a federal Member in Ottawa, a Canadian, who understands the importance of western Canada to all Canada.

I just returned from three days in Winnipeg where I saw a very enthusiastic lady, as enthusiastic as the one who spoke before me, Mrs. Carstairs, the leader of the Liberal Party. As the House knows, she will be celebrating her birthday on the same day as she will become the Premier of Manitoba.

Mrs. Sparrow: What does this have to do with western diversification?

Mr. Prud'homme: The Hon. Member would be surprised. I have discovered that there is no polarization in Manitoba. Polarization was one of the great difficulties. If people all on one side, decide that they do not like it and go to the other side, there is no middle ground. However, I think that Mrs. Carstairs represents the middle ground and that polarization has been totally destroyed. It is a new ball game in Manitoba. I have a great deal of respect and affection for her. I spoke to a school in which Mrs. Carstairs was a teacher many years ago. She reminded me of that fact on the weekend. I did not remember it, but I was very delighted that she remembered the occasion.

I just wanted to say a few words in a non-aggressive way. It is a call to Canadians. I may not agree totally with the Bill, but it will go to committee. It will be reviewed. Every Government has its own approach to diversification.

Any part of my country is very important to me. Anything that can be done to make Canadians at large, not only western Canadians, understand that if a part of Canada is unhappy—and this is always my speech; people will say: "there he goes again"—the rest of Canada should feel unhappy. If western Canada does not feel that it is part of Canada, the rest of Canada should look into it and take the necessary steps to ensure that all parts of Canada are total parts of Canada and totally happy to be parts of Canada.

If I only have the time to say that—and probably that is all I will have time to say if I look at Madam Speaker—at least I have said it as a Quebec Member, *un député du Québec à Ottawa*, to underline the importance of what we are about to study in the parliamentary committee.

I may not be the greatest expert in law, but I should like to call upon Canadians to understand that when a part of Canada

is unhappy, when a part of Canada is feeling frustrated, or when a part of Canada does not feel that it is getting as much from all of Canada, there will be difficulty. If the Bill, amended or otherwise, could help achieve that goal, I think we will have done a great thing for my country. I will thank the Hon. Member now because I have to go.

The Acting Speaker (Mrs. Champagne): Does the Hon. Member for Calgary South (Mrs. Sparrow) wish to reply in the 30 seconds remaining?

Mrs. Sparrow: I could not let this opportunity go by, Madam Speaker, without making a quick 30-second statement with regard to the Hon. Member from the Liberal Party who talked about recognizing western Canada.

It is very interesting that he is a member of the Party which brought in the National Energy Program that sucked $60 billion out of Alberta to support central Canada. However, I was very pleased to hear him say that we must all work together because that is what the country is all about. It is high time that we all recognized that we are one big country and must support each other.

Mr. Prud'homme: Madam Speaker, I rise on a point of order—

Some Hon. Members: Go.

Mr. Prud'homme: I will not go because I stand by what I say. I regret the tone of the Hon. Member in reply to a contribution that I wanted to be a very positive one. I regret that she made it so negative, but I thank her very much, indeed.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

• (1930)

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

Some Hon. Members: Agreed.

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

Mr. Horner: Madam Speaker, five Members are standing.

The Acting Speaker (Mrs. Champagne): I did not hear anybody say no, but obviously someone did.

Mr. Schellenberger: Madam Speaker, I rise on a point of order. I do not know whether there was a "no" but I do not think it is necessary in order to have a recorded vote called.

Mr. Angus: Madam Speaker, while perhaps it is the desire of the House to have a recorded vote on this matter, I would ask that you review the Standing Orders as they relate to the mechanism used for calling such a vote. Perhaps when we reconvene at 11 a.m. tomorrow morning you will be able to advise us as to whether or not we have abided by the rules of the House in the calling of a vote.

The Acting Speaker (Mrs. Champagne): The Standing Orders require the Speaker to ask for yeas and nays and then for a recorded vote to take place if there is dissension in the House.

I asked whether it was the pleasure of the House to adopt the motion. Everyone said yes. There is no reason in the world for the Speaker to go through the yeas and nays and there is nothing in the Standing Orders at this point that would require me to go through that procedure and ask for a recorded vote.

Members are the masters of the House. If there is a unanimous request from the House that there should be a recorded vote then, of course, I will abide by the Members' wishes.

Is there a unanimous request from the House that there should be a recorded vote on the subject tomorrow morning at eleven o'clock?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne)): As we do not have unanimous consent, I declare the motion carried.

Motion agreed to, Bill read the second time and referred to a legislative committee.

It being 7.34 p.m. pursuant to Order made Friday, March 11, 1988, this House stands adjourned until tomorrow at eleven o'clock a.m. pursuant to Standing Order 3(1).

The House adjourned at 7.34 p.m.

HOUSE OF COMMONS

Tuesday, March 15, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

DAY OF MOURNING FOR PERSONS KILLED OR INJURED IN THE WORKPLACE

MEASURE TO ENACT

Mr. Rod Murphy (Churchill) moved for leave to introduce Bill C-286, an Act respecting a Day of Mourning for Persons Killed or Injured in the Workplace.

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Explain.

Mr. Murphy: Mr. Speaker, I am pleased to introduce a Private Member's Bill asking that April 28 of every year be designated as a day of mourning in remembrance of persons killed or injured in the workplace.

If this Bill passes, every April 28 will become a day on which Canadians will give recognition to those workers who have been killed, disabled or injured in the workplace or inflicted with an industrial disease. In this way we will set an example of commitment to the issue of health and safety in the workplace.

Our most recent work injury statistics available from Labour Canada indicate that there were 23,213 accident claims made between April 1, 1986 and March 31, 1987. Of these, 12,711 required the worker to take injury leave. This is a staggering number of injuries and demonstrates a clear need for greater emphasis on health and safety in the workplace. It is my sincere hope that the passage of this Bill will assist, through a national day of mourning, to increase action on this matter of life and reduce the danger of death and illness at the workplace.

Motion agreed to, Bill read the first time and ordered to be printed.

PETITIONS

PROPOSED FREE TRADE

Mr. Neil Young (Beaches): Mr. Speaker, I have a petition today signed by many people from various centres across the country.

• (1110)

They state that whereas the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States, and whereas the proposed trade agreement would deny Canada the policy freedom to determine its own economic future and would undermine our ability to build a society distinct from that of the U.S., wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

Mr. Rod Murphy (Churchill): Mr. Speaker, I also have the honour to present a petition signed by many Canadians indicating that the Conservative Government has no mandate from the Canadian people to conclude a trade arrangement with the United States.

Whereas the Prime Minister (Mr. Mulroney) promised in the course of bilateral trade negotiations that Canadian sovereignty would not be compromised and whereas—

Some Hon. Members: Order.

Mr. Murphy: It appears as if some government Members would like to hear more about this matter, and I will comply. The trade agreement negotiated by the Government threatens—

Mr. Speaker: The Hon. Member for Churchill (Mr. Murphy) has the floor, and I would ask Hon. Members to respect his right to make his presentation.

Mr. Murphy: Thank you, Mr. Speaker. It has been very difficult to present petitions in the House lately with the Government's continuous interference.

Mr. Speaker: Brevity is the soul of wit.

Mr. Murphy: We will not make any remarks about the half-wits on the other side.

The proposed trade arrangement would deny Canada the policy freedom to determine its own economic future and

would undermine our ability to build a society distinct from that of the United States.

Therefore, the undersigned, your petitioners, humbly pray and call upon Parliament to dissolve and allow the people of Canada an opportunity to accept or reject the proposed trade arrangement during a national General Election.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, pursuant to Standing Order 106, I have the honour and the duty to table the attached petition which has been certified correct as to form and content. The petition is signed by a number of Canadians who reside in a number of different communities in the Province of British Columbia.

They are concerned about the agreement between Canada and the United States and they feel that the agreement as negotiated threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership and develop Canadian energy resources in the best interests of Canadians or to equalize opportunities between the regions.

They humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed trade agreement during a national general election.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I will try to be brief and, as usual, not very witty.

Mr. Boudria: Non-provocative.

Mr. Waddell: Yes, non-provocative. I have a simple petition here from the City of Kingston where part of the Canadian nation was founded.

The petitioners worry about the trade deal, the inability to control foreign ownership, the inability to develop Canadian energy resources as a result of the deal and the inability to equalize opportunities between the regions, all the foundations of Canada, and these people are worried, as are I and my Party, about the trade deal and they petition against it. They demand, as do I, that the Government have an election very soon so that we can go to the people and discuss all the details of the trade deal. It is an honour to table the petition.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I too have the honour to table a petition today from a number of Canadians who say that the Conservative Government has no mandate to negotiate the free trade deal and that Canadian sovereignty is being affected. These honourable Canadians who should not be criticized also say that the Government now threatens the very fabric of Canadian cultural and political life and above all, they say, and I really concur, that the House should now be dissolved and there should be a general election campaign.

I am sure that members of the Liberal Party agree that if that happens, it will be the end of the Conservative Party of Canada because it will finish third.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I have the duty and the honour to present a petition from constituents of Thunder Bay—Nipigon who also express themselves on the trade deal with the United States which my colleagues have been presenting petitions on in the last minutes.

These petitioners too say that the Government had no mandate from the Canadian people to conclude this agreement. They note that the Prime Minister (Mr. Mulroney) promised in the course of the negotiations that Canadian sovereignty would not be compromised, but they noted very early that the proposed trade agreement would deny Canada the policy freedom to determine its own economic future. Events in the last days have confirmed that as business leaders call for Canada's policies to be harmonized with the U.S.

With the proposed trade agreement not only denying Canadians secure access to the U.S. market but threatening the loss of hundreds of thousands of jobs, these petitioners call on Parliament to dissolve to give them the opportunity in a General Election to reject the deal and the Government that negotiated it.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 246, 247 and 262.

[*Text*]

MEASURES TO COMBAT COMPUTER CRIME

Question No. 246—**Mr. Howie:**

Did the government undertake, or initiate, in the fiscal year ending March 31, 1987, any studies relating to the effect of, or measures to combat computer crime and, if so (*a*) were the studies carried out by outside consultants and (*b*) in what time frame were the studies to be conducted (*c*) what amount was allocated to the studies?

Hon. James Kelleher (Solicitor General of Canada): No studies were undertaken or initiated by the Ministry of the Solicitor General in the 1986/87 fiscal year. However, in April, 1987, the Ministry shared in the sponsorship of a conference for the police and prosecutorial communities to consider strategies to combat enterprise crime, including computer crime.

The RCMP has an ongoing program to combat computer crime, and in this connection works closely with other police agencies and industry.

STUDIES REGARDING CHILD ABUSE

Question No. 247—**Mr. Howie:**

From January 1, 1986, were studies regarding child abuse and neglect done for the Department of the Solicitor General by (*a*) departmental personnel (*b*)

outside consultants and, if so, in each case, what were the names and dates of publications or completion of such studies?

Hon. James Kelleher (Solicitor General of Canada): Since January 1, 1986, the Ministry of the Solicitor General has not undertaken or initiated any studies dealing specifically with the issue of child abuse and neglect. However, it has supported the development of the Community Services Council for the Working Group on Child Sexual Abuse. The purpose of the project was to form a community-based multi-organizational committee to deal with the problem of child sexual abuse. The Ministry's contribution funded the initial work to be undertaken.

ASSESSMENT OF FISHERIES RESOURCES OF GEORGES BANK

Question No. 262—**Mr. Henderson:**

Has the Department of Fisheries and Oceans completed an assessment of the fisheries resources on the Georges Bank and surrounding area and, if not (*a*) when will the department complete a resource assessment (*b*) will the study include an assessment of the impact or potential risks associated with offshore exploration and development?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): (a) The Department of Fisheries and Oceans is involved in an active, ongoing program to monitor resources and conduct analyses of the status of major fisheries resources on Georges Bank. The work includes an annual groundfish survey in the spring, exploratory surveys of adult cod and haddock distributions during the commercial fishery season, exploratory surveys to monitor the resurgence of herring, experimental surveys to study the early life history of juvenile cod and haddock, and larval surveys of herring along the Maine-New Brunswick coast. Analysis includes formal assessments of cod and haddock, which are reviewed by the Canadian Atlantic Fisheries Scientific Advisory committee (CAFSAC), as well as the production of various other documents and publications, e.g. on the early life history of cod, haddock and herring, and the resurgence of the Georges Bank herring and its expected effect on the New Brunswick sardine industry.

(b) The Department has recently completed an assessment of the environmental impacts associated with offshore hydrocarbon development. This was in response to a 1987 request from the Gulf of Maine Advisory Committee (GOMAC) for a technical presentation on the impact of oil exploration activity on Georges Bank. The assessment of the possible environmental impacts of exploratory drilling on Georges Bank fisheries resources provides a general scientific evaluation of the likely environmental impacts of exploratory drilling on Georges Bank as perceived by the Science Sector of DFO's Scotia-Fundy Region at the present time. The assessment was considered by GOMAC at their meeting on February 11, 1988.

[*English*]

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered.

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

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

Some Hon. Members: Agreed.

* * *

PRIVILEGE

ALLEGED LEAK OF CONFIDENTIAL RESEARCH MATERIAL OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I rise on a question of privilege. I wrote you earlier today in connection with articles appearing in *The Toronto Star*, in the Toronto *Globe and Mail* and, as I now find, in the *Financial Post* purporting to deal explicitly with confidential and private research material alleged to be a report of the House of Commons Finance Committee and very seriously making allegations about the contents of that report or draft work being done by the committee.

It is exceptionally difficult for committees to operate, and I have checked to make sure that the members of the committee have been most discreet in keeping issues within the committee and making sure that none of it was released. Nonetheless, it is clear from the articles in the press that somewhere in the course of events, Canadian Press reporters Eric Beauchesne and Gordon McIntosh have obtained a copy or what appears to be a copy of some of the preliminary work for report to the House of Commons.

The problem is that the release of the material in the form in which it was released seriously damages the work of the committee and brings disrepute to the members of the committee who must, if they are to act responsibly as Members of Parliament and work with the respect of the financial community and the financial service industry of Canada, responsibly handle matters with discretion. The banking industry has been very co-operative with the committee by supplying the committee material for its investigation. The headlines covering these articles clearly indicate that somehow the banks have refused to co-operate with the committee.

The unfairness of the matter is such that I believe it ought to be a matter of the privileges of the House. Surely we cannot allow the preliminary work of a committee, when the matter has not been resolved by the committee, to be spread around the countryside as if the committee had come to a decision when it clearly had not. This leaves an impression with the public that somewhere along the line, the members of the committee have made a decision that they have not made. That attacks the very ability of the committee to make a contribution to the people of Canada and to this House.

• (1120)

Sir, if somewhere along the line that practice is not discouraged, then our parliamentary committees will be severely

damaged and the reputation of Members will be hurt. Therefore, I ask that if you find there is a prima facie case of privilege, that I be allowed to move the appropriate motion.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I, too, would like to support the point raised by the Chairman of the Standing Committee on Finance and Economic Affairs and express my great distress at what has happened and its implications for the working of committees of this House.

We have seen in the last couple of years some very far-reaching changes in the committee structure and these have depended to a large extent on the ability of Members on all sides of the House to put aside the possibility of partisan or individual gains and work together constructively for the common good. In that spirit the Standing Committee on Finance and Economic Affairs has usually managed to come up with unanimous reports. The Standing Committee on Public Accounts, which I have the honour of chairing, also operates in the very same way with a remarkable degree of trust.

As you know, in times past committee members were not allowed to take research material or preliminary drafts away from the committee room. Because of the fear of preliminary leaks, all work had to be done right there in the committee room. We all know how this weakened the quality of the input. The Chairman of the Standing Committee on Finance and Economic Affairs has made a practice of doing what I do in the Standing Committee on Public Accounts, that is, giving members research and confidential background materials as soon as they are available and relying on the discretion of the members and their staffs to handle these materials responsibly and not leak them piecemeal, and not interfere with the integrity of the committee coming to a decision.

I feel there are important principles here that go right to the heart of how Parliament works, how the committee reforms work, and I sincerely hope we will be able to find a solution that guarantees that this will not happen again.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I also wish to support the comments made by my friend, the Chairman of the Standing Committee on Finance and Economic Affairs, and state the obvious. We have had a chance to check with the offices of the Hon. Member for Regina West (Mr. Benjamin) and the Hon. Member for Ottawa Centre (Mr. Cassidy) who are members of that committee. They assure me that they did not leak the reports or the information. They have checked with their staffs, and their staffs have not done it either. It is a very serious issue which has been raised by the committee chairman. I do not think anyone suspects any Member of Parliament or their staff, and we wish to do whatever we can to make sure it does not happen again.

Mr. Speaker: The Hon. Member for Mississauga South (Mr. Blenkarn), who is also the distinguished chairperson of the Standing Committee on Finance and Economic Affairs, has raised a matter which the chair takes very seriously.

It should be noted by Hon. Members, and also by the public who is watching and listening, that the complaint brought by the Hon. Member for Mississauga South has been supported by the Hon. Member for Trinity (Miss Nicholson) on behalf of the Official Opposition, and by the Hon. Member for Yorkton—Melville (Mr. Nystrom), on behalf of the NDP. All three Members are Members of long standing in this place and very well respected. The point simply is that if there cannot be some kind of trust and security in matters which ought to be confidential before they are made public, then the workings of this place become extremely difficult indeed.

I had occasion to comment on this matter only some days ago. However, I will take it under advisement, look very carefully at the interventions, and report to the House as soon as it is appropriate to do so.

I thank the Hon. Member for Mississauga South for raising the matter, and I thank the Hon. Member for Trinity and the Hon. Member for Yorkton—Melville for putting this on a completely non-partisan basis.

GOVERNMENT ORDERS

[*English*]

CANADIAN MULTICULTURALISM ACT

MEASURE TO ENACT

Hon. David Crombie (Secretary of State of Canada) moved that Bill C-93, an Act for the preservation and enhancement of multiculturalism in Canada, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, first let me say that I am pleased to lead off the debate on second reading of this Bill. I might say that I am also very pleased that, since the introduction of this Bill on December 1, 1987, we have had throughout the country a very impressive response. I think it is fair to say there are very few Bills that come before this House, which are complex and sometimes contentious, that have had such a strong and positive response. The Bill has been well received indeed.

If I can indulge in a little immodesty to make a point, I would quote from the Montreal *Gazette*:

> . . . Mr. Crombie is right to aim high. It is easy to be cynical about such ideals as equality, bilingualism and multiculturalism, which are too often betrayed in everyday life. But without the ideals—and the urge to make them real—everyday life would be unlivable.

The Toronto *Sun* says:

> Crombie has a good solution. Instead of entrenching heritage language programs in the most radical way and enshrining divisions in other ways, he'd like to see our histories reflect the reality of how our country was built.

The Toronto Star says:

> It's precisely by avoiding the temptation to create a centralized multiculturalism department with huge powers that David Crombie does all Canadians a big favour. Rather than shove ethnic groups into permanent multicultural

ghettos, he's content to have all Canadians treated the same when it comes to protecting their basic rights and freedoms.

Johnny Lombardi, Canadian Association of Ethnic Radio Broadcasters, says:

The proposed Act pleases me beyond measure . . . I look forward . . . with deep pleasure to shaking your hand in our mutual and personal celebration of the fruition of a dream which has finally come to pass.

Courier Canadienne says:

At long last a Government is making the effort to recognize the realities of an evolving Canada.

Lou Meloski, National Chairman of the Canadian Multicultural Council says:

It is my belief that Canadians across our country will welcome positively the benefits that accrue from this Act. It is an Act for all Canadians, it is an Act that will bring us social peace and harmony that Canadians strongly believe in.

Lucille Blanchette of the *Société franco-manitobains* says:

I support the proposed Bill, which will help the country's multicultural groups as the official languages policy helped anglophone and francophone minorities.

Art Miki, President of the National Association of Japanese Canadians says:

The NAJC greets with enthusiasm the new Canadian Multiculturalism Act . . . which attempts to recognize minority rights and to protect individuals of all ethnic backgrounds from the injustices experienced by (the Japanese) community in the past.

• (1130)

The Canadian Ukrainian Committee welcomes the Act as a long overdue attempt to recognize the contributions that different groups have made to the Canadian mosaic.

Edith Habzmanski of the Vancouver Multicultural Society says:

It's important for the multicultural community to be officially recognized in legislation in Canada; that there is an official piece of legislation that they can refer to.

George Corn of the Canadian Ethnocultural Council said:

We feel it will be a really good and workable act. We offer to work together with the government and both opposition parties to still improve the act.

Javed Hamid, President of the Canadian Federation of Multicultural Councils said:

We are pleased with the introduction of an Act and are committed to working with you through the stages of debate.

Khaki Aziz from the Committee for Racial Justice says:

The act is a welcome step and I am pleased it mentions the country's racial diversity and promotes racial understanding and tolerance.

I picked the best responses, Madam Speaker, because it is, of course, not a perfect Bill but it is a first-class first step. When this Bill goes to committee, as it will, committee members will have the opportunity to recommend those changes which they think are important. I hope they do their work well and quickly, because the Government and the people who have sent telegrams and letters and made public pronouncements want this Bill passed into law. Whatever differences parliamentarians may have among them should not stand in the way of ensuring that Canada's first multicultural Act is passed in the very near future after it gets out of committee.

I read all of those nice comments about the multicultural Bill because I was impressed with the range and depth of the positive response. Even though people have some differences with specific parts of the Bill, they overwhelmingly support the principles of the Bill. There is a good reason for that, Madam Speaker. It is that this Bill is based on the oldest and strongest ideas that the country has to offer. They may have a new application in a multicultural Bill, but they are very old and important ideas.

These are not ideas about Canada which come from an academic pen. They are ideas about Canada which come from the experience of this country, the experience of the people who live and have lived in this country. It is experience that comes from the history of this country. It is experience that comes from the geography of this country. It is experience that comes from immigration patterns in this country and, sure enough, it is experience that comes from the peculiar, particular, and unique approach to nation-building which Canadians have always been able to forge.

That can be seen when we look at how our leaders, over time, have tried to come to grips with a county diverse in its culture, diverse in its language, diverse in its history, and diverse in its life experiences. Some of the most elegant prose written in either English or French in this country been written by political leaders throughout the ages in this country to describe what they understood to be the basic and fundamental reality of Canada's diversity. Let me cite as an example what I think is one of the most beautiful and often repeated statements by then Prime Minister Wilfrid Laurier 85 years ago. He said:

I have visited in England one of those models of Gothic architecture which the hand of genius, guided by an unerring faith, has molded into a harmonious whole. This cathedral is made of marble, oak and granite.

It is the image of the nation I would like to see Canada become. For here, I want the marble to remain the marble; the granite to remain the granite; and the oak to remain the oak; and out of all of these elements I would build a nation great among the nations of the world.

[*Translation*]

Madam Speaker, more than 25 years ago, John Diefenbaker, who was Prime Minister at the time, used equally striking images when he said that Canada is not "a melting pot where a number of ingredients are amalgamated, thus destroying their individuality, to produce a new and totally different product. This country is more like a flower garden to which the hardiest and most radiant blossoms from a host of different countries have been transplanted, each maintaining in its new environment the best qualities for which it was loved and cherished in its native country".

[*English*]

Indeed, most recently in a long line of Prime Ministers who have tried to define what Canadian diversity means, the present Prime Minister (Mr. Mulroney) said a year ago in Toronto:

> Multiculturalism is an affirmation of our commitment that Canadians of all ethnic and racial backgrounds have the right to equal recognition and equal opportunity in this country. Thus multiculturalism lies at the very heart of the idea of Canada, of our sense of country. As with our commitment to official languages, it reflects where we have come from and where we are going.

We also saw that sense of the importance of diversity coming from our own experience during the unity debates of the 1960s and 1970s. Some of us in this Chamber are old enough to remember those. I remember in particular a comment made by Dr. Charles Hobart who at that time was a professor of sociology at the University of Alberta, and an American. He said at that time something which cut through to a lot of us. He said that Canadians are almost "the" multicultural society of the world. He said to us in 1963:

> —this is your identity. It is the contribution you as Canadians have to make to the world. The system of multiculturalism has now worked for almost 100 years and you should be missionaries in this . . . cause.

I remember as well a speech to which I referred on one other occasion by Senator Paul Yuzyk. That Senator from Manitoba was probably the first parliamentarian to put on record the call for the understanding and declaration of a multicultural Canada. In his maiden speech 23 years ago in the Senate he said:

> The Indians and Eskimos have been with us throughout our history; the British group is mutlicultural—English, Scots, Irish, Welsh; and with the setting up of other ethnic groups, which now make up almost a third of the population, Canada has become mutlicultural in fact . . . In keeping with the ideals of democracy and the spirit of Confederation, Canada should accept and guarantee the principle of the partnership of all peoples who have contributed to her development and progress.

It continued, of course, in the early 1970s. In 1971, Prime Minister Trudeau proclaimed Canada to be officially multicultural with a policy directed toward, he said:

• (1140)

> Preserving human rights, developing Canadian identity, strengthening citizenship participation, reinforcing Canadian unity and encouraging cultural diversification within a bilingual framework.

Shortly after he made that speech in the House in 1971, he was joined by the then Leader of the Opposition, Robert Stanfield, who said:

> What we want is justice for all Canadians and recognition of the cultural diversity of this country.

It did not stop there. In 1972, the government of the day appointed for the first time a minister responsible for multiculturalism. A year later, in 1973, there was appointed an advisory body to the Minister for Multiculturalism.

In 1977, after a very heated debate with respect to multiculturalism, this country adopted the Canadian Human Rights legislation. In 1982, with the adoption of the Charter of Rights and Freedoms not only the equality clause, Section 15(1), but Section 27 in particular terms were put in the Charter. Section 27 reads:

> This Charter shall be interpreted in a manner consistent with the preservation and enhancement of the multicultural heritage of Canadians.

In early 1984, the Liberal government of the day, through the parliamentary committee, brought forward the report *Equality Now*. It was supported by all three political parties and called for urgent action to fulfil the promise of multiculturalism in the Charter. Later in 1984, the Liberal government of the day introduced Bill C-48 but, because of the impending election, the Bill was not concluded. Indeed, I think it is fair to say that people on all sides felt more work was needed to be done.

When the new Government assumed office in 1984, the Prime Minister made a commitment through the Speech from the Throne to review the matter and bring forward a multicultural act. We began that process with the establishment of a parliamentary committee on multiculturalism.

In June, 1987 that Standing Committee on Multiculturalism, chaired by my hon. friend, the Member for Grey—Simcoe (Mr. Mitges), brought forward its report entitled *Building the Canadian Mosaic*. It also made specific recommendations on the content of Canada's first multiculturalism Bill.

Finally, on December 1, 1987, Bill C-93 was introduced into the House.

I have gone through that long history because Canadians sometimes forget that ideas and events do not happen simply in one morning. They have a background to their development, and I want to ensure that it is clear that this Bill fulfils the promise of that long historic march toward a multicultural Canada. This Bill is true to the spirit and intent of Section 27 of the 1982 Charter of Rights and Freedoms. It provides a legislative base for the multicultural policies of the Government of Canada. It recognizes and declares that multiculturalism is a central feature of Canadian citizenship and of being Canadian. This Bill reinforces the historic right of every Canadian to choose to enjoy, enhance and share his or her heritage.

Finally, this Bill commits the federal Government to promote multiculturalism throughout its departments and agencies and in Canadian society as a whole.

If I asked Members of the House or average Canadians across Canada, indeed people outside Canada, what words they would use to describe Canada, they would have varying views about what Canada means to them. Certainly most of us who participate in public life and attend meetings where people concern themselves with these matters would respond with three words: freedom, stability and opportunity. Indeed, that would be the response of most people who know the reality behind those words.

That is what Canada means to Canadians, once the rhetoric is removed. That is what it means to people around the world

who want to live in this country. The combination of freedom, stability and opportunity in a society is very rare in this world. Canada has been able to depend upon freedom, stability and opportunity for generations. While we have not always practised it well, and I have occasionally talked about periods when we have had a shortened sense of the values and traditions of this country, I think we can agree with the Canadian writer who said: "When you visit Canada you visit the peaceable kingdom, the peaceable kingdom of freedom and stability and opportunity".

Canada, certainly more than most other countries, has been able to practise a way of life that gives tangible opportunities to Canadians and those who come here to live. Why? How? I believe it is because we have always tried to practise three fundamental principles. Those principles are at the heart of this Bill and at the heart of Canadian citizenship. They are equality, diversity and community.

Some people are cynical about those principles. There are some people—perhaps it is the comfortable and secure—who take it for granted that those principles will produce the freedom, stability and opportunity that we enjoy.

As Secretary of State, I have the opportunity to judge Canada Day posters made by kids across Canada. When I read a cynical editorial or hear people express the view that these principles are silly, I look at those Canada Day posters in which eight, ten and twelve-year old kids describe what they think it means to be Canadian. In their primitive way they describe the principles of equality, diversity and community. We must never stop recognizing those principles because they give us that freedom, stability and opportunity.

Equality is not simply an idea. It is and always has been a burning struggle for people and communities in the desire to make sure that one is not diminished as a person or held back because of colour, race, creed or religion. Those qualities that add up to human dignity are daily struggles. Some of us forget that.

• (1150)

Those of us who have the opportunity to visit groups, either newly arrived or those who have historical traumas with which they have to deal, recognize that at the root, equality is an individual and group struggle which must be dealt with each and every generation. Equality is also a social glue. It keeps us together. It is an integrating force. It allows people in this country to say, "I will make a commitment to social harmony and to the stability of this country because it gives me equality of opportunity". Equality of opportunity gives people the willingness to ensure we keep it together.

One notices most, I suppose, in Citizenship Court ceremonies, that equality comes from Canadian citizenship. People who receive their citizenship understand that they now will have equality of opportunity. They know they have to struggle for it but their citizenship is their passport to do so. That is why equality is something we should not underestimate. It is a powerful principle, not only ideologically but it is clearly practical on the street.

People come to this country and stay to live here because they want to be Canadians. First and foremost they want to be Canadians. I might say that that is one of the reasons I rejected a recommendation of the standing committee with respect to a separate department for multiculturalism and a commissioner.

Some people have said I did not go far enough. They are wrong. I think a separate department and a commissioner is absolutely wrong and against the traditions of this country. I might say, Madam Speaker, that I am not alone. If you look at some of the testimony which has been given you will see that others agree.

The Toronto Star, I think, probably does more in the multicultural field, reaching a larger number of people, than any other news media in the country. I will quote it again:

> It's precisely by avoiding the temptation to create a centralized multiculturalism department that David Crombie does all Canadians a big favour. Rather than shove ethnic groups into permanent multicultural ghettos, he's content to have all Canadians the same when it comes to protecting their basic rights and freedoms.

It is not because I did not want to go far enough, it is because I reject the view that we should ghettoize people in this country, bureaucratically. Their rights are the same as Canadians. I rejected the commissioner for the same reason. Multiculturalism in this country, historically, and multiculturalism in this Act, is not the language of command control. It is the language of choice and opportunity. People's rights are going to be guaranteed in this Act not by some special commissioner for multiculturalism but by the commissioner who guarantees the rights and freedoms of all Canadians.

Some people regard diversity as a curse, as a problem with which we have to deal. I do not. Diversity, to me, has always been a blessing, an opportunity, and I would like to try to put some emphasis on that, not on how we have to cope with diversity, nor on how we have to solve a problem. I want to give an excellent example of this. The other night I was reading *The Law Society Gazette*. In it was an essay on The Scottish Enlightenment of the middle and latter part of the 18th Century. What attracted my eye is that it was written by the Hon. Bertha Wilson, eminent Justice of the Supreme Court of Canada. She was asked to speak in Saskatoon on things which influenced her with respect to her thinking about literature and the law, and how her cultural upbringing affected her particular perspective. I will not read it all. It is a delightful essay on its own for those who have an interest in the relationship between literature and the law. What impressed me was the last paragraph. In preparation for her talk at the University of Saskatchewan she went back to Scotland to refresh her mind.

> I have amassed quite a small library as I attempted to update a Scottish education of some forty years ago and it has been a privilege to share this experience with you upon my return home again to Canada.

And this is the point:

> I have never quite been able to understand the emotional springs that give rise to the love and pride I hold for both the land of my birth and the country of my adoption, how easy it has been for me to become a Canadian and feel completely at home in both French and English Canada. Perhaps it is because there is a mysterious element of Scottishness in the Canadian psyche itself, as Lord Tweedsmuir . . .

A former Governor General.

> . . . declared at Winnipeg on St. Andrew's Day 1936: "Canada in one sense is simply Scotland writ large". Certainly it has had a magnetic attraction for the Scot and over the years many have come to build a new life here; and could echo the "je me souviens" of their French compatriots. For like them they also cherished memories of the land they had left behind—in the haunting lines of an anonymous poet of this Golden Age of Scottish culture—

And one can find this sign, by the way, in Cape Breton.

> From the lone sheiling of the misty island
>
> Mountains divide us, and the waste of seas—
>
> Yet still the blood is strong, the heart is Highland,
>
> And we in dreams behold the Hebrides.

I have a Scottish background so I am attracted to that poem. And I can tell you, Madam Speaker, that that sense is not unique to the Scottish community. You will find that sense with the Macedonian community that I was with on Saturday night. You will find that sense in the Chinese communities and in every multicultural community in the whole of this country. People have a need to be proud of their heritage. It tells them about themselves. They have a sense of belonging, a sense of roots that is important to them. They need to know that their background is as important as anyone elses, and equal to it, and brings with it a perspective on being Canadian that others may not have.

If you have a Chinese background, you have a different perspective on being Canadian. You share some things about being Canadian but you have a different perspective. I can well remember a poem by F.R. Scott with respect to E.J. Pratt's poem about the building of the CPR, extolling that great historic event. However, he forgot to mention the contribution of the Chinese community. F.R. Scott wrote in his opening lines: "Where are the Chinese in your poem, Ned? Where are the 30,000 who swung their picks at 40 below?" The same story with respect to the Chinese community could also be repeated about other communities.

It drives me nuts, Madam Speaker, when I hear people ask why they cannot just be Canadian. That shows two things. First, they are really saying, "Why can't they be like me?" Second, they would cut this country off from some of the richest cultural, linguistic and philosophical ore that we can mine.

• (1200)

That is why I would like to conclude by reminding us all that whatever our differences with respect to the Bill, and there will be some, we are involved in no small piece of work. Barbara Ward, a British economist, once said that Canada was the world's first international country. Indeed, this country has earned a reputation over the years through its participation in world affairs, the recently held Commonwealth Conference in Vancouver, the *Sommet de la francophonie de Québec*, the Economic Summit in Toronto this June, and the free trade agreement.

These items have been looked at by people around the world. They also watch us in terms of what we do with respect to human beings, in terms of what we do with respect to human rights and in terms of what we do with respect to multiculturalism. They know we practise it better than anyone else in the world. They know that the world is multicultural. They know that the world is multilingual. They know that the world is multiracial. This gives us a golden opportunity.

For the last Canada Day celebrations held on July 1, 1987, a teacher from Etobicoke, Ontario, wrote an essay. I do not think anyone in the House can say it any better than she said it. She said:

> All Canadians of whatever creed, background or colour have a destiny—a destiny to build a country . . . If we can live here in harmony and in peace, if we can all benefit from being Canadian, if we can prove our country to be not only a land of freedom, but a land of justice and hope for those who follow, then the rest of the world will come to ask us our secret. Perhaps that can be a contribution we Canadians can make to civilization and to global survival.

I think she has it right. I hope that when we conclude our discussions with respect to this Bill that we will have it right, too.

Some Hon. Members: Hear, hear!

Mr. Prud'homme: Madam Speaker, I rise on a point of order. I know that it is not customary, pursuant to our rules, to ask a question of the Minister at this time unless there is unanimous consent of the House to do so. However, because of a recent event which took place and because we have here the man whom I call the protector of multiculturalism, the spokesperson for that aspect of our country, I would like to ask a non-partisan question concerning a recent event dealing with the Sikhs, many of whom I had the honour to meet. I seek through you, Madam Speaker, the unanimous consent of the House to ask the Minister a question.

The Acting Speaker (Mrs. Champagne): Is there unanimous consent to allow the Hon. Member for Saint-Denis (Mr. Prud'homme) to ask a question of the Minister?

Some Hon. Members: Agreed.

Mr. Prud'homme: I thank you, Madam Speaker, and in particular I thank the Minister. I will be participating in this debate, although it will not be today, since its subject matter is something in which I passionately believe. It is something that keeps me here in Ottawa.

As Chairman of the National Liberal Caucus I had an opportunity recently to meet representatives of the World Sikh Organization. I arrived in Winnipeg and I met some people, including taxi drivers. I must say that I found recent comments made by the Secretary of State for External Affairs (Mr. Clark) concerning Sikhs extremely disturbing. Maybe this is not political. Perhaps some of my colleagues may disagree with

my taking this opportunity to ask the Minister as the protector of multiculturalism in Canada a question concerning this matter. The Minister was very sincere in his speech. I listened with interest to it. I hope that he can make a comment today since there is a disturbance that is growing in Canada.

The Minister knows very well that there are 250,000 Canadians of Sikh origin in Canada. If the Minister would like to comment today or perhaps later I would appreciate it. However, I would like him to understand the seriousness of the feelings at the moment in the Sikh community in Canada.

Mr. Crombie: Madam Speaker, I am pleased to be given this opportunity to reply to the Hon. Member. I understand the seriousness of the question and the seriousness of the matter.

First, I do not need to speak with respect to the actions taken by my colleague, the Secretary of State for External Affairs (Mr. Clark). His intention was clearly to ensure that people in the conduct of their affairs did not create such a condition whereby they would be giving aid and comfort to those engaged in activities which we would consider not to be appropriate. I think that was his intention. He has dealt with that matter himself.

My responsibilities relate to ensuring that I do what I can within the federal limits and, indeed, even beyond, to help with respect to communities that are being hurt. When I first became Secretary of State, and this is true of my predecessor when he first became Secretary of State, the relationship with the Sikh community had not been going well in official circles. Therefore I embarked on a series of building little bridges, perhaps minor in their way, to see if we could ensure that the Sikh community did not feel isolated, alienated or put into a corner and put down.

I have had experience with those feelings myself. I understand what they do to people. As a result I met with a number of groups over a number of months looking for a way to send a message to the Sikh community that clearly we wanted to make sure that they were not alienated from either this Government or this Parliament. The most important aspect in this respect was the establishment of the Chair of Sikh and Punjabi studies at the University of British Columbia. As you know, Madam Speaker, and as the Hon. Member knows, those Chairs are very important to the community and, indeed, to our knowledge of that particular community.

When I went to the University of British Columbia I participated in a ceremony. There were some good people there. However, there were some people who boycotted the meeting. I found that unfortunate. While there were some who boycotted the meeting there were others who did not. Clearly within this community there are some not looking for a bridge, but that is the nature of our world.

I am sure that the Hon. Member knows that whatever this Secretary of State can do to ensure that the community is in good shape and not isolated from the rest of Canada, the Government and I will do it.

Canadian Multiculturalism Act

Mr. Sergio Marchi (York West): Madam Speaker, I am pleased to rise this morning on behalf of the Liberal Party and the Liberal caucus in the House of Commons to respond to the statements made by the Minister with respect to second reading of Bill C-93. I also welcome the opportunity because I believe it offers Parliament the first opportunity, with some degree of detail, to venture into the policy area of multiculturalism.

• (1210)

At the outset I wish to commend the Minister, whom I consider to be a parliamentary friend, the Hon. Member for Rosedale (Mr. Crombie), for expressing his thoughts with a significant degree of passion and sensitivity as he brought the House through the long journey that multiculturalism has taken in this country.

While it is valuable to understand how and why an official policy of multiculturalism came to be, and while it is a productive exercise to trace the evolution of different multicultural programs and initiatives through the years, as the Minister did moments ago, I believe that the centre-piece of our thoughts and deliberations must be clearly directed toward the future, to finding effective solutions to the fundamental questions posed by Canadians across the land, and to finding remedies to the undignified experiences faced by all too many Canadians.

I believe that multiculturalism has reached an important watershed in Canada. After having existed as an official policy statement of federal Governments for close to 20 years, and after having helped shaped this country unofficially long before that, it is in need of a thorough and refreshing review similar to the efforts now taking place with respect to our official languages legislation. Our policy of multiculturalism requires a rejuvenation of energy and thought, not merely for the sake of change, but for the sake of ensuring relevancy and effectiveness. If our multiculturalism programs are not adequately addressing the contemporary aspirations and dilemmas of citizens, they will rapidly become irrelevant, and irrelevance will only breed impotency.

[*Translation*]

If we want this policy to stand up to the test of time, and I know we all do, this Parliament must be the architect of the second phase of multiculturalism. It must provide a broader and more far-sighted vision that will draw its strength from the grass roots and be accepted by a new generation of Canadians, wherever they happen to be. It would be a demonstration of leadership that would reflect their conviction that a policy is never an end in itself but, by its very nature, a challenge that is constantly renewed and which demands unceasing effort and dedication.

[*English*]

For many the thought of reform can be threatening, while for others, change signals an admission that the ways of the past were wrong. However, for Liberals reform and change are

the life-blood which invigorate the body and soul of any enterprise. We believe that the future does not belong to those who are content with today, to those who are apathetic toward common every day problems, to those who are timid in the face of new and bold ideas, and to those who are unwilling to take the necessary risks toward bettering people's lives. After all, Plato reminded us all that a life without criticism is not a life worth living.

I recognize a sense of comradeship with respect to the development of our multicultural policy and heritage. This spirit was certainly reached in the Standing Committee on Multiculturalism. I congratulate and commend the Hon. Member for Grey-Simcoe (Mr. Mitges), who is presently taking the chair, for striking that non-partisan atmosphere and developing that rapport. We must compare that attitude to the record of the present administration. Despite having made 46 specific promises in relation to the federal multicultural policy during the last election, to a certain degree the Government has opted for the *status quo* and for inaction as opposed to action. Not only has it failed to act on its electoral commitments given to Canadians, but to a certain degree it has also been unable to recognize or define that second phase to which I alluded earlier.

In fact, beyond inheriting an infrastructure created and nurtured by former Governments, basically the Mulroney Government has done very little in the area of multiculturalism policy. There have been no new major—and I underline the word "major"—programs initiated; budgets have dwindled miserably; and the Government's over-reactionary refugee legislation has only served to set back race relations for some time. Indeed, the Prime Minister (Mr. Mulroney) is fond of utilizing the theme of multiculturalism. It is a favourite subject during the summer picnic circuit in cities across the nation. But what happens to that rhetoric when the Prime Minister returns to the corridors of power in Ottawa? Where does multiculturalism fit into the Government's agenda of priorities for this country and for Canadians?

During the past three and a half years the Government has strived to find someone within its ranks who understands and appreciates the demands and the aspirations of that portfolio. This is evidenced by the rotating door part-time multiculturalism Ministers who have come and gone. Moreover, it was not until December that the present Minister, for whom I have a great deal of respect, by introducing this Bill that we are now debating, moved on a matter of any innovative significance. However, the Minister did so, I believe, grudgingly. When he initially assumed the portfolio for multiculturalism, he was opposed to the concept of a separate multiculturalism Bill and preferred to incorporate the sense of that initiative into a Citizenship Act.

From my point of view, I believe that the Minister and the Government altered their course and that thinking, following protests from communities across the country with respect to incorporating the sense of a multiculturalism Bill into a more global citizenship Bill, and also because they came to realize that the Standing Committee on Multiculturalism was about to table a unanimous committee report predicated on a separate comprehensive multiculturalism Act.

Therefore, if one takes it at face value, the impetus for that Bill was not an original or voluntary initiative designed to meet a real need. Instead, it was a Government that, to a certain degree, was embarrassed into a reactionary and reluctant policy response.

[*Translation*]

Do not misunderstand me. Creating a legislative framework for a policy on multiculturalism is indeed a welcome initiative. Nevertheless, I say the Bill must also be judged in terms of the quality and substance of the provisions it contains and the extent to which it genuinely promotes multiculturalism across this country.

Unfortunately, the Bill is unlikely to live up to its promises. It has been strongly criticized by many organizations across Canada. In fact, after reading the Bill, one is left with the uncomfortable feeling that it only contains some very general principles and objectives.

The authors of Bill C-93 have refused to get into any detail. They have carefully avoided using specific, definite terms, preferring to hide behind words like: should, may, facilitate, encourage, and so forth.

• (1220)

[*English*]

This is not only my conclusion. While I appreciate the process and the initiative of introducing a Bill, we also need to judge the Bill, not by the mere introduction, because that would make every piece of legislation in this House extremely perfect legislation, but also by the substance and the contents of it. When I made those remarks they were not only remarks of an opposition critic but remarks rooted in the comments made by a number of organizations and individuals.

The Minister, in his opening address, made reference to a number of comments made legitimately, quite rightly as is their right, by groups and individuals. I believe to a certain degree we can stand up and perhaps read each other's quotes. To a certain degree that might be valuable and it might not.

I would like to provide for the House other quotations, the other side that Canadians are drawing from this Bill. Mr. Lewis Chan from the Canadian Ethnocultural Council described the Bill as "a symbol without substance".

The Ottawa Citizen wrote:

> An empty promise on multiculturalism . . . it's a mish-mash of circle squaring ambiguity and clumsy opportunism.

The Globe and Mail wrote:

> —multiculturalism Bill gets cool welcome.

The Vancouver Sun wrote:

> Ethnic Bill called symbol over substance.

Dr. Ubali, Commissioner of the Canadian Human Rights Commission said:

> The proposed Multiculturalism Act changes nothing. It is not historic as the Minister calls it. It is purely symbolic. It is old wine in a new bottle.

Daniel Iannuzzi, President of Multilingual Television said:

> What we need is the recognition that multiculturalism is an integral part of Canadian society . . . the Bill does not allow for such an interpretation.

The Canadian Multiculturalism Press Federation said:

> By implementing only one of the major recommendations of the report, the Government is offering Canadians virtually nothing new from the policy established by Trudeau in 1971.

The Hellenic-Canadian Federation of Ontario said:

> We are profoundly disappointed by the Government's recent draft legislation on multiculturalism. We are displeased by this action of the federal Government, which undermined the work of the committee, and amounts to nothing more than window dressing. Indeed, it simply reiterates what exists in federal practices.
>
> Unfortunately, there is nothing in the recent draft legislation on multiculturalism of substance for the people of this country.

Therefore, the Bill is primarily satisfied in talking and in dreaming about ideal principles rather than establishing an Act through an enforcement mechanism which would make an honest attempt to ensure that these principles become reality.

Finally, the Government drafted this Bill in complete isolation, and stubbornly refused to draw strength and vision from the recent unanimous standing committee report. It cowardly ignored the all-Party recommendations and, as such, the presentation of this Bill is a missed opportunity, a missed opportunity because the Government neglected to take full advantage of the political green light offered by all three federal political Parties and of the growing consensus within the Canadian community which had advocated significant and comprehensive reform. Thus while the process of introducing a multiculturalism Bill is in itself valuable, the actual Bill in its specific is a mediocre attempt at the very best. The Bill merely confirms the status quo and legislates in 1988 goals and values that were born in the 1960s and 1970s.

For the Conservative Party, the future of multiculturalism is clearly in the past. We as a Parliament, as a country, have a choice. We can either choose to embrace the Tory recipe for multiculturalism or we can build and update a policy that will meet present day circumstances and challenges, and articulate and inspire a vision of things to come.

For the Liberal Party, the choice is clear and unmistakable. We believe that through such a Bill we, as a Parliament, should not have any hesitation in declaring the policy of multiculturalism is an important national building block, a cornerstone of our Canadian society. Therefore, we should pioneer programs and reforms that reflect their sincerity and the attitude of that belief. This Bill does not do that. This Bill does not accomplish or reflect the sincerity of that statement.

Why, Madam Speaker, why does the Bill tremble about confronting the issues? Why did it not address the matters of a full-time senior Minister for multiculturalism and create a separate line ministry which would do justice to the dreams articulated in all of our speeches as we go across the country?

In rejecting the committee's recommendation for a separate department, the Minister used, as he did today, the statement that he does not want to ghettoize people, that he does not want to ghettoize multiculturalism. If that separate line department is ghettoized, how would the Minister describe and characterize the directorate as it stands today? Why a ghetto when we tried to bring all the structures and programs of the federal Government under one more effective roof? Why a ghetto when we took some of the moneys already existing, not necessarily all new money, but existing moneys from departments and fused them together under this new ministry? Why a ghetto when we would be adding political muscle to the Minister of the day and to the Deputy Minister that would allow them to compete for resources and attention on an even level rather than as a poor, more insignificant sister of government? Why a ghetto when the fusion of these new forces would enable a far superior, a farther reaching and more effective outreach program and delivery to Canadians? Why a ghetto when it would have brought the Canada Council under this separate line ministry so as to avoid the present situation as it stands today?

For instance, if you are an author and wish to write about your roots and your country's heritage and your name happens to be Atwood, you go to Canada Council, get your funding and write your book. But if you happen to have a last name that is Diciccio or Defrancesco and you go to Canada Council, Canada Council will reroute you to the multiculturalism directorate. There the directorate will tell you that they do not have enough funding. If we try to stop that practice, and it exists, why are we calling that a ghetto?

Why a ghetto when this significant change in bureaucratic alignment would signal the federal Government's higher priority for multiculturalism to the Canadian public? Why a ghetto when this new alignment would not preclude this Minister or any other Minister from advocating a multiculturalism policy with all departments and all colleagues in Cabinet? Why a ghetto when this separate line ministry can be seen as a transitional step toward having one day in this country one department of culture, not a department of communications and culture, while at the same time having a department of muliculturalism, but one department that would reflect Canadian culture which is clearly multiculturalism?

That step is not politically simply, nor easy. Rhetoric alone will not achieve it, nor will giant leaps of faith that land nowhere. For me and my Party, a separate-line Ministry represents one significant, positive, sure step toward achieving that ultimate goal.

• (1230)

When the Minister calls that proposal one that would create a ghetto, Canadians ask themselves who really is advocating

that ghetto. They ask who ghettoizes multiculturalism, those who do not do very much and want to leave it where it is or those who say let us have a greater breadth of vision, let us be a little bolder and let us change.

Again, that is not something I am saying for my own satisfaction. It is rooted in the words of organizations and individuals who spoke passionately and at great length about this concept of a separate-line ministry.

The Canadian Hellenic Congress said:

> We are disappointed however that the Honourable David Crombie has rejected the idea of a new Department of Multiculturalism . . . the current treatment of multiculturalism policies, within the Government of Canada is unfocused and underfunded.
>
> We doubt that the passing of the proposed Act in its present form will do much to focus or strengthen such policies.

The Ontario Advisory Council on Multiculturalism and Citizenship said:

> The decision not to establish a Ministry of Multiculturalism as it was recommended by your committee is unacceptable and it only demonstrates the lack of leadership commitment for multiculturalism as a fundamental goal for Canada.

Professor Michael Lanphier of York University said:

> It is recommended that a new department . . . become the lead ministry in negotiating an enhanced role for multiculturalism in every department.

Therefore, I must ask myself who is promoting the ghetto, who is actually pushing ideals that would build a higher wall around that ghetto, making it all the more difficult to tear it down.

The Bill was also silent about increasing the $1 per year per person budget. It did not talk about having a respectable and capable budget that would sustain the programs and contributions to organizations and activities across Canada. It was silent about increasing the personnel within the Ministry and about establishing a multiculturalism commissioner who would report to and monitor for Parliament the policy status within the Government, the federal civil service and Crown agencies.

Again, the Minister rejected a very key recommendation of the committee. As he mentioned only moments ago, he did this on the rationale that Canada already has a Canadian Human Rights Commission and a multiculturalism committee. The Minister himself said that we do not need a system that commands and controls. That is not what was advocated.

We were not asking for a second human rights commission which would be a reactionary body dealing one on one with individual cases of discrimination. We were after an office for a commissioner, very similar to the Official Languages Commissioner; an office that would in fact be free of political compromises and constraints. We wanted an office that would report on the status of the policies to Parliament, not to the Government and not to a Minister reporting to Parliament by saying that all is well. There are few Ministers of whatever political stripe who will fundamentally and productively criticize a colleague's department.

We should be able to have a report to Parliament that would give us an understanding of where the successes lie and where the warts lie and how we should go about eradicating them. We need an office that would promote the policy of multiculturalism across all Departments in the federal Government. We need an officer who would facilitate between the public and the federal bureaucracy the multiculturalism policy, one who would not be timid, if the Government is, about grappling with the issues.

We need an officer who would ask how the CBC is reflecting multiculturalism policy and if it is doing it well enough or if there is need for vast improvements. We need one who would ask if the Canada Council maintains those standards as well and if the Treasury Board's hiring practices are even and equal among all Canadians of whatever extraction.

That is the kind of commissioner we had envisioned, an instrument to effectively enforce and ensure, day in and day out, that the policies are being carried out, respected and lived up to. What is wrong with that? Surely that is not a kind of ghettoization. Surely that is a forward-looking, forward-thinking investment, not only in the words and principles we should all embrace but in the deeds and actions of the federal Government.

The Bill is silent about increasing the amount of government advertising from all departments in third-language media. It does not talk about recommendations for appointments to the Canadian Multiculturalism Council which advises the Government and the Minister of the day, recommendations which should be obtained from the community so that we would know that that council represents the real aspirations, needs and concerns of the people and percolates them throughout our elected and political institutions.

The Bill did not talk about approving a charitable tax number for national ethnocultural organizations to assist them in fund raising and to decrease their dependency on the Government's stick-and-carrot system. It did not talk about an appropriate number of appointees to boards and commissions or, more importantly, about the quality of appointments to these boards and commissions. The appointments must reflect the realistic composition of a Canada in 1988 and not a Canada in 1888.

These are some of the issues with which the committee grappled. The committee distilled that investment of time into this report. The Bill is deafening in its silence on these issues. It prefers to hide instead behind the generalities and non-committed language we see throughout the Bill.

As Canada prepares to enter the 1990s, the challenge facing multiculturalism is similar to the challenge that confronted bilingualism in the 1960s. Back then, it was a Liberal Prime Minister and a Liberal Government who invested the necessary political capital into transforming the dreams of a truly bilingual Canada into a reality. Pierre Trudeau did not only talk about official bilingualism, he and his Government moved to make it happen. Pierre Trudeau did not craft a Bill which

was couched in colourful yet meaningless language. Instead, he and his Government provided the tools and the mechanisms needed to fulfil those policy objectives. They provided an Official Languages Act, a Commissioner for Official Languages, a permanent and joint official languages standing committee, a viable financial base for government-sponsored programs, a secure bureaucratic structure able to support the linguistic needs of our diverse regions and an understanding, above all, that the policy of official bilingualism was a national one for all Canadians in all regions of Canada.

[*Translation*]

Without the political will and determination that resulted in the creation of these structures, bilingualism today would be no more than an abstract concept. I agree, there was a political price to pay for this political investment. In the final analysis, however, the risk was worth taking.

The controversy aroused by bilingualism should remind us that success will not come easily. It takes hard work and dedication to succeed. Similarly, if we want multiculturalism to have a vital impact on the character and the affairs of this country, we will need the same political will and similar structures. Madam Speaker, if we want multiculturalism to provide an appropriate and dynamic response to the aspirations of future generations, our Party and this Parliament must be prepared to make the necessary political investment.

• (1240)

[*English*]

We should also find the courage to remind all Canadians that a more vibrant multiculturalism policy will in no way undermine our policy of official bilingualism. A stronger multiculturalism policy will not and should not result in a request for official language status for some third language. While Canada has two official languages, its cultural heritage derives from the multitude of cultures living within our borders. Therefore, we should be advocating a stronger multiculturalism policy which will serve to reinforce and strengthen official bilingualism and breathe new life into the concept that we call Canadianism.

For those reasons the Liberal Party will be demanding, through appropriate amendments in committee, that this Bill be reinforced with meaningful substance. It should not stop at symbolism. It should go beyond that to enhance the status of multiculturalism, not for the benefit of those in this Chamber but for the benefit of people on the streets of this country, whoever they are, from whatever background, regardless of when they came to this country. There is no reason, particularly when we consider the recent all-Party report, why this cannot be done. There is no excuse for missing the opportunity which presents itself to this Parliament and the Government.

For those reasons I am hopeful that the Conservative Government, and particularly the Minister responsible for multiculturalism, will rise to the occasion and join in the consensus in the community to boldly usher in this second phase of multiculturalism, rather than struggling desperately to embrace the past and expecting to be congratulated and commended for doing so.

Canadians deserve better. Those fighting in the multicultural constituencies of our country deserve better. Those young second and third generation Canadians who are of neither English nor French heritage deserve better. Their expectations and definitions of multiculturalism may be radically different from those of their parents. They expect this policy to answer new dilemmas, new questions which were not faced by previous generations in the struggle to build this great nation. Multiculturalism deserves more than simply window-dressing. We are talking about national pride, national sentiment, and the forces which came to be fused together in the building of Canada. We are talking about our national fabric, not necessarily about a policy only but a way of life which distinguishes us from any other country in the world.

To borrow an Olympic analogy, the Bill is merely content with the bronze when many Canadians are encouraging their Government to go for the gold. It is with that thought that I end my contribution at second reading of this Bill. The Minister and Government should not be willing to accept the bronze. They should go beyond that. To borrow a phrase from the Minister, the Bill should not allow this policy to be ghettoized into obscurity. That is the challenge at this stage in our evolution.

Multiculturalism, while it has been a general success story up until now, must change with the times. It must focus on and address new challenges and new problems which are surfacing. Many people, while living in a country of opportunity, do not see that opportunity as readily as some others. Some do not enjoy that level of stability. While we all rejoice in being Canadian, while we can compare ourselves with pride to other parts of the world, that should not prevent us from trying to improve our society so that all Canadians can enjoy the opportunity and stability that the Minister talked about moments ago.

While the Government did not embrace the political green light offered to it by the committee and adopt its recommendations, and it could have adopted many of them because they were the guts of a report which represented the sentiments of Canadians across the country, I am hopeful that at committee stage the Minister and Government will try to come at least half way. I hope they will realize that the definition of this Bill is that the future for multiculturalism is in the past, and we must reverse that. We must change the language and the intent. We must make sure there is a way to enforce the eloquent words of the Minister when we have to face the problems which come from a growing country. Canada will continue to need the passion of immigrants to build it bigger and stronger.

We must judge this legislation by its substance, and it is our intention to enhance that substance so that when it returns to this House, Members on all sides can take some pleasure in this

Parliament having boldly and progressively moved multiculturalism into its second phase. I am hopeful that those sentiments will be shared by the Minister and the Government.

Mr. Ernie Epp (Thunder Bay—Nipigon): Madam Speaker, I appreciate the opportunity to speak for my colleagues in the NDP caucus on Bill C-93, a Bill to preserve and enhance multiculturalism in Canada. This is a historic day for Canada. We are for the first time debating a Bill which speaks of preservation and enhancement of multiculturalism in Canada. In many ways it is rather a late point in our history to be doing that, since the policy of multiculturalism enunciated in 1971 has been in effect for 16 years. All Parties in Parliament committed themselves to that policy and gave firm support to the recognition of the diversity of peoples in this country. They supported the desire of the Government to change our policy in recognition of that fact. One need only look at the Estimates which successive governments have tabled to appreciate how very little was done about the policy statement of 1971. Only very gradually were funds set aside for various purposes of cultural enhancement, community integration, and development of institutions respecting mainstream institutions for the diversity of our country. Even more slowly were the institutional means found to support these efforts.

• (1250)

Even now we have a Minister for Multiculturalism (Mr. Crombie) who carries those responsibilities as well as being Secretary of State. If he has to consult with the powerful Minister he can, presumably, do so within the quietness of his own mind and, as Minister of Multiculturalism, question the Secretary of State as to the advisability of action on multiculturalism.

It has been recognized by others that we spend even now about $25 million a year—less than $1 per Canadian man, woman, and child—in support of a policy which was designed to recognize fundamental realities of this country and change the way in which the federal Government operated and, in time, influence provinces, municipalities, non-governmental organizations and voluntary organizations across the country to respond to the diversity which exists in this country.

Why has there been such slow action? Why do we have in Bill C-93 such limited legislation? Why do we have what can, in the most damning of all phrases, be regarded as an institutionalization of the *status quo*? We have taken what was in existence and given it a legislative basis, and that is supposed to be adequate recognition.

My colleague, the Member for York West (Mr. Marchi), has suggested that this is multiculturalism dealing with the past rather than the future. I think that in a certain sense he is right in making that particular observation.

The reason we have so little is because the policy of multiculturalism has still not taken true root in the minds of the Ministers, in the thinking of governments, and in the reality of the Canadian Government. The reason that has not occurred is that it is still not appreciated how powerful are the forces in this country which militate against the fulfilment of the policy of multiculturalism stated in 1971.

Those who have spoken before me, the Secretary of State in presenting the Bill as vigorously as he is always capable of doing, and my colleague, the Liberal critic and member of the Standing Committee on Multiculturalism, have spoken of various aspects of Canadian history. I think there is good reason, on this topic, to look back with discernment and to speak the truth about the history of this country. It is only when we do those things that we will appreciate how much needs to be done, and understand perhaps with some measure of charity why there has been such limited action toward the policy of multiculturalism.

I think back 100 years and more in Canadian history. I find myself thinking of that notable politician of Quebec, George Cartier. I say "George" advisedly because, of course, he was not "George" as is often thought by those who do not know the man in Canadian history. He was George, named after King George III. He was named after a British monarch because his parents thought that the protection of the French-speaking British subjects in Canada was best found in monarchy. They feared the pressures that might be imposed on them by their neighbours, by the Government of Lower Canada, the Province of Canada later and, of course, when he was himself active in politics he might have feared what could happen within the Dominion of Canada. They thought that to be a good subject of the King was possible. If one were Catholic, if one spoke French, if one led a good and useful life in the St. Lawrence Valley in Canada one was a good subject of the King, one could be distinctive and yet serve well.

We are all, of course, subjects still of the monarch. That view of things, carried over to our day, is what we attempt to encapsulate in the concept of citizenship which we all know is very important to the Secretary of State as his fundamental view of the country.

What happened in the 19th century? What was the reality of which George Cartier's parents were keenly aware? There were powerful forces in this country to Anglicize it. There were powerful forces to create one people which would speak English. One hundred years ago in this Chamber, and out of this Chamber an Ontario Member of Parliament named D'Alton McCarthy set forth to make this country English. In the province in which I was born and grew up, the Province of Manitoba, he had some of his greatest successes. He set out there to end the bilingualism which was constitutionally rooted, as the Supreme Court of Canada has told us not long ago.

In his first success he succeeded in persuading a Manitoba Government to betray promises given to a minority and to destroy a denominational educational system, to create a public school system with no respect for the minority, and to move toward making an English-speaking province. It was in fact in the midst of the Great War, a war still of empires at

that point, which was only gradually becoming a war in defence of democracy and individual rights, that the Province of Manitoba chose to end bilingual education, which had continued not only English and French but English and German, English and Ukrainian, and so on, in 1916, and insist that education in Manitoba would be carried on only in the English language.

I expect that I, of Mennonite stock, am one of very few peoples which had members of their community leave this country as cultural and political exiles because they found themselves suppressed here. I have distant relatives living in Chihuahua State in Mexico who left Canada in protest because they had come here thinking they could live as conscientious objectors, practise their religion, and use the German language as well as English. When that was taken from them in 1916 many of them left, and I think that that particular aspect of Manitoban and Canadian history deserves to be remembered.

One of the cultural instruments which Canada used in the late 19th century against the aboriginal peoples was the Indian Act with its prohibition of the sun-dance and the potlatch. That Indian Act was designed to destroy a people. It was designed to tear out of the Canadian nation, to remove from Canadian soil, distinctive cultures. We lived with that for three-quarters of a century. Only in the 1950s and 1960s did we begin to turn around. It is that kind of heritage which we have. It is that from which, in the 1960s, we began to turn about.

I see that it is one o'clock. I shall break off at that point to continue the historical exploration and the political consequences of that after three o'clock.

[*Translation*]

The Acting Speaker (Mrs. Champagne): It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

THE PRESS

DEBUT OF *MONTREAL DAILY NEWS*

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I rise with much enthusiasm to welcome the *Montreal Daily News* which today published its inaugural edition. I would like foremost, on this special occasion, to commend the initiative and courage of Pierre Peladeau and the Quebecor family.

Also, I would like to extend my best wishes to George MacLaren, the publisher, and to Don Foley, the Executive Editor, and Jim Duff, Managing Editor. I am certain that they will provide Montrealers and Canadians with responsible and insightful journalism.

In fact, as today's edition of the *Montreal Daily News* illustrates, it is quite capable of reporting concisely on matters pertaining to local, provincial, national and international events. It is quite constructive in our pluralistic society to have an additional vehicle, such as this tabloid, to reflect the vitality of Montrealers, Quebecers, and, in particular, the Anglophone community of Quebec.

Congratulations to the staff of this promising tabloid which should stimulate news reporting competitiveness to satiate our society's strong appetite for accurate and informative reporting and promote further public debate. Welcome to the *Montreal Daily News*!

* * *

PORNOGRAPHY

CALL FOR PASSAGE OF BILL C-54

Mr. Jim Jepson (London East): Mr. Speaker, pornography is clearly something that most Canadians believe should not have any place in our society. The Government's pornography Bill, Bill C-54, has resulted in the most popular support that the Department of Justice has received since this government came to office.

The Opposition's continuing filibuster of Government Bills is eating up valuable legislative time that could be used in bringing forward progressive legislation such as Bill C-54. I ask the Opposition to exhibit more responsibility in their debates, and also urge the Minister of Justice (Mr. Hnatyshyn) to bring Bill C-54 to second reading and committee.

The Government should not be deterred by the vocal minority in the country. Clearly an overwhelming majority of Canadians applaud the Minister for this Bill.

* * *

APARTHEID

SOUTH AFRICA—IMPENDING EXECUTIONS OF "THE SHARPEVILLE SIX"

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, only days before the anniversary of the Sharpeville riot, the South African Government has announced that "the Sharpeville Six" will be executed by hanging on Friday, March 18.

S. O. 21

Despite questionable evidence as to their guilt, it appears these six individuals will pay the supreme penalty for the mass violence which has gripped South Africa in the past few years.

I call on the Canadian Government again to urge clemency for "the Sharpeville Six" and to use its good offices to rally international support to that effect. Prime Minister Botha should grant clemency not simply in the interest of the six accused but in the interest of his country as a whole. Why should he push it toward increased violence and bloodshed? These actions show that the South African Government has rejected all standards of international jurisprudence and has clearly turned its back on world opinion.

I call on the Canadian Government to review its policy in regard to South Africa, to consider new measures, including the total economic sanctions the Prime Minister (Mr. Mulroney) referred to at the United Nations, to bring pressure on the Government of South Africa to institute meaningful changes in the society of that country.

* * *

[*Translation*]

MINING INDUSTRY

REQUEST FOR MORE ASSISTANCE FROM MINISTER OF FINANCE OF CANADA AND FROM MINISTER OF FINANCE OF QUÉBEC

Mr. Guy St-Julien (Abitibi): Mr. Speaker, since the use of flow-through shares to finance exploration activity, the mining industry in Abitibi-Témiscamingue, Quebec and across Canada has shown unparalleled new vigour.

Risk financing of exploration activities by means of flow-through shares has been an ideal mechanism for attracting investors to the natural resources sector, and as a result, the unemployed, prospectors, geologists, geophysicists and engineers have been able to work and contribute their many talents to building up our mining industry. In fact, there is some astonishment about the fact that so many people here are making a success of mining exploration. The answer is that people need a challenge. If you don't have a job, it's hard to show people what you can do.

Mr. Speaker, the mining industry is vital to the well-being of all Canadians, and we want some action by Canada and Quebec's Minister of Finance by the end of April 1988.

* * *

[*English*]

PUBLIC SERVICE

COLLECTIVE BARGAINING—DELAY IN NEGOTIATIONS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, what is the cause of present delays in contract negotiations between the Public Service Alliance and the Government of Canada? Why is it so hard to negotiate new contracts before present contracts expire?

Many public servants are now working under contracts that expired almost a year ago. Many of my constituents are asking themselves these questions.

Since the Government came to power public servants have lost jobs, lost security, lost salaries, parking privileges, collective bargaining rights and more. It is high time the Tory Members of Parliament from the National Capital Region spoke up on behalf of their constituents. It is time to tell the President of the Treasury Board (Mr. Mazankowski) to approach the negotiating table with responsible offers so that we can deal with collective bargaining in a prompt and appropriate manner.

The people of the National Capital area working for the federal Government do a very good job by and large. They have a right to work and to be treated decently by the Government.

* * *

• (1405)

AIRPORTS

HAMILTON CIVIC AIRPORT—SURVEILLANCE OF AIRCRAFT FLIGHTS URGED

Mr. Geoff Scott (Hamilton—Wentworth): Mr. Speaker, I rise to update the House on the continuing progress, and a couple of problems, at the Hamilton Civic Airport. In recent days I have talked individually with Hamilton-Wentworth Regional Chairman Bill Sears, Glanbrook Mayor Helen Bell, Ancaster Mayor Bob Wade, Hamilton Mayor Bob Morrow, along with Regional Councillor Ann Sloat, and a delegation of concerned constituents on the Mountain.

We all agreed on two things. First, we want to see the greatest possible development of Hamilton's airport. Indeed, Pan Am Express makes its official debut at Mount Hope on Thursday. Second, we agreed that we should be doing everything we can to minimize the disruption of the lifestyles of the people I have the honour to represent.

I, therefore, urge the Minister of Transport (Mr. Crosbie) to institute a 24-hour monitoring surveillance, or a much higher security profile, because we need to know who and what is flying into Hamilton, when, and how low. We need an improved flight path to lessen the noise impact.

I want publicly to thank the Minister of Transport for his continuing interest and co-operation in promoting the viability of Hamilton's growing international airport.

ABORTION

SUPREME COURT DECISION—NEED FOR PROTECTION OF UNBORN CHILDREN

Mr. George Henderson (Egmont): Mr. Speaker, since the Supreme Court ruling struck down the abortion law on January 28, 1988, there has been no protection under the law for the future citizens of Canada, the defenceless unborn. I have received letters from an overwhelming number of my constituents, as well as other Canadians, who are calling for full protection of the rights of the foetus.

My belief in the sanctity of human life compels me to share this same view. The protection of the unborn must be the basis for any just society. Without a law governing abortion in this country, lives are at stake. I urge the Government to introduce legislation that will protect the unborn without further delay. There can be no compromise on the protection of human life.

* * *

[*Translation*]

SPORTS

TRIBUTE TO PIROUETTES DE LAVAL

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and Minister Responsible for Multiculturalism): Mr. Speaker, I welcome this opportunity today to pay tribute to a figure skating team in my riding, and I am referring to the Canadian champions, now better known as the "*Pirouettes de Laval*", a team that was unfairly left out as a result of some very biased and personal choices made by a simple person who was responsible for the closing ceremonies committee in Calgary, a Mr. Brian Pockard, who insulted the Quebec figure skating community and amateur sport across this country, a dinosaur who does not understand our Canadian duality, and more specifically, Quebec.

Quebec has suffered more than its fair share of discrimination, Mr. Speaker. I told the skaters, their coaches, the volunteers and their families . . . and speaking on behalf of the Prime Minister of Canada (Mr. Mulroney), the Minister of State for Fitness and Amateur Sport (Mr. Jelinek) and all my colleagues on both sides of the House, I want to express our admiration for their excellent work and urge them to keep on representing our youth and our country the way they have been doing.

Mr. Speaker, a salute to our Canadian champions, the "*Pirouettes de Laval*," who are with us in the House today. Bravo!

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—AUTO DUTY REMISSION SYSTEMS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the Conservative Government keeps telling us it has won major gains in its U.S. trade deal. Unfortunately, reality keeps getting in the way. In the trade deal, Chapter 10 deals with the auto industry. It was supposed to have worked out all the problems between our two countries on auto issues, such as duty remission systems and the timetable for dealing with them.

Despite this chapter and despite the fact that the United States is supposed to follow what is in the deal, the Governor of Michigan, James Blanchard, is launching an unfair trade practices case against Canada. He is trying to cut out these duty remissions much faster than the agreement states. The result could be the loss of thousands of jobs in the Canadian auto industry.

Again the United States is trying to have its cake and eat it too. It has pushed Canada into an unfair deal and it is still going after us under unfair trade laws.

* * *

[*Translation*]

THE ECONOMY

GOVERNMENT'S PERFORMANCE

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I would like to say a few words in the House about Canada's excellent performance as a result of policies introduced by this Government.

According to the latest figures released by Statistics Canada, the unemployment rate in this country has dropped to 7.8 per cent, its lowest level in six years. Canada's excellent record for job creation compares more than favourably with West Germany, Ireland, Sweden, Finland, France, Belgium, Denmark and the Netherlands, all members of the OECD.

Since September 1984, 1,213,000 jobs were created, and 653,000 went to women. Women's unemployment dropped from 12 per cent to 8.4 per cent, illustrating our Government's determination to achieve employment equity. Youth unemployment dropped from 18.3 per cent to 12 per cent.

Mr. Speaker, the difference between this Government and the previous one is significant. Under the Conservatives, Canadians are working instead of drawing unemployment insurance benefits!

S. O. 21

YOUTH

OPPOSITION TO CUT-BACKS IN SERVICES FOR POSTSECONDARY STUDENTS

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, the Director General, Operations, of Canada Employment Centres wrote the following in a memorandum: "Considering the resources allocated for 1988-89, I think it is inevitable that CEC management will question the continued presence of resources on-campus.

The message is clear. Two years ago, we saw a 30 per cent cut in on-campus resources, which severely affected the level of service offered to post-secondary students. Today it has been decided the service will be practically eliminated. Students are getting a raw deal, Mr. Speaker!

No consideration is being given to the needs of the student population, characterized by its homogeneous make-up, the age group to which it belongs and its lack of job experience. College graduates belong to the age group most affected by unemployment. However, instead of dealing with the problem, the Government now wants to eliminate the last vestiges of its placement service. This must be construed as a failure on the part of the Minister of State for Youth (Mr. Charest) and this Government to show any concern about the problems of our youth.

During the past four years, nothing was done for this group, but that was not enough for the Government. It now wants to make severe cuts in the resources of on-campus Canada Employment Centres.

Protests have been heard from the *Fédération des CEGEP*. I support their protests, and all Canadian students will do the same when they realize the extent of these cut-backs.

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WAR MEASURES ACT

REQUEST THAT LEADER OF THE OFFICIAL OPPOSITION ENLIGHTEN HOUSE WITH HIS KNOWLEDGE OF ISSUE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, this government is amending legislation that applies in times of crisis. Over 15 years ago, because of the War Measures Act, Quebecers were victimized by the Liberal Government in power at that time. It is now clear to everyone that the Liberals' extreme intolerance in the form of war measures was unfounded. That fear was visceral and emotional. Quebecers were happily sending other Quebecers to jail.

Because he was involved in that mass imprisonment, the present Liberal Leader (Mr. Turner) should share with this House his knowledge of the issue. The Liberals and their Leader now have the opportunity to apologize to Quebecers. Apologize!

• (1410)

[*English*]

BANKS AND BANKING

CHARTERED BANKS—FEES CHARGED FOR CUSTOMER SERVICES

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, the Canadian chartered banks have been systematically evading a provision of the Bank Act which requires the express agreement of their customers to the service fees they charge. The chartered banks obtain a blanket acceptance of these from their customers and then charge whatever they think is necessary for their purposes.

For example, the Royal Bank charges $6 for a bank draft in U.S. funds and $8.50 for a cheque in the same U.S. funds. The Civil Service Co-operative Credit Society, in contrast, charges $1 for the bank draft—no charge at all if one is 55 or older—and 35 cents for a cheque.

[*Translation*]

The *Caisses populaires* in Quebec and in French Canada and credit unions all over Canada meet their clients' needs. They use their resources to lend to their community and offer that service without charging outrageous fees.

[*English*]

I would urge Canadians to consider a credit union when they become dissatisfied with their banks.

* * *

ADMINISTRATION OF JUSTICE

VIOLENT CRIMINALS—SEVERER SENTENCES ADVOCATED

Mr. Alan Redway (York East): Mr. Speaker, last week the City of Toronto Council passed a motion calling for changes in the federal criminal justice system so that violent criminals receive more severe sentences and pay for their crimes in full without parole for early release to half-way houses.

During the debate a moderate Councillor with a reputation for common sense, June Rowlands, said:

> The Criminal Code has failed society. The pendulum has gone too far; too much concern for the criminal and not enough for the victims or the potential victims.

Councillor Kay Gardner, known for her social conscience, said:

> People feel betrayed by officials who allow offenders into our community with little or no supervision.

Them's my feelings exactly, Mr. Speaker. The Government has done great things, but it should take another look at the criminal justice system, and it should do it fast.

• (1415)

OFFICIAL LANGUAGES

MINORITY LANGUAGE RIGHTS IN PROVINCE OF QUEBEC

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the Official Languages Bill is now in committee. I hope discussion there will reflect a true sense of language justice. As an Anglophone from Quebec I appreciate and support the need to encourage the French language, but should this happen at the expense of other linguistic and cultural expression? Presently we do not have full linguistic expression when bilingual signs are not permitted in Quebec.

Culturally, Quebec's revised Cinema Act is moving to curtail access to English films. Does being a French-speaking province mean that we cannot appreciate other languages? Is this what is meant by achieving social peace at the expense of minority language rights?

If all this makes sense, then opera, theatre, and literature should also be translated for Quebec audiences. While the world revels in the works of Shakespeare, Margaret Laurence, Andrew-Lloyd Webber, or Steven Sondheim, Quebecers are left to bask in our "distinct society".

Quebec will only earn its place in the cultural and democratic world by promoting all films, theatre, literature, and languages; then the French language in this so-called distinct society will be a respected distinction instead of a handicap, and we will demonstrate our respect for rights and freedoms fit for our democratic society, thus promoting social peace.

ORAL QUESTION PERIOD

[*English*]

APARTHEID

SOUTH AFRICA—IMPENDING EXECUTIONS OF "THE SHARPEVILLE SIX"

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is for the Prime Minister. Yesterday the Government of South Africa continued its barbaric policies by announcing the execution, this Friday, of "the Sharpeville Six", one black woman, and five black South African men, despite the pleas from all over the world that the sentence be commuted and despite the fact that none of those six participated directly in any murder.

Yesterday the lawyer for those six condemned individuals said that the only hope for them was a plea from Prime Minister Thatcher, from President Reagan, and from Chancellor Kohl.

I would like to ask the Prime Minister, who places a very high priority on the problems in South Africa, if he will contact those three allies and ask them to make this "last hope", to send an appeal to the South African Government to save those six lives.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I share the deep outrage and profound dismay of my honourable friend in regard to the announced actions in South Africa. The Canadian Government has already conveyed its very strong views in this regard. We have spoken with allies as well, and would be happy to again.

On behalf of the Government, the Parliament, and the people of Canada, I have sent a personal message to the President of South Africa asking him to suspend the action contemplated by the Government of South Africa, and to reflect very humanely and seriously on the enormity of the action contemplated.

We deeply disapprove of this, and have conveyed our views in this regard directly to the President of South Africa.

[*Translation*]

REQUEST THAT THE GOVERNMENT SUPPORT CERTAIN RELIGIOUS LEADERS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, considering that another 38 people are on death row in South Africa, all having been condemned in similar circumstances to capital punishment for their participation in a demonstration during which somebody was killed, is the Government prepared to support the request made by a number of religious leaders to the effect that the United Nations take immediate action to settle that terrible situation?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we want to explore every possible means at our disposal that would bring about a change of attitude in the South African government. As the Hon. Member knows full well, the United Nations' Security Council considered taking action against the most recent legislation in South Africa. Unfortunately, the Security Council was unable to reach an agreement on that action. However, other means do exist. We are maintaining contact with church leaders in South Africa. We also keep in touch with South African civil opposition activists. Indeed, I just received a letter from Alan Boesak, expressing his thanks for the leadership role that Canada has played. We want to have direct talks with Mr. Boesak and other opposition leaders to the apartheid regime in South Africa. We intend to pursue all other available means to express Canada's attitude and to encourage the South African government in taking a humanitarian approach in cases such as "Sharpeville Six" and others.

• (1420)

[*English*]

REQUEST THAT GOVERNMENT INTRODUCE MANDATORY COMPREHENSIVE SANCTIONS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, yesterday we had this decision by the

South African Government to proceed with the six executions. On the weekend the South African Government banned anti-apartheid protests by the church, and in February, very recently, it banned all black led opposition groups in South Africa. This South African Government is thumbing its nose at the whole world, continuing to suppress human rights and getting away with it.

This past weekend the Prime Minister stated, while addressing over 1,000 members of the black community:

> We shall not hesitate to take all action which is appropriate to send an unmistakable message to Pretoria, that the regime is unacceptable; must change and must go.

My question is for the Prime Minister. Isn't it now time for the Government to take action to introduce mandatory comprehensive sanctions and, at the very least, close the South African consulates in Toronto and Montreal?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have indicated to my hon. friend and to other Members of the House that we are actively considering the appropriateness of more steps, more action, pursuant to the leadership which this House and this Government have provided on this explosive issue in South Africa.

As I indicated at the Harry Jerome Awards dinner on Saturday night in Toronto, the Government is actively exploring new possibilities in this regard and we will not hesitate to take further action to be helpful to the emergence of a democratic Government in South Africa.

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CONSUMER AFFAIRS

CHARTERED BANKS' SERVICE CHARGES—REQUEST FOR MINISTERIAL ACTION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. He has yet to demonstrate to the Canadian people that he is attempting to champion the cause of Canadian consumers across the country.

The Minister said recently with regard to bank services charges:

> When banks raise the charges for certain services and debit your account and you don't know about it, that's wrong.

The Minister went on to say:

> I've changed banks personally because of that.

Will the Minister do something on behalf of and for Canadian consumers with regard to this particular situation, other than take personal measures to protect himself? Is he now going to stand in his place and do something for Canadian consumers?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have also indicated, I believe in this House, that discussions are under way with the Canadian Bankers' Association to see if it will not correct these practices.

There is a committee of this House looking at this issue right now and will be reporting with recommendations in that regard. I have no hesitation in repeating my personal feelings that if, in fact, the banks would correct this behaviour on their own, that is the preferable route rather than to bring in legislation.

Ms. Copps: That is what you said about the drug companies.

Mr. Andre: Certainly legislation or other measures are there, but not as a first resort. The first resort is to see if these practices cannot be corrected through voluntary measures.

Mr. Dingwall: Mr. Speaker, Canadian consumers have one word for this Minister. He is a wimp when it comes to Canadian consumers.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Speaker: Perhaps the Hon. Member can put his question.

Mr. Dingwall: I am glad you concur, Mr. Speaker.

Some Hon. Members: Oh, oh!

REQUEST THAT MINISTER IMPOSE FREEZE ON BANK CHARGES

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the Minister has stated:

> I've changed banks personally.

Does the Minister not realize that there are hundreds of communities with only one financial institution where Canadians do not have the opportunity to change banks?

I ask the Minister, on behalf of those Canadians, will he not impose a freeze on bank charges until this standing committee makes a full report to the House of Commons?

• (1425)

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have been called a lot of things—

Some Hon. Members: Oh, oh!

Mr. Andre: That is one of the milder ones. Frankly, I think a freeze at this point in time would likely keep certain charges at a level higher than might be necessary. In fact, what the Hon. Member is suggesting might not benefit consumers because the pressure that is being brought to bear as a result of the good work of the committee of this House and other statements is having a salutary effect. I predict those charges will come down. In any event, for sure consumers need to have the

ability to make choices based on a full disclosure of the facts, and that I am certain will occur.

INCREASE IN BANKS' SERVICE CHARGES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is also for the Minister of Consumer and Corporate Affairs. Four months ago I asked the Minister to put a freeze on skyrocketing bank charges. The Minister fiddled while consumers paid. We now know that the five banks collected $4 billion in service charges in 1987 and they stand to collect a bonanza in 1988.

Why is the Minister allowing the banks to jack up service charges? Is it to pay off the Third World debt of Venezuela, Brazil, Mexico, Argentina, and the Liberal Party?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Hon. Member will have to ask someone else that question.

Four billion dollars sounds like a gross exaggeration, to put it mildly. The fact is that the question of service charges has been under active consideration by a committee of the House. The fact is that officials in my Department have been discussing the matter with the Canadian Bankers' Association. They are aware that some changes will have to be made. They are in the process of considering those changes.

There is no evidence to suggest that a freeze would not have done anything but to keep service charges at a high level. In fact, the ability of consumers to know what the charges are and to use their rights as consumers to use the services or not, is likely to have a more beneficial effect in lowering the cost than any action by the Government to freeze the charges currently in place.

[*Translation*]

HIGH CHARGES FOR BANKING SERVICES—GOVERNMENT POSITION

Mr. John R. Rodriguez (Nickel Belt): My supplementary question is directed to the same Minister. According to the *Toronto Star*, the minister said that competition does exist, but that it did not bring about any reduction in the cost of thoses services. For example, it costs $6.50 to freeze the payment of a cheque and $1.50 to withdraw money from the bank. These fees have doubled in five years. Is the Minister prepared to freeze the cost of bank services until an inquiry is made?

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I rise to answer the supplementary question because in essence the Hon. Member is ignorant of the Government's plans in the Blue Paper announced in December of 1986. As a result, we will have trust companies and insurance companies competing with the banks for consumer credit and for small business loans. That is the kind of competition that will not only drive down rates but will also drive down service charges. That is the answer that awaits the Hon. Member, not just regulations.

PROVISIONS OF BANK ACT—PROTECTION OF BANK CUSTOMERS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my final supplementary question is directed to the Minister of Consumer and Corporate Affairs. Under Section 201 of the Bank Act, banks are not allowed to levy any charges without the "express agreement" of the consumer. In fact, a member of my staff opened an account at the Canadian Imperial Bank of Commerce here this morning and this is the document he received. It in no way asks for a specific agreement to pay certain charges.

• (1430)

Is the Minister going just to stand there or is he at least prepared to enforce the Bank Act as it relates to bank charges to consumers?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, of course the Government is going to enforce the Bank Act.

Mr. Rodriguez: You are not enforcing it!

Mr. Hockin: The Bank Act is perfectly clear. The Hon. Member shows us a document that one person picked up. If the banks do not get permission from the customer to charge certain rates, they cannot charge them. That has always been the case and it still is.

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CANADA POST CORPORATION

SUPERMAILBOXES—COST OF REPLACEMENT WITH DOOR-TO-DOOR DELIVERY

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the Minister responsible for Canada Post told Canadians on March 10 that replacing supermailboxes with door-to-door delivery would cost $1.3 billion. However, the government liaison manager with Canada Post says it would cost about $360 million, or about one-quarter of what the Minister claims.

Can he explain this rather large discrepancy in the figures?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, if I am not mistaken, the Hon. Member got that from an editorial in *The Toronto Star*.

Mr. Rossi: It is in *Hansard*.

Mr. Andre: There is no explaining *The Toronto Star*.

Mr. Nystrom: They like Joe.

Mr. Andre: The estimate of the cost of extending door-to-door delivery to every home in Canada which does not now get it is not precisely $1.3 billion over the next four years. It is $1,269,786,868 according to the estimate I have here. If the Hon. Member would like to look at the figures he is welcome to do so.

EQUALITY OF SERVICE

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the Minister seems to have a penchant for exaggeration because on March 11, the next day, he described his front lawn and said:

> —in front of my house is a mailbox, an electric utility box and telephone poles.

What a front lawn. He has no mailbox, though. It is just wishful thinking. He wants his property taxes reduced.

Does the Minister not read his mail and listen to what ordinary Canadians are saying? They do not expect door-to-door delivery to every single home in Canada. They want equality of service in our cities and towns.

Some Hon. Members: Hear, hear!

Mr. Baker: The Minister is quoting Cadillac figures when the people want a reliable Chevy.

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I was wondering who that was skulking around our front yard last night.

Some Hon. Members: Oh, oh!

Mr. Speaker: I can only imagine the terrible damage if he ever cuts his front lawn.

Some Hon. Members: Oh, oh!

Mr. Andre: Mr. Speaker, I do not have time for that. I am too busy answering mail complaining about the postal service.

Some Hon. Members: Oh, oh!

Mr. Andre: Seriously, Mr. Speaker, the management of the Post Office is well aware of the aspirations of Canadians, as is this Government. A sincere effort is being undertaken to improve the quality of the service, while at the same time keeping prices reasonable.

The point I was trying to make with respect to superboxes or any other service is that exaggeration by Members of Parliament, claims that it is just a matter of snapping fingers and one can institute door-to-door delivery everywhere in the country, even though that has never existed in the 120 years of this country, have to be balanced against the fact that this costs money. We can do what the Liberal and NDP Parties have asked for if we are prepared to ask Canadians to pay 60 cents to have a letter delivered. You cannot separate cost from service. It is irresponsible to try to do so.

CANADA PENSION PLAN

INCREASED DISABILITY BENEFITS—EFFECT ON SIZE OF PENSIONS

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. I have given him notice of it.

He will recall that on January 1 of last year the House passed legislation to increase disability benefits for recipients of the Canada Pension Plan. He also knows that many provincial Governments and employers deducted an equal amount of the increase from benefits they pay. Members on all sides of the House were outraged when that happened.

Is the Minister aware that the federal Government is doing exactly the same thing to those pensioners who are disabled and are superannuates and who rely on that increase to sustain a decent standard of living?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I want to thank the Hon. Member for giving me and my officials notice of the question. The issue revolves around the Superannuation Act and whether or not recipients of the CPP who are disabled and superannuates are subject to a reduction. I have asked the Department to examine the question of whether there is a pass-through. I think Parliament was very clear that it wanted to see the pass-through take place.

REQUEST FOR GOVERNMENT ACTION

Mr. Neil Young (Beaches): Mr. Speaker, I want to point out to the Minister that the federal Government has reduced the pension of a constituent of mine in this situation by some $200 a month, and by a further $100 a month because it claims he was over-paid.

This is a very serious question. Members on all sides of the House have shown interest in it. The Government should act as speedily as possible to show this individual and others like him that there is a sense of fairness at play in this House.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, as the Member was notified earlier today, I believe by my departmental officials, I am not in a position to comment on a particular case. I think he understands that. I am aware of the case, it has been brought to my attention. Obviously I have to check the matter with Treasury Board and the agreements with the superannuants, as well as the superannuation regulations. We started doing that this morning. I cannot give an answer, obviously, until that work is done.

EMPLOYMENT

JOB CREATION—REDUCTION IN UNEMPLOYMENT LEVELS

Mr. Jim Jepson (London East): Mr. Speaker, my question is directed to the Minister of Finance. Recent unemployment figures show that unemployment in London is 4.2 per cent, the third lowest in the country. Yet we hear from the Leader of the Socialist-Liberal coalition, the Hon. Member for Oshawa, that job creation has affected only those areas within 100 kilometres of Toronto. Can the Minister say whether there is any substance to this allegation or not?

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Minister can, but it better be short.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it is difficult to be as short as I am sure you would like but I can say that during the past three and a half years job creation has been spread right across the country.

Some Hon. Members: Order!

Mr. Wilson (Etobicoke Centre): We have seen a drop in the unemployment rate in Newfoundland of 5.9 per cent; in Nova Scotia, 2.9 per cent; in New Brunswick, 4.3 per cent; and 3.8 per cent in Quebec.

Some Hon. Members: Order!

• (1440)

Mr. Speaker: I very much regret that although all of that is very interesting there is an item in Routine Proceedings for that kind of a statement.

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AIR CANADA

CORPORATE PLAN—REPORTED INTENTION TO REPLACE 727-TYPE AIRCRAFT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is for the Minister of Transport and concerns the Air Canada corporate plan, in particular its fleet replacement plan.

The oldest fleet in the Air Canada system is the DC-9. On average that aircraft is 19 years old. The third youngest system in the Air Canada fleet is the 727. On average that aircraft is nine years old.

Will the Minister explain to the House today why Air Canada's corporate plan contemplates replacing the 727, which is a relatively new aircraft in the fleet, and keeping for an additional 10 years the DC-9, which is already 19 years old? Can the Minister explain that to the people of Canada?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, Air Canada is a Crown corporation which has had very capable management since it originally started. I am sure that any analysis it makes of which planes in its fleet need to be replaced will be a well-based analysis.

With regard to whether Air Canada should replace the 727 or the DC-9, I have seen an analysis which indicates that the fuel costs of the 727 are very high. I could go on with other reasons.

I can only say that Air Canada's board of directors and management will make a recommendation to the Government on what it should do. We will not be interfering to change that unless there are very grave reasons why that should be done. I would be very surprised if that were the case. We have faith in the management and board of directors of Air Canada.

CONTEMPLATED RETENTION OF DC-9 AIRCRAFT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, Canadians should know that the oldest single aircraft by far in the Air Canada fleet is the DC-9 which is, on average, 19 years old, with some in their mid-twenties. That aircraft is passing its usable life. The youngest aircraft in the fleet is the 727 which is nine years old. Up until last July the President of Air Canada was talking about replacing that 19-year-old DC-9.

What has happened between last July and today to create a situation in which Air Canada is contemplating keeping an aircraft until it is well beyond 30 years old, which I suggest is unsafe, and replacing an aircraft which is only half way through its useful life? What kind of machinations are going on behind the scenes?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I would like to know whether the Hon. Member is making a charge against Air Canada's management with respect to its competency, honesty, or whatever.

Mr. Tobin: I am asking you the question. You're the Minister responsible.

Mr. Crosbie: The Hon. Member is insinuating, he is trying to set an innuendo as he did yesterday. He has been thoroughly unscrupulous in his approach to the whole question.

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VISIBLE MINORITIES

JAPANESE CANADIANS INTERNED DURING WORLD WAR II—COMPENSATION QUERY

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I have a question for the Prime Minister. The Prime Minister is undoubtedly aware that a rally in Vancouver on Sunday called for the compensation of individual Japanese Canadians for the enormous losses they suffered during World War II.

The question is a very simple one. When does the Prime Minister expect to keep the promise that he made before the last election to compensate individual Japanese Canadians?

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, perhaps I could help the Hon. Member. The Hon. Member is probably aware that I communicated last fall with the National Association of Japanese Canadians outlining the Government's position with regard to this matter which fully responds to the commitment made by the Prime Minister.

GOVERNMENT POSITION

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my question is again very simple. Is the Prime Minister ready to go down in the history books as someone who can preach to other countries but refuses to practise at home? Is he prepared to leave this blot on the Canadian record and not do the justice that he promised four years ago?

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, the Hon. Member may be aware that that letter contains an apology and a recommendation to the National Association of Japanese Canadians that there be a recognition of the injustice. It also calls for the elimination of that fact with regard to the War Measures Act, which is currently being done.

Where we differ with the National Association of Japanese Canadians is that they want over $400 million for losses not sustained. That is the problem.

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BANKS AND BANKING

CHARTERED BANKS—SERVICE FEES CHARGED TO CUSTOMERS

Mr. John Oostrom (Willowdale): Mr. Speaker, we have heard this afternoon from two cabinet Ministers on the issue of bank charges. My question is directed to the Chairman of the Finance Committee.

Various news reports indicate that the report which was done for the Finance Committee states that banks are not telling customers of specific charges but are getting consumers to sign a blanket statement. Is this report accurate?

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I thank the Hon. Member for the question. As I said earlier today on a question of privilege, some of the matters of the Finance Committee report and the work being done by the committee have improperly been allowed to get into the public hand.

Unfortunately, the work that is out is not accurate and not complete, nor does it properly reflect the views of members of the committee. The committee is working very hard on this whole issue to try to be fair, both to the banking and credit institutions, including trust companies, caisses populaires, and so on, and to the consumer, in coming to grips with an issue which is very difficult.

It is very wrong to have partial leaks of material which leave a wrong impression. This is a serious matter and I am glad the Member brought it to the attention of the House. That is the reason I stood this morning on a question of privilege.

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LOBBYISTS

COMMITTEE RECOMMENDATION—REQUEST FOR BAN ON CONTINGENT FEES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Prime Minister and concerns the European Airbus issue and the registration of lobbyists.

The Prime Minister will know that a year ago a parliamentary committee recommended the following to this House:

> We recommend that lobbyists be prohibited from receiving compensation from clients which is contingent in any manner upon the outcome of the lobbying activity.

Will the Prime Minister commit here and now that the Government will entertain amendments to the new Bill which has been introduced to ensure that contingent fees are not permitted? Why can we not have a clause in that Bill to disallow pinball lobbying with a bonus for hitting the jackpot?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, that Bill has just this week been referred to committee where questions like this can properly be raised in the proper format. It is in fact contrary to *Beauchesne's* to raise this kind of question in Question Period.

[*Translation*]

PARLIAMENTARY LOBBYISTS—LIMITATIONS OF BILL C-82—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): I have a supplementary question, Mr. Speaker.

It is obvious that the Minister does not know what his bill is all about. I want him to tell me now why does Bill C-82 not prevent lobbyists from demanding fees that are contingent upon them being successful in their lobbying activity? Why allow such a situation to exist? Is it not a source of abuses?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, at committee officials will provide the legal opinion that it is difficult, if not impossible, to implement that which the Hon. Member is suggesting. That was in fact disclosed at the press conference which the Hon. Member attended when this Bill was put forward. It will be discussed in detail when the Bill goes to committee. Why is the Hon.

Member wasting the time of Question Period with these silly questions?

* * *

NATIONAL PAROLE BOARD

PEPINO REPORT ON TORONTO HALF-WAY HOUSES

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Solicitor General. The Solicitor General has had in his hands for over a week now the Pepino Report in connection with half-way houses in Toronto. Will the Solicitor General advise the House if he intends to make changes as a result of that report? If he does, will he share that information with the House now rather than waiting till the press conference which is set for later this afternoon?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, the Hon. Member is quite correct, I do in fact have in my hands the Pepino Report on half-way houses. It is an excellent report, it is very frank and hard-hitting. I certainly want to commend the chairperson of that committee and the other members for an excellent job. I will be releasing the report at four o'clock today with a plan of action.

* * *

[*Translation*]

NATIONAL DEFENCE

OPPORTUNITY TO ESTABLISH SHOOTING RANGE IN SAGUENAY—LAC-SAINT- JEAN—REQUEST FOR FINANCIAL AID FOR PUBLIC HEARINGS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Associate Minister of National Defence. On March 3, 1988, the Coalition against the proposed establishment of a shooting range for F-18s in the Lac-Saint-Jean area has requested financial aid for the people of Saguenay—Lac-Saint-Jean to prepare public hearings.

When will the Government provide the necessary funds for such important hearings?

• (1450)

[*English*]

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, the hearings are held pursuant to the authority of the Government of the Province of Quebec. We are willing to participate in the hearings and assist with any information they may want. However, those hearings are not under our authority whatsoever.

[*Translation*]

REQUEST FOR HELP FOR POPULATION OF SAGUENAY—LAC-SAINT-JEAN

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have a supplementary question for the same Minister. The Minister knows full well, for example, that the populations affected by the Goose Bay military project in Labrador have received $350,000 from the federal Government for their public hearings.

Considering there are vital questions at stake, such as environmental matters, security and demilitarization of the economy, why the double standard? How is it that the Minister is unable to confirm today that he will help the population of Saguenay—Lac-Saint-Jean as he has already helped the population of Labrador?

[*English*]

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, I would certainly have hoped the Hon. Member had done his homework and realized that the environmental study taking place in the case of Labrador happens to be going on under the jurisdiction of the federal Government, which is absolutely different from the case in Québec.

* * *

FINANCE

NORTHERN TAX ALLOWANCES—COMMISSION HEARINGS—POSSIBLE RETROACTIVE APPLICATION OF BENEFITS

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is directed to the Acting Minister of Finance. I want to return to the issue of tax benefits for residents in northern and isolated communities.

An otherwise very excellent tax measure is creating havoc across the country because of some very wacky and irrelevant regulations that govern the benefit. Yesterday, the Minister signalled once more his intention of appointing a commission to study all aspects of this northern benefit's issue, but he did not answer a very specific question, that is, should the commission rule that some of the excluded communities do indeed qualify for the benefit, would the taxpayers in those communities be able to receive that benefit retroactively?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the commission will also be mandated to make a recommendation with regard to that. There are a number of recipients receiving benefits under the new scheme who never received them before. These include pensioners and the self-employed employees who are provided housing. It includes travel for native Canadians. There are many examples of how this program has been broadened and strengthened.

REQUEST FOR CHANGES TO REGULATIONS

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my supplementary question is directed to my hon. friend, the Chairman of the Standing Committee on Finance and Economic Affairs. Will he carefully consider looking at this tax benefit package and making some quick recommendations to the Minister of Finance, particularly with respect to changes in the regulations so that all of the anxiety that taxpayers now have may be put at ease? I would ask him at the same time to consider having representatives appear before this committee from these excluded communities who want to speak on behalf of residents and who feel they are now left out in the cold from an otherwise very good tax measure.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the matter to which the Member alludes was in the Income Tax Act of 1986. It is a matter that has caused a number of members of the committee some distress. However, it is a matter that is under consideration by the Ministry. The Ministry has promised to report to the committee on this issue, as it does from time to time on regular economic matters.

I understand the Member's concern and will take the matter up with the committee as we analyse the further work that the committee might do under Standing Order 96(2).

* * *

INDIAN AFFAIRS

FUNDING OF NATIONAL ASSOCIATION OF FRIENDSHIP CENTRES

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is directed to the Secretary of State. As the Minister knows, the National Association of Friendship Centres, which represents 99 centres and about 1,300 employees, is not funded on a permanent basis but during a five-year period. That funding will run out March 31, 1988. I understand that there has been stopgap measure funding to fund the centres until September, but this does not allow for adequate planning.

Will the Minister respond to this and assure us that the National Association of Friendship Centres will receive permanent as opposed to limited funding?

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, let me assure the Hon. Member that I think we have the situation reasonably well in hand. I met with the Association a couple of times. They are trying to work within our needs and we are trying to work within theirs.

We have a permanent program in mind and I am hoping that will come out of the process in which we are now engaged.

Ms. McLaughlin: That is heartening news and I am sure the National Friendship Centres would like to hear it.

LEVEL OF GOVERNMENT FUNDING

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, the Minister will know that there is a request to increase the present $17.5 million funding to $19.8 million. This really represents the bare bones bottom line for these groups that employ so many people and create many jobs.

Does the Minister support this increased level of funding to maintain this important service?

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, of course I can assure the Hon. Member that I appreciate the budget they submitted. I also appreciate the resources I have available. They understand that. We are trying to reach an accommodation, one which I believe will commend itself to the Hon. Member.

* * *

HEALTH

LEGIONNAIRE'S DISEASE BACTERIA ON COMMERCIAL AIRCRAFT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. He will know that three years ago he became aware that on certain commercial aircraft flying in Canada Legionnaire's disease bacteria was found which, in certain cases, can lead to illness and death. At that time regulations were ready to be implemented to ensure that the water systems in aircraft were flushed, yet the Minister chose not to go ahead with recommendations with respect to these regulations. Will the Minister explain why he put the health of Canadians at risk in this way?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I do not believe that that was at all the case. In fact, if the details were examined, there was a case that dates back a number of years. Obviously I cannot nor would I want to release the name of the person, but that case was taken as the initial work of the LCDC within Health and Welfare. Studies were conducted.

I think the Hon. Member and all Members should keep in mind that there was not a sample found in respect of the water that the individual had consumed on the aircraft. The other point that should be kept in mind from a medical point of view is that, as a bacteria that is airborne, it would have to be ingested through the air rather than by drinking water.

FLUSHING OF AIRCRAFT WATER SYSTEMS—MINISTER'S POSITION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Minister will know that in hospitals in Halifax, Prince Edward Island and Ontario, Legionnaire's disease has been isolated to showers and water pipes in the facilities. The Minister received

the report three years ago and will also know that similar bacteria was found in the water pipes of commercial aircraft.

I am not asking the Minister to say whether or not an individual died as a result of this particular bacteria. I am asking him why, when he received information three years ago that Legionnaire's bacteria was present in water pipes in commercial aircraft, he did not move with regulations to ensure the flushing of the water systems to prevent any kind of bacteria from getting airborne and in fact leading to potential sickness or death of Canadian air passengers?

• (1500)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, that Member is so irresponsible she plays with words in this House just to make political points. She uses the word "death". There was no death involved whatsoever. I simply say to her, if you want to be health critic then start getting some of your facts straight—

Some Hon. Members: Hear, hear!

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—AUTO DUTY REMISSION SYSTEMS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Earlier today I noted that the *Wall Street Journal* had reported—

Some Hon. Members: Oh, oh!

Mr. Langdon: We do read it.

Mr. Speaker: Order. I do not know what it reported but it does not sound unparliamentary. Would the Hon. Member put his question?

Mr. Langdon: The *Wall Street Journal* reported that Governor Blanchard of Michigan had launched an unfair trade practices attack on our automotive policy despite the fact that that policy is treated with respect to duty remissions within the trade agreement.

In view of this seeming contradiction of what is committed in the agreement, will the Minister tell us what he has done to communicate with the United States with respect to trying to overcome this particular attempt to bring our auto industry down?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I note the Hon. Member no longer reads *Saturday Night* and now has turned to the *Wall Street Journal*.

I can say to the Hon. Member that, first, it is interesting to listen to the New Democratic Party talk about the trade pact and that the Americans say that Canadians got the better deal. Now its members are standing up and defending it. Is it a new policy of the New Democratic Party to support the trade agreement? If so, we welcome it and thank the Hon. Member very much for saying so.

Second, there has been no 301 filed by anyone in the United States. We expect the spirit of the agreement to be carried out both here and in the United States as it was negotiated. The duty remissions schemes are in place as per our commitments to the foreign auto makers and will be there until 1996.

Mr. Speaker: I must advise Hon. Members that in view of the time, that is the last question.

I have a point of order from the Hon. Member for Edmonton South (Mr. Edwards), followed by a point of privilege from the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin).

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PRIVILEGE

ALLEGED CONSPIRACY—AN IDENTITY CRISIS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I want to bring to your attention a very serious and urgent matter that I regard as going right to the fundamental privileges of any Member of Parliament.

Today's edition of *The Toronto Star* clearly carries what is obviously, I submit, a conspiracy between *The Toronto Star* and the Hon. Member for Simcoe North (Mr. Lewis) to target the Newfoundland vote amongst the *Star*'s readership in an unscrupulous manner. I will tell you what happened, Mr. Speaker.

Today's edition of *The Toronto Star* carries a very serene and calm photograph of myself incorrectly identified as the Hon. Member for Simcoe North. The same edition carries a brooding and angry photograph of the Hon. Member for Simcoe North, incorrectly identified as being myself.

I suggest this is a conspiracy, a deliberate mix up, designed to alter my reputation as a calm and dispassionate politician, and, of course, to apply the attributes of calmness and lack of emotion I possess to the Member for Simcoe North who is known as an angry and brooding politician.

This is also a further obvious attempt by *The Toronto Star* and the Hon. Member for Simcoe North to try to appeal to resettled Newfoundlanders to vote for the Member for Simcoe North in his own riding. I ask that the Chair give this very serious question of privilege all the attention it deserves.

Mr. Speaker: I notice the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) made reference to Newfoundlanders living in the other Hon. Member's riding where they would vote. Perhaps where the Hon. Member for Humber—Port au Port—St. Barbe comes from, people who are not living in the Hon. Member's riding will vote for him in any event. I am not quite sure what point is being made. However, the Hon. Minister of State (Mr. Lewis) might want to reply.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Very briefly, Mr. Speaker, I also saw the same article and I have to tell you that I am keeping track of the comments. The best comment made was by the individual who said "I look a lot better in person than I do in *The Toronto Star*".

If my hon. friend thinks he is maligned, how does he think I feel? This has been a bad seven or eight days for me. First, I was left off the CUPW list and I have to fight the election without the benefit of being maligned by CUPW. Now I am suffering the slings and arrows of *The Toronto Star*, which is very unusual for a Conservative, of course, especially when I used to deliver the darned paper.

In any event, I think the matter has now been sufficiently aired and I will be pleased to reintroduce myself to my constituents as the Hon. Member for Simcoe North. They will be pleased to know that I do not have that kind of moustache.

Mr. Speaker: I will give this point of privilege exactly the consideration it deserves.

Some Hon. Members: Oh, oh!

GOVERNMENT ORDERS

[*English*]

CANADIAN MULTICULTURALISM ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Crombie that Bill C-93, an Act for the preservation and enhancement of multiculturalism in Canada, be read the second time and referred to a legislative committee.

Mr. Speaker: When the House rose at one o'clock p.m. the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) had the floor.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, when I was speaking just before we rose at one o'clock, I was commenting on the shortcomings of Bill C-93. It is a good first half to the whole Bill, but it is only half the Bill we should have. Even though the Government has given us the opportunity of historic debate on a Bill to enhance multiculturalism in Canada, which we are doing on second reading, we do not have the kind of Bill we want. I think the reason for that is to be found in Canadian history.

If we go back a quarter century to the events of the 1960s, we can see how Canadians began to grapple with the forces that had been at work for a century and more to create a nation of one language in which cultures were to be re-made and peoples were to be assimilated into one particular culture. It had taken more than half of this century before Canadians were brought to the position of recognizing that the diversity of this country makes such a policy impossible. It was only because of the explosive events of the 1960s, particularly the unrest that arose in the Province of Quebec, that Canadian Governments came to grips with that truth.

• (1510)

In the work of the Royal Commission on Bilingualism and Biculturalism we had recognition of the fact that the Québecois required a recognition which would force the Government of Canada to change its policies. In 1969 that came in the form of the Official Languages Act. However, it proved to be inadequate.

Even in the work of the Royal Commission on Bilingualism and Biculturalism there was a representative in the form of Dr. J. B. Rudnyckyj who spoke for Ukrainian Canadians, and by extension for all of those in the third reality of Canadian history.

In terms of what was happening in those years we might speak almost of the fourth reality because, after all, there were aboriginal peoples first, then the French and the British, along with the diversity of British peoples, and then all the others who came to Canada. It was at Dr. Rudnyckyj's insistence that it was inadequate for the Government of Canada to establish two official languages and to settle for a policy of biculturalism.

We find in the fourth book of the work of the Royal Commission a transition from biculturalism toward multiculturalism. The result was that famous policy statement in 1971 in which then Prime Minister Trudeau declared:

[*Translation*]

A policy of multiculturalism within a bilingual framework commends itself to the government as the most suitable means of assuring the cultural freedom of Canadians.

[*English*]

This policy of multiculturalism in a bilingual framework became the position that the Government of Canada supposedly took. All four Parties responded to that in appropriate style. The then Leader of the New Democratic Party, Mr. David Lewis, after indicating his support, declared that this statement of principles would be a mockery and a betrayal of high ideals and objectives unless collectively we provided the funds to make the principles meaningful in the lives of the minorities in Canada and unless we developed programs in consultation with the minorities giving them every opportunity to participate in the development of programs rather than imposing such programs on them.

As I said at the outset, the funds that were dedicated to this policy proved to be sadly inadequate. This indicated to what a limited extent the Government actually acted on the policy.

In terms of underscoring the extent to which the policy on multiculturalism brought about a change in the understanding of Canada, in those very same years—1969, the year of the Official Languages Act, through 1971, the year of the multiculturalism policy—the Government was forced to do an about face on its policies regarding aboriginal peoples.

Canadians will remember the White Paper of 1969 which was designed to do away with reserves, to end the collectivities of Indian bands and to offer aboriginal peoples the blessings of individual Canadian citizenship. The outcry that that aroused still reverberates through the halls in which Canadians do politics. The failure of Canadian Governments to respond fully to the assertion of the aboriginal peoples, that they have the right to govern themselves, underscores in still another area the fact that the Government of Canada did not really enthusiastically throw itself into developing a policy of multiculturalism.

Thus we have very limited responses. We can appreciate how limited those responses actually were and how limited the actions of the Government on the multiculturalism statement of 1971 were if we look at the one area of culture and the other area of justice for individuals, of human rights in short, and recognize the failings of the Canadian Government in advancing multiculturalism in these areas.

What happened in the cultural area proved to be very revealing. A department of multiculturalism, which recognized that there was no longer, if there ever had been, an official culture in Canada, was not created. The Government's support for cultural activity had become quite large. If we think of broadcasting, support for scholarship and all the activities which the Department of the Secretary of State would support in these years, we see that the Government did a great deal for culture.

But the significant thing about that was that it remained as diverse, as unco-ordinated and as unrelated to the policy of multiculturalism as one could imagine. In looking at what Governments did in those years one would think that the policy of multiculturalism had never been enunciated and had never been agreed to by all the Parties in Parliament.

What happened in these years culturally, in particular, was that the Department of Communications was created and the Minister of Communications became the culture Minister of the federal Government in all those areas dealing with electronic media, and far beyond that as the years passed. As we now well know from looking at the way in which broadcasting developed in Canada through the 1970s and on into the 1980s, the Minister of Communications behaved as if a policy of multiculturalism had never been expounded. The Minister behaved as if it had never been declared that there was not an official culture in either the English or the French language which the Government of Canada was to support.

That is a failing on which the Hon. Member for York West (Mr. Marchi) focused in terms of the Canada Council and the multiculturalism sector when it comes to support for writing, for example. The Canada Council will support those who appear to be working in certain mainstream traditions. These are presumably the official cultures of the country. However, when someone whose name is of another origin than British or French, someone who appears to be working in a different culture tradition, the Canada Council is not interested and fobs that person off on the multiculturalism directorate.

That is an indication of the kinds of ghettos of neglect which are the reality of Canada through 16 years and more of the multiculturalism policy. It is simply not acceptable for the Minister to speak of rejecting the recommendation from the committee, our unanimous recommendation from the members of the Standing Committee on Multiculturalism of all three Parties. In fact, five out of seven members of that Committee from the Government caucus were in support of creating a department of multiculturalism. It is simply not acceptable for the Minister to declare that that would ghettoize multiculturalism.

What his comment reflects is all the inadequacy of the attitudes that continued through 1971 and beyond in which the Department of Communications would control within certain directions, and the CRTC would be forced, very slowly and grudgingly, toward recognizing the needs of ethnic broadcasting, and hardly act on them adequately in any kind of national sense, even 16 years after the policy was enunciated. The Canada Council would go about its way inadequately funded, barely able to support those it regards in its province, supporting high culture, supporting those companies which its funding has enabled to become professional but rejecting those it sees as practising the folk arts. It would reject those who are forced to be amateur because they have not been able to garner the support of national and provincial art councils. Those are left outside.

There we have a continuing situation of neglect in the cultural area. There we have the continuing reality of ghettos of neglect which the Minister is quite prepared on the face of the evidence of Bill C-93 to allow to continue. There, on the cultural side, is the refusal to create a department of multiculturalism which would ensure that all of the federal Government's cultural activities would be brought together into one area under one Minister and his deputy and co-ordinated in such a way that the Government was not handling cultures unfairly. There is one of the evidences of shortcomings still in this Bill and through years of policy.

On the other side we have the matter of human rights. As the Secretary of State (Mr. Crombie), the Minister responsible for multiculturalism, pointed out, it was half a dozen years after the multiculturalism policy was enunciated that the Government of Canada and the Parliament of Canada passed the Canadian Human Rights Act establishing a commission to deal with matters of discrimination of all sorts.

Did the establishment of a commission to deal with discrimination on the basis of gender, of ethnic or racial origin produce genuine fairness for Canadians? The Standing Committee on Multiculturalism considered a report last spring which raised doubts about the affirmative answer to that question. The committee was told five years after the Canadian Human Rights Act had been passed that in the work of the Canadian Human Rights Commission there was a difference in the way in which different types of complaints were handled.

• (1520)

When complaints about discrimination on the basis of gender were brought before the Canadian Human Rights Commission there was a vigorous assault on the situation, if I may use as vigorous a verb as that. There was a careful consideration of the institution within which the person had been employed or against whom this person was complaining, paper was obtained, and systematic approaches were undertaken to decide what this person—presumably a woman, given what we usually expect in the way of gender discrimination—had suffered in relation to discrimination in the workplace or in other ways. The commission had a good deal of success in dealing with those matters.

However, if someone came forward with a complaint of discrimination on the basis of racial origin or ethnic background the commission did not use the same approach. There was not a systematic examination of the institution against which this person was complaining, or the superiors against whom the person was complaining. Instead, the investigators began looking for overt expressions of discrimination. The fact that people are usually sensible enough not to cast aspersions on individuals to their faces, or in the hearing of those who were prepared to testify, left those complainants without satisfaction.

I was compelled to ask the then Chief Commissioner of the Canadian Human Rights Commission whether this difference did not represent, on the part of the Canadian Human Rights Commission itself, systemic discrimination against those who had complaints based on race or ethnic origin. Although the Chief Commissioner rejected that possibility, it was an indication of the extent to which the Canadian Human Rights Commission had failed Canadians on the basis of consideration of 100 and more files in the possession of the Canadian Human Rights Commission.

In both of those areas there is evidence of grave shortcomings in the way in which federal Government institutions responded to the statement of 1971. We recognize that in the spring of 1984, in its last days in office, the Trudeau Government put forward a multiculturalism Bill. It was a very weak Bill. No one would say much for it except that it was an attempt to enunciate some of the principles.

Unfortunately, one cannot say much more than that in regard to the Bill presently before us, Bill C-93. It is the more or less good first half of the type of Bill that we really want. In considering what is not included in this Bill, I wish to consider some of the important questions which are before us.

After we rose at one o'clock, I chatted for a moment with the Minister outside the Chamber. He stated that he was tempted to call across the floor when I was talking about the aboriginal peoples. Of course, they had their Department. The Minister wished to make the argument that Indian Affairs demonstrated the type of ghettoizing that is his argument for not having a full-fledged department of multiculturalism. That has some truth to it. If one wants to look at how the Canadian Government could seek to destroy cultures and what it could do in the way of perpetrating cultural genocide, one need only go and look at Indian Affairs. I would suggest that that is not the only model that we can have.

The Minister stated that he did not want a department that could command and control. Neither do I. I do not think that anyone would want that. I am anxious about the proposition of more staff and more *animateurs* in the field to carry out the work of organizing groups and urging them on. That has to be done with care. I think that there are better ways of doing that than enlarging the field staff in the Department of Secretary of State. What is needed is money for organizations, far more than staff.

But the question remains, how can one ensure that the institutions of the federal Government respect the policy? In considering how a department of multiculturalism could ensure that the policy becomes what it should be, the first line of the federal Government's interaction with the communities and with the diversity of cultures would be if such a department were responsible for all the cultural activities of the federal Government. The standing committee looked in that direction with its recommendation that the department and the Minister should become responsible for the Canada Council. That was only a partial solution. It will inevitably arouse debate if the Government takes it up.

What we want is not necessarily for all those institutions to be put into a department. The reality is that those agencies, whether it is the Canada Council, the Canadian Broadcasting Corporation, Radio-Canada, or other agencies, are at arm's length from the Government. What is wanted is a mechanism by which they can be brought into an acceptance of a policy of multiculturalism, and forced to act upon it. I would suggest that the committee's report goes only part way towards that.

Last spring in considering a minority report forced on me by the refusal of the committee to deal with issues of racism explicitly in a historical section of the report, I was forced into considering those questions with my colleagues and thinking of different ways of doing that. I would suggest to the Minister that what is wanted is a full-fledged Minister of multiculturalism who, because he or she has at least partial supervisory responsibility for all the cultural activities and human rights activities of the Canadian Government, will be recognized as having some real clout in the Government. Given that he or she is a full-fledged Minister with a deputy minister, there is

the clout that Government requires in dealing with other departments and with agencies.

As the committee's own tentative suggestion does not, this would recognize, of course, that there are other departments involved. The Department of Communications in its general responsibility for electronic communications is sure to remain in the field. The New Democratic Party's response to multiculturalism issued at the end of June suggests that there should be a dual reporting relationship in which the Minister of multiculturalism has a joint responsibility with the Minister of Communications (Miss MacDonald) and the Minister of Justice (Mr. Hnatyshyn) to receive reports and to pass suggestions on to the cultural agencies. In this manner it would ensure that in every area, whether it is support for native friendship centres, aboriginal programs, or in the areas of the English-speaking culture that CBC and the Canada Council support, or those supported by Radio-Canada and the Canada Council, all of those activities presently in the multiculturalism sector would be carried out in awareness of each other and under the direction of a Minister who has total responsibility. This would end a charade of political multiculturalism.

Because the Trudeau Government refused to follow through, in this holistic way, in changing the institutions of the federal Government, too many people still think in terms of ethnic politics; dinners, banquets, speeches, in which they crave some type of attention. In an election year they get quite a bit of it from the Government, but not much in between.

When the Canadian Ukrainian communities met in a triennial convention a couple of years ago in Winnipeg, and looked for the usual cabinet Minister to address them, they were forced to settle for a private Member. Unfortunately, they were not meeting during an election year, or they would certainly have had the Prime Minister (Mr. Mulroney) there, as he was at the Jerome dinner last Saturday night in Toronto.

In an election year, all kinds of attention is paid to communities. But the reality of the changing institutions, ensuring that the policy of multiculturalism has all cultural and human rights activities related to it, is that this does not happen. It does not happen in this Bill in which the second half dealing with means is practically missing. There is a ministry re-established by a provision or two, the standard ones, and there is the advisory council which dates back to 1973 given a legislative framework. There is no substantial department, or a Minister with real influence, because of the voice that he or she would have, and responsibility for all of those activities.

• (1530)

We do not have a council that would have the kind of independence required in the matter of the status of women, for example. We have a council that does have independence with staff and research people who are producing reports that can be published and can advance the cause. What have we had for years under Liberal Governments and now for three and a half years under the Conservative Government and the advisory council is bodies that meet occasionally, not frequently enough, large ones, small ones, that meet behind closed doors. They may have a reception occasionally and issue a statement, sometimes not all that well advised, but these bodies are really private bodies for the Minister and are closed to others as far as their deliberations are concerned. That is not the kind of body we want. We need a strong Minister with a good department and we need a council that is a public body. We need a council that is responsive to the communities because it is selected from the communities.

The model developed in Manitoba is the Manitoba Intercultural Council. A council that is largely a chosen body selected by the communities is able to deliberate with all the freedom that that gives it. It is a council with significant funding for the support of multiculturalism and is a far better model than anything that federal Governments since 1973 to the present have come up with. That is the kind of route we should take.

If we had research capacity and a significant budget for that body, we could have funding made available to organizations with much less concern about the politics of the whole thing. It would put support for multicultural organizations and ethnocultural organizations at the same arm's length relationship from Government that now characterize the cultural agencies of the Government and the Canadian Human Rights Commission. That is the kind of model I suggest should be used.

The Minister has rejected a full-fledged department. He has been forced by the Government—he does not make these decisions by himself—to remain the kind of junior or part-time Minister he is now, being primarily occupied with his duties as Secretary of State. There has been debate among organizations and in the communities as to the best way to go. Not everyone is in support of a department. I think that has a good deal to do with the inadequacies of government action for almost a decade and a half now, in fact, back to the early 1970s. If we had had the proper policies, people would be much more prepared, I would suggest, for a department.

The refusal to create a commissionership represents a far more serious failing. There are people who are concerned about large departments and about what government can do. There are, among all of those concerned about advancing a policy, far fewer doubts about a commissioner. It is again one of those things that can arouse jealousies. God forbid that we should. It is the game of divide and conquer that has gone on for very long in this area and in other areas.

People look at the Commissioner of Official Languages, who has been at work since the Official Languages Act authorized the position back in 1969. They look at the Joint Standing Committee on Official Languages and the way in which the committee and the commissioner can work together, if you will. I have been privileged as a member of that joint standing committee to see how it operates and how effective it can be in bringing pressure to bear on the Government. People see that the Commissioner of Official Languages can make a real

difference. In the refusal of a government to do the same thing for multiculturalism, they recognize the extent to which this is pre-Christmas tinsel. It is symbolism. A gift is supposed to be given, but there is nothing inside. There is no muscle, no power and no protection for people except what a Minister, who is obviously a Minister of the same Government, might actually be able to bring to bear.

If one has doubts about a department, surely one should be prepared to move in the area of the establishment of the position of commissioner who would be able to assist the Standing Committee on Multiculturalism, the one real advance which this Parliament has made and for which this Government deserves thanks. In the establishment of that standing committee, we have some movement in the right direction. But we have the refusal to establish the position of commissioner who would have the means to review what is going on in government, who would have the means to receive complaints, who could comment on the failure of cultural agencies to respect multicultural policies, and who might have taken reports half a dozen years ago in the human rights area from people who thought they were not obtaining justice from the Canadian Human Rights Commission. A commissioner can do his work often behind the scenes, investigating, issuing reports that are confidential to departments initially. If one takes the procedures that are in the Official Languages Act which are now being proposed in Bill C-72, the commissioner could ensure that the Government really respected the words spoken in January, 1971 to which successive governments of Canada have given lip-service.

What is wanted, Madam Speaker, is real action, not just words. We have had a lot of rhetoric. We have in this Bill the first half of a good Bill. But we need much more than that. I see the failure of this Government to propose anything more. This morning's comments from the Secretary of State suggest that there is no readiness to take up the commissionership, which I know remains the key concern of the Canadian Ethnocultural Council which speaks for several dozen organizations across the country. A commissionership is required, and there is the real failure of the Government.

We are left then with the half loaf that we have had all too often from the Government. Maybe we expect it, but I think the Government in the politics of an election year, would not want to concede that anywhere in public. We have the same kind of half loaf we got with Bill C-62, the employment equity Bill, in the first session of this Parliament. The Government accepted some changes to that Bill. They were very minor. In fact, they were so minor that my colleagues in the New Democratic caucus were forced to vote against the Bill at third reading.

In the case of the multiculturalism Bill, that would be a sad fate for the principles that are there. Whatever rearrangements one might want to make in some cases, it is particularly necessary in Clause 3(2) where federal institutions, it is suggested, should do some things rather than following the shell that is common in legislation of this Parliament. There, particularly, are reasons for suspicion. We look to the Government—presumably the legislative committee, unless the standing committee gets the responsibility, but wherever it is, I expect to be there—to have some sensitivity to the criticisms issued by many people. I have the privilege as a Member of Parliament to articulate them, while others are forced to do so in press conferences elsewhere or statements of one sort or another, but there are lots of criticisms.

The Minister attempted to lay on us the fine words of various correspondents, editorial writers and so forth, but he knows perfectly well that the Bill is regarded as a half measure, a half loaf. If there is any real sensitivity to what is wanted across the country and what is asked for from so many groups—we heard it again in Toronto in public hearings at the beginning of December—I look to the Government to be prepared to do something in addition to the Bill that is being put before us in Bill C-93.

The ethnocultural communities, the multicultural organizations of the country, want a lot more than this, given that they have had to wait sixteen and a half years since the policy was enunciated. It is almost 20 years since the Official Languages Act was passed. These people have waited for a long time to get something. For them to be forced to settle for half measures as they are in this Bill is a tragedy and is an indication of what little progress we have made toward recognizing what the policy of multiculturalism really requires of the federal Government.

[*Translation*]

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and Minister Responsible for Multiculturalism): Madam Speaker, I also have a few comments to make. I heard what my two colleagues had to say about the Bill before the House today, Bill C-93, the Canadian Multiculturalism Act, a piece of legislation that is a historic landmark. The purpose of this Bill is to reflect Canada's multicultural and multiracial reality in every aspect of our life as a nation. It requires the Government of Canada to enhance and strengthen the principles of multiculturalism, and it contains a firm government-wide commitment to implement those principles.

Madam Speaker, I was checking my notes just now. This Bill was introduced for first reading on December 1, 1987, and after the question put by the Hon. Member for York West (Mr. Marchi), I said that to me it was a great day when Canada tabled its legislation on multiculturalism. I believe Canada was the first country in the world to table this kind of Bill. It was not only a great day for Canada and Canadians of ethnic origin like myself, it was also an historic moment for Canada. As a Canadian of ethnic origin who had the privilege of being here in Canada and becoming a Canadian citizen, I was very proud indeed.

Madam Speaker, I was listening earlier to my two colleagues, the Hon. Member for York West (Mr. Marchi) and the Hon. Member for Thunder Bay—Nipigon (Mr. Epp). I

must say that what I heard really takes the cake! Their telephone numbers should be changed to read: 992-blahblah-blahblah. Incredible, what I heard here in the House today! We are just starting second reading, and I made a few notes. Unfortunately, I was not in the House to hear the speech by the Hon. Member for York West (Mr. Marchi) from start to finish but I caught bits of it here and there.

So I heard his speech, and I think we should not forget it was his Party that tabled a parody of a Bill on multiculturalism during the last days of the previous Government. Talk about meaningless promises! He criticized this Bill, but the Bill to which he was comparing it, Bill C-48, was vastly inferior. Why, Madam Speaker? First of all, they made a number of comments. In fact, I had the pleasure of sitting with them on the Multiculturalism Committee. The Bill referred to by the Hon. Member for York West, the official critic in the House, did not recognize multiculturalism as a characteristic of our society, while our Bill does. It did not reflect the essential link between multiculturalism and official languages, and ours does. It had no policy for federal institutions, and ours does. It did not provide for a government-wide commitment, and ours does. It is easy to talk but what we need is facts. Their Bill did not provide a mechanism for ministerial and parliamentary responsiblity but ours does. Madam Speaker, their Bill did not recommend creating a department or appointing a commissioner. So why should we bother comparing the two? No, Madam Speaker, Bill C-48 did not recommend creating a department or appointing a commissioner.

Why persist? Why rack one's brains with that, since, either it was no good then or it has been forgotten, and now it has become a priority. There would be a lot to say about that. Therefore, where was the previous Liberal commitment? Maybe the Hon. Member worked on Bill C-48, maybe he devised the whole system in Bill C-48, perhaps he gave some advice to his colleagues or former colleagues. It is a commitment to hollow promises made in the safety of opposition benches. Nothing more! It was quite simply rhetoric.

Earlier today, the Minister summed it up very well. He rose in this House, and I must congratulate my colleague, because he very well expressed what people, ethnic groups, those who built this country have suggested and what they want. They do not want to be ghettoized. They do not want to be caught up in a separate system.

Madam Speaker, we are not any better or worse for having immigrated to Canada. The Minister summed up what this country is all about when he said: This country of privilege . . . and I insist on that, Madam Speaker, because it was a privilege to be accepted in this country. And those who do not recognize that privilege are not good Canadian citizens.

People like myself, immigrants, chose this country for three reasons the Minister very aptly outlined this morning: freedom, stability and opportunity. We, more especially in my community, in my family, used those opportunities and those freedoms, and we are quite proud of that. We have been accepted in this country, and we now realize that it is a very great privilege indeed, and I would urge all those who are new Canadians to enjoy and to appreciate what they have.

Everytime I meet a new Canadian, I remind him that he is not here to claim the rights of his native country, he is here to accept the laws of this country, to enjoy all those privileges—stability and opportunity. Because if people start to claim conditions in their own countries, we will have no time left to deal with this country, the stability in this country.

• (1540)

[*English*]

The multiculturalism policy of Canada will be the responsibility of cabinet Ministers. This should answer many of the questions of my dear colleagues across the way. I know that there has been some suggestion that a separate department of multiculturalism be established. I strongly believe that such an isolated, separate department of multiculturalism would not be in the best interests of the Canadian people.

Let me refer to an article from *The Toronto Star*, a newspaper which writes its own articles. I do not think the Government tells it what to write. *The Toronto Star* says:

> It's precisely by avoiding the temptation to create a centralized multicultural department with huge power that David Crombie does all Canadians a big favour.

I really stand behind this quote.

I know it is very important for my colleagues across the way to have this department separate, but it is not in the best interests of the Canadian people to do so. As I said at the beginning, and I do not want to repeat myself but it is very important that I say it in both official languages, as an immigrant, I do not feel that I am inferior or superior to anyone in Canada. I want to be equal.

I am so proud to have the privilege of staying in Canada that I do not ask for any special favours. Many, many people try to do that but I do not want any special favours. I want to be equal.

A separate department would, in my view, risk the development of a kind of a ghetto and would give encouragement to a view that multiculturalism is not an integral element of our whole society but rather some form of add-on or special program.

[*Translation*]

Madam Speaker, I recently attended a seminar in Montreal, and I would like to share that experience with the House, knowing that my colleague, the Hon. Member for Bourassa (Mr. Rossi) is going to listen closely, as well as the Hon. Member for York West (Mr. Marchi), because this involves my community. I attended a seminar and someone pointed out to me the need of developing special programs for the visible minorities. One visible minority put some kind of a proposal to me, suggesting: We want to have a special program for us

blacks as a visible minority, because we want to have a chance as Italians had in Canada.

• (1550)

[*English*]

For example, would the condition of multiculturalism with respect to health matters or employment strategies or small business be more valuable for Canada? Multiculturalism should not be put in a corner. It must be reflected in every way the federal Government works. This commitment is a lot more than words. It reflects this Government's record and demonstrates our resolve.

The record is clear. First, we must tell the House about our good record. Our hon. friends never mention that. I do not blame them. They are in the opposition, they are not interested in the truth. They are not interested in saying something good about this Government. No one is perfect, but at least we have something good. This Government established a Standing Committee on Multiculturalism. We promised it, we have it, and my two friends are on it. They can speak freely and put their views. It is good for all of us. No one did it before. We are the first.

Mr. Marchi: Thank you.

Mr. Della Noce: You are there. I know you are having a lot of fun. You work hard, but you must say that we did it. You did not do it.

We introduced the Employment Equity Act. We convened the first national conference on policy and urban municipalities. We increased significantly the number of appointments made to federal boards and commissions. I wish I could give all the names but I do not think we have the time.

Mr. Marchi: Table it.

Mr. Della Noce: We can table any names and we can say that we did a lot of things. I will give some names but I will not have time to give them all.

The other day we received a letter from the National Congress of Italian Canadians, an organization which I know well. The Congress congratulated the Government of Canada for introducing a Bill that will formally recognize the multicultural reality of Canada through the first national multiculturalism Act. I must say that I will not read the whole letter but there is another paragraph that criticizes something. It is not perfect. It looks as though my hon. friend from York West wrote the letter for them.

Mr. Marchi: No.

Mr. Della Noce: Yes. Let me read you another paragraph that you will like because it is negative. The Congress, while appreciating the value of the initiative, is concerned that some of the key elements proposed by the various cultural communities and recommended by the Standing Committee on Multiculturalism have not been incorporated in the Bill.

Mr. Epp (Thunder Bay—Nipigon): Right on.

Mr. Della Noce: Of course. They did not come to us, they listened to you. You are preaching these words. If I go on I will see some phrases which my friend used a few moments ago in his speech. Maybe they listen to you but maybe they should listen to us, too, because we have something positive to say. Well, maybe my hon. colleague does not agree with us.

[*Translation*]

Madam Speaker, the Minister quoted from many sources this morning to show that we had the support of all the newspapers, and rightly so. After the Bill on multiculturalism was tabled on December 1, the *Toronto Star* came out strongly in favour of the Bill. The Secretary of State has already told the House about the reasons given by the newspaper.

This newspaper was quoted many times this morning because, as you know, Madam Speaker, the *Toronto Star* is supposed to be the most neutral newspaper in Canada. To my knowledge, it is not a Conservative newspaper. Everyone says so, which means that no one can accuse us of partisanship.

I would like to quote another article published in the *Toronto Star*:

"It is precisely by avoiding the temptation to create a centralized multiculturalism department with huge powers that David Crombie does all Canadians a big favour. Rather than shove ethnic groups into permanent multicultural ghettos, he is content to have all Canadians treated the same when it comes to protecting their basic rights and freedoms".

I like this article, Madam Speaker, and I intend to keep it as it summarizes all the questions of the two Hon. Members opposite as well as the concerns of our national Congress, which I know quite well and for which I have a lot of respect, and of the Italian community throughout Canada. It is true that these people are concerned, but perhaps they should have consulted us more to know what we had in mind and why we did certain things. The Government always has reasons for acting as it does.

We are always willing to listen. We are always willing to hear what people have to say. When we travel around this country, Madam Speaker, it is surprising to find that every community has something to say. Every piece of the mosaic has its own views, and we have to respect them.

On several occasions, I heard people talking. We would never want to see a ghetto! We would never want to be separated from the others! We want to be together to build this country. That is what I always thought, Madam Speaker, even if when the committee started meeting some years ago, I was seriously considering this issue. But after having consulted and talked things over, although nobody told me to change my

mind, I learned that there are realities in this country which must be respected.

Madam Speaker, I can only agree and I am sure that most Hon. Members support the way multiculturalism operates in this country.

The commitment to preserve and enhance multiculturalism in Canada cannot remain only a vague promise. It requires an effort to educate people and make them aware of the intercultural reality. It requires that we put to effective use the talents, trade skills and cultural understanding of Canadian citizens who have roots in other countries of the world. This commitment requires also that we strenghen Canadian unity and that we seek to increase communication and exchanges with other parts of the world.

While addressing the Canadian association of the multilingual press last October, the Prime Minister (Mr. Mulroney) was right when he made the following statement:

> The Canadian Multiculturalism Act will help shape our country's vision and steer our future development as a unique and dynamic country which knows how to benefit from the experience and talents of Canadians who emigrated from the four corners of the world.

When I hear "from the four corners of the world", Madam Speaker, I see myself in the picture.

I am sure I am not the only one who feels that we must take advantage of these resources. I refer to the talents and experience of our very diversified multilingual and multiracial population, as well as the ability of our institutional resources, to make of multiculturalism a dynamic new force in the so-called "global village".

Famous Quebec sociologist Raymond Breton noted that as long as a group sees that some of its members are not integrated in its own government machinery it cannot feel it fully belongs to its new country. The participation of representatives from all cultural groups to the policy planning and decision making process of the federal Government is of utmost importance at a time when we are seeking to promote multiculturalism in Canada as a whole.

I am proud to say the Progressive Conservative Government has made significant progress in this field. There has been a considerable increase in the number of ethnic group members appointed to federal councils, commissions and organizations. Earlier my colleague was urging me to name a few. I will single out just a few, Mr. Speaker, because I do not have time to read the whole impressive list.

Our Government sought faithfully to reflect Canada's multicultural reality through these appointments: Joseph Picinninni to the Citizenship Court; Berverley Oda to the CRTC; Emerson Mascoll to the CN board of directors; Wally Majesky to the Canada Mortgage and Housing Corporation board of directors; Cesar de Morias to the Immigration Appeal Board; Roman Senkiw to the board of the Canadian Commercial Corporation; Irène Chu to the Immigration Appeal Board; and Con Di Nino as President of the Harbourfront Corporation.

In conclusion, Mr. Speaker, I want to repeat what I have been telling my fellow Canadians and my Multiculturalism Canada colleagues: Multiculturalism is not only for the Italians, it is not only for the Greeks, it is not only for the Chinese, multiculturalism is a sign of harmony, it holds this country together and united. This morning our Minister aptly summed it up in three words, and I want to conclude my remarks by repeating those three words: liberty, stability, and opportunity.

• (1600)

[*English*]

Mr. Marchi: Mr. Speaker, although the Member who just spoke obviously brings passion and sincerity to the debate today as he did to his work before becoming a Member of Parliament, it is sad that in his capacity as Parliamentary Secretary to the Minister of State for Multiculturalism he has made, on a number of occasions, very loosey-goosey, offensive statements which I would like him to address.

However, before I ask him to do that, I would like to question him about his statements on the evolution of the mutliculturalism policy in this country. He asks why we had not done this and why we had not done that. One can follow that line of questioning to the ends of the earth. The Parliamentary Secretary fails to recognize that there has been an evolution of sorts in the Multiculturalism Directorate from 1971, when it was made an official policy of governments, to the present day.

The Member fails to see that when his Government assumed power in 1984, instead of propelling that policy into the future boldly and progressively it basically legislated in 1988 values and principles which were not new but were born and raised in the 1960s and 1970s. This indicates that the Conservative Party which forms the Government of today has failed miserably to be creative and define the second phase. In its failure to define the second phase it is left with an embracing of the principles and structures of the past. Therefore, for the Conservative Party the future of multiculturalism is in the past.

We say that, more important than debating what has happened until now, is to focus our energy, thoughts, and creativity on the present and the future. If the future policy lives in the past, it will become irrelevant. I am sure that no one in this House wants that to happen. I think the Parliamentary Secretary fails to grasp that. He prefers to dilly-dally in what happened in the sixties and seventies. Let us look at the nineties and beyond and ask ourselves as a collectivity in Parliament how to form a policy which will meet the aspirations of today and the future rather than simply deal with the past.

The Parliamentary Secretary said that people in this country do not recognize that it is a privilege to be here and that if they

do not do so they are not decent and good Canadians. He also made reference to people in this country who want special favours. I believe those are very suggestive terms, to say the least. To whom was the Member referring when he said that people in this country do not recognize the greatness of this country? Who in this country is looking for special favours? I have found no one who is.

Mr. Della Noce: Mr. Speaker, I would like to begin with the very important question which the Member asked at the end of his remarks. My colleague misunderstood me. I am going to read the "blues" to see whether he is right or wrong, but I would like to clear up the error.

I said it was a privilege for me to be in this country as it is for many citizens who arrive here, and that I hope they recognize that. I did not make the suggestion which the Hon. Member says I did. I said that I hope they realize that and if they do not realize that it is time that they did. I said that if they do not realize that this country is the best country in the world, they are not good Canadians. However, I have never met anyone who has indicated to me that they do not realize that this is a beautiful country. That is what I meant, and I do not want the Member to change my words. I said as well that I thank Canada for giving me this privilege.

On December 1, when speaking on the multiculturalism Bill in this House, I said that it was a privilege, not only for ethnic groups, but for all Canadians. I still say that everyone should be involved in multiculturalism because when people look at their ancestry they realize that their ancestors all came from elsewhere. I am proud to be part of that.

[*Translation*]

Mr. Speaker, let me make this perfectly clear. Anyone who cares to do a modicum of research will discover that the origin of all Canadians goes much further back. Everyone should say: Multiculturalism is not only for Quebecers or for Canadians born in this country, it is for everybody, for where do our ancestors come from? Even Adam and Eve . . .

[*English*]

My colleague says that he does not like me to speak about the past. I do not blame him because his Party did not do much in the past. I mentioned earlier that Bill C-48 did not recognize what this multiculturalism Bill recognizes. The Member says that I am in the sixties and seventies and that he wants to be in the nineties. This Bill goes to the year 2000 and I am proud of that.

The Acting Speaker (Mr. Paproski): There are two minutes left in the period for quesions and comments. The Hon. Member for Thunder Bay—Nipigon (Mr. Epp).

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, it is always good to have a minute or two saved for one. I will be brief. The Member for Duvernay (Mr. Della Noce) is as energetic a Parliamentary Secretary as we have. He is doing a good job here today. He is also an honest man.

In bringing forward the letter fom the National Congress of Italian Canadians he has done us a service. He read a sentence and then, under a little urging from us, provided an additional sentence. He suggested that the National Congress of Italian Canadians is critical of this Bill because they listened to a certain person. I think he meant it was the Member for York West (Mr. Marchi), and I see political partisan jealousies there, unless he meant that they were listening to me as well.

I would worry if he thinks that the opposition critics, one or both, are convincing these organizations of what they should say. I assume he had something to do with the development of the Bill into the form in which it is before us now, this half loaf that we have been given.

Why was the Government not more responsive to the Canadian Ethnocultural Council and these national organizations, the majority of which wanted some sort of institutional development beyond the *status quo* we now have? If they did not want a department, many of them saw the validity of a commissioner. Why rejection of both?

[*Translation*]

Mr. Della Noce: Mr. Speaker, we are faced with a time factor problem which would be very interesting . . . but still I want to congratulate my honourable colleague because I know that he is interested in the cause, and we had the pleasure to sit together on the Committee on Multiculturalism. The letter, a little earlier . . . Yes, he is right, I have it here. Quotations should always be avoided because as is often seen during Oral Question Period we tend to quote anything that supports our point of view while ignoring anything else that goes against it.

I would be glad to give him a copy. He is right to commend us on principle. And I believe that on principle everybody should commend us, even the groups that speak up. Because it still is a premiere, not only in Canada, but a world premiere and we should be proud of it. Since I don't have the time to read the whole letter, if my honourable colleague wants me to send him a copy, I will be glad to do so.

I also want to say that there certainly were many requests. Eight or nine I believe were addressed to the Committee. But it must be understood that there are not always convincing reasons to support all sorts of arguments. It is certain that we could have given some to explain why not everything has been done. But when there are convincing arguments, should we give in every time to the request? I referred to what my colleague's party which formed the previous Government had done with Bill C-48, where there was no recognition . . .

• (1610)

[*English*]

The Acting Speaker (Mr. Paproski): I will allow another *paesano* to ask a question. The Hon. Member for Bourassa (Mr. Rossi).

[*Translation*]

Mr. Rossi: Mr. Speaker, to follow up on the question put by my colleague from York West to my colleague from Duvernay, because I know the latter to be a sincere, exuberant and dazzling individual . . . However, my colleague from Duvernay said that some groups have apparently asked him for special favours. Since the member from York West spoke in English, I am repeating it in good French Canadian.

The question was directed to him following his statement where he said: Some groups asked me for special favours in this country . . . There is no special favour. It is true. However, I should like to know from the Member for Duvernay (Mr. Della Noce) what groups asked for special favours as you said in your speech.

Mr. Della Noce: Mr. Speaker, I fully understood the question, and I said that one day we had invited ethnic groups to attend a Tory symposium and we dealt briefly with that Bill. Several made a report but unfortunately a group said: We want a special grant because we are a visible minority.

Mr. Rossi: Name that group!

Mr. Della Noce: It was not a group but the spokesman of a group. Just the same there were 200 persons.

I was startled when he added:" . . . just like the Italians". Then I said:"We have had no favour from this country. We did not enjoy any special opportunity. We worked to get that chance and you will do likewise. If you are given a special grant because you belong to a minority group, it will become pure racism and I am entirely against it."

The Acting Speaker (Mr. Paproski): This is the end of questions and comments.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Etobicoke—Lakeshore (Mr. Boyer)—Finance—Goodyear Tire Company—Tax remission order; the Hon. Member for York East (Mr. Redway)—Hazardous Substances—Presence of dioxin in paper products; the Hon. Member for Spadina (Mr. Heap)—Human Rights—El Salvador— Union workers fired upon by military / Bombing of Oscar Romero Committee Office.

GOVERNMENT ORDERS

[*English*]

CANADIAN MULTICULTURALISM ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Crombie that Bill C-93, an Act for the preservation and enhancement of multiculturalism in Canada, be read the second time and referred to a legislative committee.

Hon. Bob Kaplan (York Centre): *Grazie, signore presidente.* Mr. Speaker, the fact that the debate has been carried for the last half hour so vigorously and forcefully among three members of the Italo-Canadian community, and that they were able to underline the differences in the way they feel about the Bill, I think is very significant.

While the Parliamentary Secretary has vigorously defended the Bill, I think what we are really witnessing in the promotion of this Bill is a kind of check-mark politic by the Government. It is true that this is the first Bill on multiculturalism which may proceed through all stages. A Bill was introduced by the former Government, but it did not carry when the election was called. If passed, this will be the first Bill on multiculturalism in our country and, according to the Parliamentary Secretary, the first Bill on multiculturalism in the world. However, that is nothing more than a check-mark because when the Bill itself is examined one sees that it offers very little in the way of substance.

Symbolism is an important aspect of public life in Canada. I will not deny that this is a symbolic achievement. It is a statute that recognizes multiculturalism. It is more deeply entrenched than a policy statement, for example, which was the way in which the multiculturalism policy was launched in 1971, when it was first enunciated by Prime Minister Trudeau.

A Bill is more entrenched than a statement of policy, but I think the right way to judge the Government's commitment to multiculturalism is by the opportunities it has had and the way it has responded to them. I have stated in the House and throughout the country that multiculturalism has been betrayed by the Government. In the course of my remarks I intend to illustrate that and urge the Government to at least put some real substance into this Bill.

We are in a different situation than we were in 1971, when a new concept was put forward and Canadians were being tested about their openness of spirit, their willingness to recognize their diversity. It is a diversity which was not created by the statement in 1971, but recognized as a positive way to look at one of the facts of our national life.

I remember when I was growing up in Canada, that being a foreigner implied a kind of second-class status. Kids whose parents had accents or who had accents themselves in the public school I attended were the butts of jokes. They felt somewhat insecure.

The positive attitude toward multiculturalism that was taken by the policy in 1971 has completely turned that around. I watch for that when I visit schools in my riding and I can see that people are not ashamed of their heritage. They do not feel that it is better to be born in Canada or to have parents who were born in Canada, or that it is better not to have an accent or speak a foreign language at home. The reverse is now true.

I believe we have demonstrated that, by supporting wise policies and selling them to the Canadian people, government and Parliament have been able to make a very positive and strong contribution to the national richness out of that original ideal that existed when most people in the House today were growing up. We have come a long way since 1971.

The multiculturalism Bill could have been an opportunity to move a step forward. It could have been an opportunity for the Government to enrich our policy. Now would have been the time to do so.

I cannot help but refer to the Meech Lake Accord during this debate, and remind the House that the Official Opposition and the Liberal Party of Canada wanted the Accord to recognize multiculturalism in exactly the same way and with the same weight as it recognizes the distinct society of Quebec, as it recognizes the contribution the aboriginal people have made to Canada, and as it recognizes a number of other important facts about our national identity. Putting that multiculturalism policy into the Constitution would have been an even stronger recognition than bringing forward a Bill.

During the Meech Lake Conference and the Langevin Conference the provinces talked about how they would like to see the Constitution reformed. I condemn the Government and the Prime Minister (Mr. Mulroney) for not saying: "Let us recognize these essential facts about the nature of Canada". Let us make it clear that multiculturalism is not for us a kind of transitional policy that we will use to romance politically the various communities in Canada while they are absorbed and integrated and lose their ties and contacts with their historic past and homeland. Putting it into the Constitution would have meant that it was a permanent fact of our life, as it is permanent that the country is officially bilingual, and as it is permanent that we recognize the distinct nature of the society in Quebec and the contributions of our aboriginal people. It is a terribly missed opportunity.

• (1620)

We in the Official Opposition have made a commitment that our agenda for reform will contain an addition to the Constitution of Canada that will entrench the recognition of multiculturalism as one of the fundamental characteristics of our nation, one which we hope will be permanent, and that there will be vigorous policies to enhance its permanence and impact on our country.

I turn to this wonderful Bill. I use that expression ironically because while it is a symbolic victory to have a multiculturalism Bill, how much better it would have been to have a Bill with something in it. The Government engaged in a long period of consultation. The Government is very good at consultation. The trouble is that the consultation does not animate the policies that follow. A parliamentary committee made recommendations. It recommended not only that there be an Act, but that the Act should contain a number of important features. None of the important features, which were unanimously recommended by Conservative, Liberal and New Democrat members of that committee, appear in the Bill.

There is no commissioner of multiculturalism with an independent mandate, as the committee recommended, to police the Government of Canada and every one of its departments, every one of the agencies under its control, and possibly the contractors who might do business with the Government, to ensure that multicultural policies enunciated by the Government and supported by Parliament were carried out. There is no separate ministry of multiculturalism established. One has to be concerned to see multiculturalism so close under the wing of the Secretary of State (Mr. Crombie). The Secretary of State has not been the spokesman for multiculturalism in the past. He has a lot of other duties which, while not inconsistent with multiculturalism, can mask over the multicultural fact in Canada. He can seek to subsume it under a number of other existing policies such as his responsibility for citizenship and for some other aspects of our culture.

I would remind you, Mr. Speaker, that a separate ministry was a promise of the Conservatives in the last election campaign. Would you not have thought, Mr. Speaker, after promising that in the election campaign, after having the Conservative members of the committee unanimously recognize that this was something that was needed and something that would enhance multiculturalism, that this Bill would have contained the establishment of a separate ministry of multiculturalism? No, on the contrary. The fact that this Bill does not establish a ministry of multiculturalism means that as far as this Government is concerned, there will be no ministry of multiculturalism. It is not a matter of waiting to be considered.

It is not a matter of seeing if it can fit into our legislative agenda. It is not a matter of consultation, because the consultation recommended a Ministry. The answer is, no, and the multicultural communities, the millions of them in this country, have another broken promise from the Conservative Government.

A centre for multiculturalism was another of the unanimous recommendations of this all-Party committee. The centre itself is mostly important in the light of the additional recommendation that there should be a consistent financial base established for the centre and for the policy. That is also not contained in this Bill.

Whether the Bill and the policy will be animated by any funding at all, whether projects established by the Government will be sustained and continued, indeed, whether there will be

projects, is something the Government can decide on a daily basis or on a fiscal year basis, depending on other priorities. In other words, although there is a Bill, there is nothing entrenched that ensures that there will be multicultural programs funded on a consistent basis such as the centre for multiculturalism. I submit that there should have been, and that if it were to be any more than a check-mark on a list of promises not kept, but answers that the Conservative Members will have in the next election campaign, this is it.

The Parliamentary Secretary referred to the achievement of the Employment Equity Act. I feel justified in dealing with it in this debate because, although it is not the multiculturalism Bill, it could have been one of the main muscles which would have enforced an equitable policy in the area of employment. This was the device—and again there was an election promise made about this—by which the Government would enforce fairness and equality in the market outside of the federal Public Service and the agencies, which are paid for by taxpayers in the whole of the Canadian society for which the federal Government can legislate, that there would be standards to ensure that for those coming from a multicultural community—whether it be a woman, a member of a visible minority, a member of the audible minorities, those who have foreign accents—there would be a positive affirmative action program with teeth in it. That was the point. That was promised by the Conservatives in the last election campaign and denied in the Employment Equity Act, which is nothing more than another check-mark on a list on the way to the next election campaign.

I have a multicultural riding. I can tell you the multicultural communities in my riding are not walking around saying, as the Parliamentary Secretary would want them to do: "Oh, let us have a standing committee on multiculturalism or a multiculturalism Act". What they want is results. They would like to see effective machinery which would produce the equality in the job market about which we are talking, which would produce the sense of security about their community whether they are Sikhs or Armenians, to take two groups which have been the subject of a number of attacks and criticisms by this Government. This multiculturalism Bill does not give them the kind of security they hoped and were promised would be provided by the Government if it were elected.

The Parliamentary Secretary was able to read some comments on the Bill and draw some comfort from them. That is not the general tenor of the observations that have been made. He indicated that the National Congress of Italian Canadians approved of a multicultural Act, as indeed they do, but the National Congress of Italian Canadians also states:

> The introduction of a multiculturalism Act in Parliament short-circuited the consultative process in which we thought we were engaged. This is unacceptable and to be deplored.
>
> The Act is also disappointing in that it does not represent a strengthening of the Government's commitment to multiculturalism. It will merely recognize and promote equality of opportunity for all Canadians without mandating that equality "shall" and "must" be attained.
>
> The lack of specific implementation and enforcement provisions is a serious deficiency in the Act.
>
> The Act does not represent any substantive move toward achieving equality which is the right of all Canadians.
>
> We believe a Commissioner of Multiculturalism will bring the important elements of visibility and a greater accountability to the implementation of multiculturalism policies.

• (1630)

That is what the community is saying. It is happy that there is a Bill, but it is very disappointed in the contents of the Bill. It is very disappointed that there are more broken promises in the area of multiculturalism.

I also want to quote Dr. Bhausaheb Ubale who is a Commissioner of the Canadian Human Rights Commission and who was until recently the Human Rights Commissioner in the Province of Ontario. He makes a similar observation:

> The proposed Multiculturalism Act changes nothing. It is not historic as the Minister calls it. It is purely symbolic. It is old wine in a new bottle.

I know that if the Official Opposition delays or holds up this Bill, the Government will run across the country saying that we do not believe in multiculturalism. Well, we do. We would like to try, in the time that we have to deal with the Bill in committee, to make it into a real instrument to assist in the elimination of discrimination against members of the multicultural communities in Canada and in the promotion of their interests as individuals, as families and as communities. We want to do this in a way that will really mean something, so that people will know that there is a Bill that makes an honest effort to make a purely positive development out of the establishment of a multiculturalism Act in Canada.

The Acting Speaker (Mr. Paproski): Are there questions or comments? The Chair recognizes the Hon. Member for Thunder Bay—Nipigon (Mr. Epp).

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, I listened with interest to the comments made by the Hon. Member for York Centre (Mr. Kaplan) who was a member of previous Governments. In fact, he was a Minister in some of the Trudeau Governments. He has suggested that members of the Conservative Party in the last federal election promised a ministry. I do not think that that is true as far as a full-fledged department is concerned. They did start this Parliament off with a Minister of State for Multiculturalism, the Hon. Member for Lisgar (Mr. Murta). He had a good year of trying to do the things that, as critic in the Conservative opposition in the previous Parliament, he had pursued.

The next Minister, the Hon. Member for Halton (Mr. Jelinek), had the job, together with responsibilities for fitness and amateur sport. The two Ministries of State were combined, although they are in quite different areas. Being a critic for those areas I found that it was really rather terrifying to have all the multiplicity of amateur sports and all the ethnocultural communities and organizations. I can well imagine that he must have had a rough time of it in that one year.

The third Minister has the job as a junior responsibility together with being Secretary of State (Mr. Crombie). I notice that the Bill he tabled in the House he tabled, not as Minister responsible for multiculturalism, but as Secretary of State.

The fact remains that Bill C-93 is stronger than Bill C-48, which the Liberals put forward in the last days of the last Trudeau Government. That contrast, that is to say 13 years of policy and no Bill, leads me to ask the Hon. Member for York Centre a couple of questions. I am not asking him to violate his ministerial oath by any means. As a member of the Liberal caucus and aware of discussions going on at times in the dozen years of Liberal Governments after the policy was enunciated in 1971, I want to ask the Hon. Member this. Why did Liberal Governments through all those years never consider a legislative basis for the multiculturalism policy announced in 1971 and agreed to by all the Parties? Why did the Liberals never find a bottle into which to put the good wine of Canadian multiculturalism?

Mr. Kaplan: Mr. Speaker, why did the former Government not do it? Why did Sir John A. Macdonald not do it?

Some Hon. Members: Oh, oh!

Mr. Kaplan: We can look at the past. We can look at the future. The distinctive thing about the present is that that is the only time frame in which we can act. The present is going by. The Conservatives have the responsibility of forming the Government today. Rather than review the kinds of discussions that took place in Cabinet, which I think the Hon. Member knows I am not at liberty to discuss, we should concentrate on our time in the present, on the time when the Conservatives have this great trust and responsibility of the Canadian people to do the right thing for the multicultural communities. This is far from it.

Mr. Witer: Mr. Speaker, I listened with great interest to the comments of the Hon. Member for York Centre (Mr. Kaplan). I noted that he had a great deal of criticism to levy at the Government and the Minister for introducing this Bill. What he failed to do is to bring forward the record of the Government of which he was a part, indeed, the Government in which he served as a Minister. References were made by the previous speaker to that record.

Might I remind the Hon. Member for York Centre that in 1984 when our Government took office members from various ethnocultural groups comprised and formed only 7.8 per cent of members on boards and commissions. Today, after three and a half years, that number has risen to 15 per cent. That is an increase in real terms of 100 per cent.

The Hon. Member did not make reference to the appointment of the special adviser on multiculturalism in the Prime Minister's Office. He did not make reference to the establishment of the historic House of Commons Standing Committee on Multiculturalism. He did make a brief reference to the Employment Equity Act. He did not make reference to the first ever federal-provincial conference on multiculturalism in Winnipeg, and on and on.

My question to the Hon. Member is the following one. What in the world did he and his Government do for 13 years between 1971 and 1984 when the principle of multiculturalism was first announced? What did they do? What tangible evidence do we have that they did anything except pay lip-service to various groups? The Liberal Government only ghettoized multiculturalism into various groups across the country by paying lip-service to them and by completely ignoring concrete action and by cynically introducing a Bill in the last moments of the last Parliament only to allow it to die on the Order Paper.

I would be very interested to hear from the Hon. Member on precisely why it is that there is absolutely no evidence that for 13 years of the previous administration anything constructive was done to enhance multiculturalism in Canada.

Mr. Kaplan: Mr. Speaker, I would like to say that time does not permit me to give the long list of achievements in the area of multiculturalism of the former Government. I think that they are pretty considerable. I also think that when we formed the Government we were creating a policy. We were exposing it to members of the Conservative opposition who had very little interest in it and very little understanding of it.

What is happening now and what I am so critical of is that having taken the responsibility of government the Government is sitting and ideas are being thrown to it. It does not have any ideas. All of the achievements that the Hon. Member has referred to, and some of them are considerable, have been a result of representations to the Government, of having things thrown to it, of pushing it and of criticizing it.

How has the Government responded in this important area that we are here to talk about today, the multiculturalism Bill? It is putting the policy in the refrigerator. Instead of generating something, developing, nurturing, and explaining it to the Canadian people, the Government is putting the reins on and holding it back. In a policy, which admittedly moves ahead from where the matter was left when our Party left office because there wasn't a Bill then and now there is, what is missing is leadership. Now the Government wants to deal with it as little as possible, forget the promises, but do just enough to get the check-mark on that list. This Government is not providing leadership in the area of multiculturalism, however much I am prepared to recognize that the list put forward by the Hon. Member for Parkdale—High Park (Mr. Witer) contains some significant developments, such as the increased number of appointments. I do recognize that, but I am very critical of the Government's failure to provide leadership in this area.

• (1640)

There was a full-time Minister of Multiculturalism. It was his obsession and his livelihood in public life to develop a program of multiculturalism. Here not only is it not a full-time

responsibility, but it has been shuffled around through three Ministers, two of whom were replaced because of total inadequacy in dealing with this portfolio. I wonder if the Member for Parkdale—High Park would not agree with me on that matter. The present Minister who has taken over has achieved something through symbolism that the Government hopes to sell in the next election campaign, but the leadership is not there.

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, it is indeed a pleasure to have the opportunity of taking part in this important debate regarding Bill C-93, an Act for the preservation and enhancement of multiculturalism in Canada.

Before I get into my speech, I was intrigued by the debate that some Ministers in the past have had two portfolios, one for multiculturalism and the other for amateur sport. This gives the impression of how trying this position was. I have to say with honesty that back in 1979 we did have a very capable Minister who handled both portfolios in an excellent manner. I would like to refer to our present Speaker, the Hon. Member for Edmonton North (Mr. Paproski), who in my opinion carried that responsibility very well indeed. Certainly, if we had lasted any longer he might have been a full Minister.

As Chairman of the Standing Committee on Multiculturalism in the House of Commons, I have been blessed with good Members from both sides of the House who have contributed very substantially to multiculturalism in Canada and who have worked hard and tirelessly in preparing reports, certainly in a very non-partisan manner. I would ask the public to forgive us for the way that we act here some of the time. We certainly do not act in that manner in committee. We are very non-partisan, and there is not the partisan feeling that is present in the House of Commons. I have to say we have achieved a lot in the multicultural committee.

I certainly would like to give accolades to all the Hon. Members, the Hon. Member for York West (Mr. Marchi), the Hon. Member for Thunder Bay—Nipigon (Mr. Epp), the Hon. Member for Parkdale—High Park (Mr. Witer), the Hon. Member for Edmonton East (Mr. Lesick), the Hon. Member for Willowdale (Mr. Oostrom), the Hon. Member for York East (Mr. Redway), and the Hon. Member for Châteauguay (Mr. Lopez). They have all done yeoman's work. With the committee in force more yeoman's work will be done in that respect.

I fervently believe that when Bill C-93 is passed the Act will affirm in law the constitutional freedom of all Canadians of every origin, their opportunity to choose, to preserve, to enhance, and to share their multicultural heritage. I believe that the Act will recognize all Canadians as full and equal participants in Canadian society. The Act will contribute to the ever evolving Canadian identity of our society, and it will provide an excellent framework for dealing with today's issues and those of the next century.

I feel that Bill C-93 is a good Act. It is an opportunity for everyone to work together, not only to make it work, but to improve upon it as time goes on. I believe that the new Canadian Multiculturalism Act, along with the Official Languages Act will form a trinity of legislative initiatives which together cannot help but strengthen our national identity and culture.

The British parliamentary system started off by granting rights to individuals on a person by person basis. When the parliamentary system was transferred to Canada, two important changes were necessary to make it work in our particular circumstances. On the one hand, it was necessary to adopt a federal arrangement with divided jurisdiction to accommodate the provinces. On the other hand, it was necessary to create group rights, in order that English and French, Catholic and Protestant could be assured due and equal respect. Because of this development, Canada has been the pioneer in the development of the legal framework for social rights in a parliamentary system.

So far, however, only the Charter groups, the English and the French, have received specified guarantees of their group rights in the Canadian Constitution. Two other sets of group rights still need to be elaborated on and entrenched in the Canadian Constitution. Native peoples form one of those groups. Their particular status is recognized, but adequate specification and protection still awaits action from the federal and provincial Governments. I believe that we will eventually see movement and settlement of the native peoples' claims.

The other set of group rights applies to those the B and B Commission called "the other ethnic groups". Those of non-British, non-French, and non-native heritage, similarly have needs and concerns which only an entrenched set of rights can fully accommodate. Precisely what those rights will amount to, and how they will operate, remains to be worked out by all Canadians. But here, too, I believe that there will eventually be accommodation and entrenchment.

There is no question that all of us here today are proud of our racial origin and proud of our ancestral traditions and cultures. I believe we are very proud to be citizens of our great country which offers us full opportunity to pursue freely our ambitions and self-fulfilment. I am certain that we all agree that Canada is a wonderful country to live in, a land of personal liberty and opportunity, and a land which is still the best hope for free people everywhere.

I think you will agree with me as well, Mr. Speaker, when I say that we are making progress in Canada, more progress than ever before in achieving our ultimate goal in which all faiths, and all creeds will not only exist harmoniously with their differences, but will also thrive on them and learn from them.

Hopeful as that may sound, we still have a long way to go towards a better understanding of one another, in caring for one another, and in fulfilling the great promise begun in ancient Greece of liberty and justice for all. It has often been

said that the finer qualities of a society are judged on the basis of what society upholds in its day to day practice.

With this in mind, there is no question that multiculturalism bequeaths a far-reaching responsibility on all our people. It is a responsibility for two closely woven aspirations, the cultivation of cultural diversity and the public acceptance of such a cultural diversity.

I have no hesitation in stating that a policy of multiculturalism is the most suitable way of assuring and guaranteeing cultural freedom and cultural diversity in our country. Lasting unity in Canada is contingent on an ever greater understanding and respect for each other, regardless of our ethnic backgrounds. A full recognition of multiculturalism in Canada assures that all ethnocultural groups, all Canadians, will be guaranteed their rights and desires to practice and keep their traditions, their languages, and their cultures. It will mean as well greater respect and understanding of each other, the disappearance of personal and institutional prejudices and the creation of a more friendly climate. Without the total eradication of the diseases of prejudice, discrimination and racism, no basic human rights will ever be a reality in Canada and we will never earn and live up to the title of a truly great nation.

• (1650)

I hope that the time is not far off when there will no longer be a need to have a multiculturalism policy in isolation, when there will no longer be a need for a department of multiculturalism, again in isolation, but that we will have, rather, a department of multiculturalism that will address itself to all Canadians and will benefit all Canadians equally. That will signify the time has at last come when Canadians will be treating other Canadians in the way that they would like to be treated themselves, with understanding, with compassion, with respect and tolerance and, above all, with equality. Bill C-93 is indeed one more positive step taken by the Government in furthering the cause of equality where every Canadian, regardless of his or her background, is to be treated with equality, understanding, compassion and tolerance.

Previous speakers on the whole did not delve into the policy itself. I would like to take this opportunity to explain just what is in the policy. The new multiculturalism policy will promote the understanding that multiculturalism reflects the cultural and racial diversity of Canadian society and acknowledges the freedom of all members of Canadian society to preserve and share their cultural heritage. It will promote the understanding that multiculturalism is a basic element of the Canadian heritage and identity and that it provides an invaluable resource in the shaping of Canada's future. It will further promote the full and equitable participation of individuals and communities of all origins in the continuing evolution and shaping of all aspects of Canadian society and assist them in the elimination of any barrier to such participation. It will recognize the existence of communities whose members share a common origin and their historic contribution to Canadian society and enhance their development. It will ensure that individuals receive equal treatment and equal protection under the law while respecting and valuing their diversity. It will encourage and assist the social, cultural, economic and political institutions of Canada to be both respectful and inclusive of Canada's multicultural character. It will promote the understanding and creativity that arise from the interaction between individuals and communities of different origins. It will foster the recognition and appreciation of diverse cultures of Canadian society and promote the reflection and the evolving expressions of those cultures. It will preserve and enhance the use of languages other than English and French while strengthening the status and use of the official languages of Canada, and it will advance multiculturalism throughout Canada in harmony with the national commitment to the Official Languages Act.

I could go on and on but there are other areas I would like to cover. There are duties for which the Minister has responsibility as well. The Minister of Multiculturalism will have the responsibility to encourage and promote a co-ordinated approach to the implementation of the multiculturalism policy of Canada. The Minister will provide advice and assistance in the development and implementation of programs and practices in support of the policy. It will be the duty of the Minister of multiculturalism to encourage and assist individuals, organizations and institutions to project the multicultural reality of Canada in their activities in Canada and abroad. The Minister will have the responsibility to undertake and assist research relating to Canadian multiculturalism and foster scholarships in the field. The Minister will also encourage and promote exchanges and co-operation among the diverse communities of Canada.

I could go on and on about the Minister's responsibilities but they are well tabulated in the Bill. I encourage people who would like to read more about that to have a look at the Bill.

I believe that the federal multiculturalism policy has indeed come a long way over the last 17 years since it was first implemented on October 8, 1971. With the new multiculturalism policy and the very first multiculturalism Act with Bill C-93, we have made a giant step forward, a giant step forward in a positive direction. This Bill, Mr. Speaker, is the door opener for any future constructive changes and improvements that I am sure will evolve as time goes on for improving multiculturalism in Canada. The Bill seeks to provide a legislative base for what, until now, has simply been a discretionary commitment by successive federal governments. As it now stands, the multiculturalism program could be either drastically reduced or fundamentally redirected, a possibility which worries many ethnocultural Canadians.

A statute, on the other hand, would provide a specific vehicle for preserving and enhancing the multicultural heritage of Canadians as promised in the Constitution. By officially recognizing the historical and future contributions of multiculturalism to Canadian society, the Bill would strengthen the sense of national unity among all Canada's ethnocultural communities. I believe all of us would welcome this move.

The new multiculturalism Bill is the accumulation of three very important happenings that have taken place in a multicultural sphere that I believe played a major role in the ongoing progress of multiculturalism in Canada. I am referring to the committee report called *Equality Now* of 1984—a committee of which I was a member—and its 80 recommendations which, to a large degree, have been supported by the Government. I am referring as well to the creation of the House of Commons Standing Committee on Multiculturalism established by our Government on June 28, 1985. The committee's report *Multiculturalism:Building the Canadian Mosaic* was well received all across Canada. All of us on the committee worked long and hard on the report and it had great input from many multicultural groups and individuals throughout Canada. I believe we came out with a very good report and a lot of good recommendations. One of the main recommendations was to have established a multicultural policy, and this the Government has proceeded to do. As I said earlier, we have come a long way in recognizing Canada as a truly multicultural country and we are making continued progress.

I have been in the House long enough to understand that it is hardly ever possible to receive or to obtain at one time or at one sweep the adoption of all items that one proposes in the form of a Bill or otherwise. Patience is a virtue around this place and it has its own rewards. I have had ample evidence of that in my 16 years as a Member. I am optimistic that if we continue as Members of this House and as members of the Standing Committee on Multiculturalism to pursue the betterment of multiculturalism in a non-partisan way, we will continue to make positive progress.

I am not so naive as to think that because we have a Bill spelling out glowingly what is necessary to ensure equality for all Canadians, by some stroke of a pen it will be accomplished. There also has to be ample evidence, the will and the determination of those responsible to make sure that the Bill will be carried out to the letter. Action, Mr. Speaker, is essential for the production of results, and actions speak louder than words.

In conclusion, as I am an optimist, it is my hope, and I believe the hope of all well minded Canadians from coast to coast, that we will continue to make progress until every Canadian, regardless of his or her background, will feel with every fibre of his or her body that Canada is, indeed, the wonderful country that we all keep repeating it is.

The Acting Speaker (Mr. Paproski): I do not think I better entertain questions. The Hon. Member will have 10 minutes left in his question and comment period when we commence this debate again.

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

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

CONSTITUTION ACT, 1982

SUGGESTED AMENDMENT TO INCLUDE PROPERTY RIGHTS

The House resumed from February 1, 1988, consideration of the motion of Mr. Reimer:

> That, in the opinion of this House, the Constitution Act, 1982, should be amended in order to include property rights and, that the Governor General issue a proclamation under the Great Seal of Canada to amend Section 7 of the Canadian Charter of Rights and Freedoms so that it reads as follows:
>
> "7. Everyone has the right to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except in accordance with the principles of fundamental justice."
>
> and this House urges that the Legislative Assemblies of all provinces and the Senate pass similar resolutions.

Mr. Patrick Boyer (Etobicoke—Lakeshore): Mr. Speaker, the question now before the House is whether property rights should be entrenched in the Canadian Charter. I am here to join with my colleagues to say unequivocally, yes, they should be.

Very specifically in the words of the resolution put forward by our colleague, the Hon. Member for Kitchener (Mr. Reimer), Section 7 as we want to amend it would thereafter read:

> Everyone has the right to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except in accordance with the principles of fundamental justice.

This thirty-third Parliament is dealing with property rights on three different fronts. We have had before us the patent legislation which is seeking to end the ambiguous property status of those who have developed through medical research new drugs and technology in that field to ensure that their property rights are respected and to end the period of uncertainty which has been a detrimental period for Canada in that respect.

• (1700)

On another front, the House has been dealing with copyright legislation, long overdue since the present Act is dated 1924 and fails abysmally in many ways to respect the intellectual property developed by writers, artists, musicians, composers and others. On that front as well, we have an important opportunity in this Parliament to set to right a long-standing need for protection of property rights.

Third and finally, we have before us this opportunity to add property rights to the Charter itself. There are three reasons why I as a Conservative and a democrat feel fundamentally that this is the way to go and the only way to go. The first of those has to do with the concept of a property-owning democracy.

I believe it is, pretty simply and straightforwardly that when a man or a woman has some interest in property in Canada, he or she takes on a stronger interest in and awareness of what is going on that might affect the country. It is a basic proposition

that what one has, one cares for. That is reflected in turn in environmental questions, zoning questions and local, provincial, national and political questions that will affect the property. Therefore, a property-owning democracy is an important aspect of the health of Canada as a democratic society. Commensurate with that must be protection in the Constitution for property which is owned by Canadians.

Second, and again both as a Conservative and as a democrat, I believe that the best protection most Canadians have for their property rights will come from the Constitution. When I say "most Canadians", I am not saying that this is important because the wealthy and large corporations need it. *Au contraire*, Mr. Speaker. Those are the very ones which can afford the high-priced legal services and know where to speak, how to speak and when to speak to see that their property rights are not overridden. No, I am addressing this particularly to the interests of ordinary Canadians, the working people of Canada who own homes, cottages or other properties, and must see that large government does not arbitrarily deny them those property rights. That is the importance of constitutional protection.

The third and final reason I cite as a Conservative and as a democrat is that by entrenching and guaranteeing property rights, we thereby complete the circle that is necessary to give vigour, meaning and vitality to all the other rights that are in the Charter, the democratic rights, the freedom of assembly, the freedom of religion and the freedom of expression. All the other rights are made firmer and put on a stronger foundation when property rights of individuals are also entrenched.

I am not making a mistake here. I do not believe that property has rights, I believe that people have rights. However, a fundamental interdependence does exist between personal rights and liberties and the personal rights in property. Neither could have meaning without the other.

That the right to property is a basic civil right has long been recognized. After World War II, in 1948, Canada was a signatory to the Universal Declaration of Human Rights. I hardly need remind you, Mr. Speaker, that Article 17 of that declaration contains two simple propositions: first, that everyone has the right to own property as well as in association with others, and second, that no one shall be arbitrarily deprived of his property.

Not only in the international councils of the nations but here in Canada our own distinguished former Prime Minister, the Right Hon. John George Diefenbaker, recognized this. If ever there was a fighter for the underdog in society, if ever there was someone who knew the importance of legal protection for the basic liberties of the individual, it was our former Prime Minister, John Diefenbaker, who saw to it in his Bill of Rights enacted through Parliament that provision was specifically made for property rights protection.

There have been many others who have addressed this subject. John Locke, for example, the philosopher and political theoretician, asserted that it is beyond the state's power to take away a man's property without his consent. In Locke's view, indeed the end of government itself is the preservation of property.

I am not resting my arguments on pure theory and abstract principles. This is something that affects Canadians in real and specific terms. It affects a Quebec farmer who looks out across his fields one morning to find workmen digging. They are employees of a power authority and they are on his property to build a transmission pylon. Seven years after an Ontario man purchased a lot, it is rendered useless without compensation. A conservation authority zones it as part of a flood plain. In Alberta, your home province, Mr. Speaker, nine cottage owners go to their properties to discover that a public utility has cut a 15-foot swath of trees from their land.

These are actual cases. These are activities by government that are affecting Canadians who own property. These Canadians stand without protection. The Charter of Rights, to which we look for the protection of our freedom to speak, our political rights and our freedom of religion, is silent on the protection of the basic property rights of individual Canadians.

At one time I might not have spoken so strongly on this. However, I have come to see that big government, of which we have a lot in Canada these days, is capable of making big mistakes. In my own Province of Ontario, I think of the valuable farmland that had been owned by generations of farmers in the Pickering area, farmland that was expropriated for an airport that ultimately was never built.

There are many questions we face with the Charter. This morning on Parliament Hill I chaired a seminar organized by the Canadian Study of Parliament Group. One of the panelists, David Lepofsky, was speaking of the limitations of the Charter. Of the nine he identified, one had to do with express provisions that were absent from the Charter. This is one of those lacunae, one of those absences, one of those vacuums that exist.

The Charter lacks many provisions that we believe should exist. In my book *Political Rights*, I identified 10 fundamental freedoms and political rights that are the foundation of our free elections. An examination of the Charter of Rights and Freedoms reveals that only five of those ten are actually contained in the Charter.

We must look at the work that was done by an earlier Parliament as an unfinished work. In 1981, a great deal was done to bring the Canadian Constitution, through an amending formula, to this country and to entrench in it a Charter of Rights. It now falls to those of us in the thirty-third Parliament to see that another step is taken to complete that work.

As a Conservative whose Party stands for this proposition and as a democrat who believes fundamentally that the strength of Canadian democracy will be enhanced by this provision, I stand in support of the entrenchment of property rights in the Canadian Constitution.

Mr. Waddell: Mr. Speaker, I rise on a point of order. Would the Hon. Member permit a question?

The Acting Speaker (Mr. Paproski): Not in Private Members' Hour, I am sorry.

Mr. Waddell: Not even with unanimous consent?

The Acting Speaker (Mr. Paproski): I do not think you will get it in any event. I will ask for unanimous consent. If there is such unanimous consent, I will permit the question. Is there unanimous consent?

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): The Hon. Member for Thunder Bay—Nipigon (Mr. Epp) has the floor.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, it is a very democratic Chamber when some people get gagged, but of course rules are the very essence of democracy.

We are involved this afternoon in considering a particular proposition. The Hon. Member for Kitchener (Mr. Reimer) has proposed the recognition of property rights in the Charter of Rights and Freedoms. This, of course, is a very political proposal put forward in this thoroughly political and very partisan Chamber. Nothing wrong with that, but it is also fair game for the political football we are involved in, particularly in Private Members' hour.

• (1710)

The Hon. Member for Kitchener spoke in support of this proposal for the first time in this session of Parliament on October 15. He made clear how very political this matter is. Fairly early in his comments he observed that there were two good reasons for putting a proposal of this sort forward. He alluded first to the National Energy Program, which allowed him to hang some things on the Liberal Party which formed the Government in the early 1980s. Then he went on to say that another obvious area of concern is the nationalization programs of the NDP which would allow the seizure of assets without necessarily providing full compensation. That makes quite clear how partisan this particular proposal is.

One of the things the Conservatives like to do, of course, is to suggest that New Democrats have no respect for property. When we speak critically of this particular proposal, as I intend to do this afternoon, it is open season on the socialists. Recognizing that particular penchant on the part of my Conservative friends, I always smile when I think of the observations of a young man who made a tremendous start in his political career in our caucus as finance critic before going to the provincial political scene. Bob Rae, now the Leader of Her Majesty's Loyal Opposition in the Ontario legislature, said that of course New Democrats believe in private property. We believe in it so profoundly that we think everyone should have some. That quip very nicely underscores some of the realities of the situation that one should consider before one really takes off on philosophizing about the value of the principle of private property in the Charter of Rights and Freedoms.

Mr. Rae's observations provide a bridge for me to another situation which I think is worth citing. I am thinking of the late 19th century in the United States when the Supreme Court made a momentous decision. This was about the same time that state legislatures were involved in some of the nastiest activities the North American continent has ever witnessed. The Supreme Court was given the opportunity in one particular legal matter to consider whether corporations were persons in the eyes of the law. The court decided they were.

Corporations are large, impersonal organizations, very often controlled by a few. One thinks of the rise of the Standard Oil Company and Johnny Rockefeller who, between Sunday school lessons, carried out the vicious practices that drove competitors in the petroleum industry off the scene. This allowed him to put together a complex which was so powerful that the Supreme Court was forced to break it up in 1911 and create Standard Oil Companies in various states including New Jersey, Indiana, and California.

At about the same time a variety of states were influenced by what was 19th century progressivism in the U.S. This was to have its influence in Canada. In fact, in the 1920s the Progressive Party of Canada drew some inspiration from it, although thank God not particularly in the direction I want to talk about. Those state legislatures erected structures of discrimination that made segregation on the basis of race, discrimination in law against black people, a reality in state after state. This was particularly so in the south, but not just in the south.

When I arrived in Baltimore as a graduate student at Johns Hopkins in 1964 I was told that a restaurant where I occasionally ate had been desegregated very recently. The Baltimore Symphony Orchestra had, within a handful of years, been open to attendance by Baltimore's blacks. Previously, only white persons could go to hear the symphony orchestra perform. That was the structure of racism in the U.S. which triumphed at about the same time that American corporations began to run truly amok and become triumphant in what can only be described as a corporate society with all of its ramifications.

When one thinks of those realities, one recognizes the context within which the principle of the sacredness of private property rights should be put. There are good reasons for considering it critically. I am sure the Hon. Member for Kitchener gets a certain amount of political credit for carrying on this battle in the House. Every Conservative who chimes in is of course doing the same thing.

There is little enough regard, when those discussions are held, for the extent to which common law undergirds private property, and the extent to which the statute law which previous Parliaments have passed established property rights for the Canadian people and those who come into the country.

We should recognize that the laudable old principle that an Englishman's home is his castle was based on these very principles of common law which exist pre-eminently to protect property. The legislation established to provide for corporations, which allows stock to be sold, is the means by which the Parliament of Canada allows private individuals to band together in an organization or corporation and carry on business. That is reality. Anyone who knows the philosophy of English common law, which became Canadian law appreciates how it operates and knows that perfectly well.

One might of course remember that one of the statute laws in a related area, that which provides for labour organization, was designed to break up, if you will, one of the other common law understandings, which is that employment is based on a master-servant relationship. The servant has essentially no rights. That is another common law principle which the Parliament of Canada decided more than 100 years ago to begin modifying by allowing organizations of workers to be legal combinations instead of illegal organizations involved in restraint of trade.

Putting these realities in common and statute law to one side, it seems to me that what is particularly missed by those who speak so enthusiastically in support of this proposition is the fact that when the common law based right of private property, or the statute establishment of corporate property, which I have also been describing, is challenged, whether it happens to be in an expropriation proceeding of the sort the Hon. Member for Etobicoke—Lakeshore (Mr. Boyer) was just citing or some other proceeding, very often what is taking place is the assertion of another ancient principle in English government, that of the assertion of the right of eminent domain of the Crown or the rights of the community.

• (1720)

We New Democrats think particularly of the rights of the community and think that there is more than adequate protection for property rights now and that it is terribly shortsighted and incredibly partisan for people to want to provide even more safeguards in the Charter of Rights and Freedoms against the right of the community, the right of eminent domain of the Crown, to assert a community interest in one place or another and challenge private ownership.

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I have no hesitation in supporting the motion of my colleague, the Member for Kitchener (Mr. Reimer), to include property rights by amending the Constitution Act of 1982. The right to own property should be the cornerstone of our Constitution. A man's or a woman's home is their castle and means security and freedom to be oneself free from the judgmental and intrusive eyes of strangers.

One of the factors which brought early settlers to Canada and which brings the immigrants of today is the desire to own their own home. This is fundamental to Canadians, past, present, and future, and it ranks with freedom of religion, freedom of speech, and all the other freedoms which we as Canadians enjoy. The pioneers who settled in western Canada endured all kinds of privation and sacrifice to build their own homes on their own land and to enjoy, in security, the fruits of their own labour.

There are more than 30 countries in the world which have the right to own property included in their fundamental constitutional rights. While not attempting to have Canada take the lead from our southern neighbour, I would like to point out that the fifth amendment to the American Constitution states that "no person shall be deprived of life, liberty or property without due process of law", to which might have been added "nor shall private property be taken away for public use, without just compensation".

The French Charter of Human and Citizens' Rights of 1789 states that "the purpose of any political association is the conservation of natural and unwritten human rights. Those rights are freedom, ownership and resistance to oppression". The Canadian Bill of Rights of 1960 states that "everyone has the right to life, liberty and property". Property in its broadest sense can include intellectual and commercial property such as patents, trademarks and copyrights. If one does not have the right to ownership or the right to possession of property, things, and your own belongings, in my view there are no freedoms.

Early in this century the railroads of Canada and the Government advertised extensively in Europe encouraging people to come to Canada to take up homesteads, lands of their own. As I have said, Mr. Speaker, many people immigrated to Canada attracted by their right to own homes or indeed farms. Our forefathers learned that rights were very often related to property. It is only people born wealthy who do not understand that to own something not only makes it better for you but ensures that you are protected.

Poorer people in this country know the importance of the enjoyment of property and worry very much that it is not presently protected under our Constitution. Any constitution is the general directing plan for the common life of its people. Regardless of Party or regional affiliation, we are deciding something very important for the people of Canada over the next 100 years and we should, therefore, know a great deal about the set of rules which has been set.

A Constitution should be comfortable and reassuring and should build on rights already enjoyed by Canadian citizens such as property rights as contained in the late John Diefenbaker's Bill of Rights of 1960. Whether this right was excluded deliberately or inadvertently from the Charter, now is the time to put it right.

Canada's right to property was first asserted in the Magna Carta and had steadily been reasserted in the courts and statute law. In addition to the 1960 Bill of Rights, the right to property is also contained in the United Nations Charter of Human Rights.

Our Charter of Rights should ensure Canadians the right to the enjoyment of property as this has been of great importance to the building of our country. Due to geographic expanse, by definition many of the component parts of Canada differ greatly with respect to climate, topography, resource allocation, and living standards. People in different parts of Canada have very real and different problems to face as a result of their location and heritage.

However, one right to which all Canadians cling is their right to own and enjoy the property which they have gained through sacrifice and desire. The future of Canada will remain secure only if we allow Canadians in various parts of our country to have their regional identities, to maintain their traditions, and to live up to their own values in Canada. The right of ownershp was not confirmed in our Charter of Rights and, therefore, leaves a gap or a question in the minds of Canadians that that right is no longer theirs.

The Fathers of Confederation set a monumental task for themselves. They structured a nation from the wilderness and established two levels of government which were to act as partners in the building of a new nation. Their task was to form the union and it is our task to preserve that union.

The omission of property rights from the Charter has caused anxiety among all segments of our population and people feel that their ownership can be jeopardized and taken away from them in any number of ways. I find it hard to believe that the Government responsible for drafting the Charter of Rights failed to include the right to hold and enjoy property. That Government, which professed to be that of a free and democratic country, failed to protect the right of its citizens to own a piece of land or a home. It refused to accept a Conservative opposition amendment for those rights to be included.

During debate on patriation of the Constitution in 1981 the Hon. Member for Provencher (Mr. Epp) sought to amend Section 7 of the resolution by substituting the following: "Everyone has the right of life, liberty, security of the person and the enjoyment of property and the right not to be deprived thereof except in accordance with principles of natural justice", much along the lines of the current motion.

It is impossible to discount what the lack of protection of property has cost. Under the terms of the scurrilous National Energy Program, the Liberal Government reserved the right, at any time up to granting a production licence, to back in for up to 25 per cent interest in any Canada Lands development. Mr. Speaker, the Liberal offspring, Petro-Canada, benefited and the petroleum companies lost, not only money but trust in Government.

Based on history Canadians have believed that once they own property the Government will never attempt to confiscate that property. However, there is a provision within the Charter which makes all previous laws protecting property void. I have been given an opinion that property rights given under past laws which are not included in the Constitution would be overridden.

It may be that when the New Democratic Party stated its opposition to the entrenchment of property rights at the time of patriation it was because it feared it would stand in the way of its policy to nationalize everything in sight. The members of the NDP were saying at that time that it would be more difficult to nationalize resource industries if property rights were in the Charter. Conservatives were saying at that time that property rights should be in the Charter, and included the words, "In accordance with the principles of fundamental justice".

It has been said to me that the individual who does not have the right to own property becomes himself the property of the state. I reiterate my very strong support for this motion.

• (1730)

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, it is a privilege to rise to speak in favour of the motion before us in the name of my distinguished colleague, the Hon. Member for Kitchener (Mr. Reimer), which would entrench in our Charter of Rights the fundamental right to the enjoyment of property.

I thank my colleague for continuing to push this motion forward. Fortunately, as a result of parliamentary reform it certainly must come to a vote. Members will have to stand and be counted within the next couple of hours of debate.

I also want to thank the Canadian Real Estate Association for its dedicated support of the principle behind the entrenchment of property rights. I am aware of the number of people from my riding who, as part of the Canadian Real Estate Association, have been coming to Ottawa at their own time and expense to push this important principle. We should also acknowledge that British Columbia, New Brunswick and Ontario have already passed resolutions in favour of entrenching property rights. This House should soon do the same.

Why must we do it now? Why were property rights not entrenched in 1981? It is a sad story and speaks to the values of the three political Parties, at least in 1981.

We all recall that the 1981 Charter resolution contained only three of the four historic fundamental rights that our ancestors fought and died for many years ago. It included only the right to life, liberty and security of the person.

The fourth right, property, was left out. In fact, that is probably the greatest right of all, because when people have economic freedom, political freedom and social justice follow very quickly after.

In actual fact, Canadians had property rights in the resolution for some 48 hours. I shall never forget January 21, 1981, when my Party introduced an amendment which would entrench property rights. I will not forget January 23, 1981, when the Liberal Party accepted that amendment. It was a joyous moment, and I must say that I made several calls to people in my riding expressing how beneficial we had been as

Members in having the amendment accepted by the Liberal Party. Alas, the New Democratic Party was opposed.

The Liberal Party felt that it needed the NDP support, even though it had a solid majority in the House at that time. I shall always remember with great sadness and, indeed, with anger, listening to the leader of the New Democratic Party speak against the entrenchment of property rights.

I shall never forget the next week when the Liberal and the NDP Parties together rescinded the amendment to the resolution that would entrench the right to property. It was the most gross attack on Canadians' rights that ever occurred in the history of this nation. It is up to this Parliament to remedy that error.

As you know, Mr. Speaker, I am an optimist. I am asking members of the Liberal Party today to stand in favour of their classic rights, as Liberals have since the beginning of time—the entrenchment of individual rights, particularly property.

I know that the NDP will not do so, and I can hardly wait for the next election when I can bound up the front doorsteps throughout my riding and the country to tell people that their very home will be in jeopardy if the NDP get their vote.

Why are entrenched property rights important? Such a right protects individuals from the abuse of governments and the abuse of power which governments, however well-intentioned, ultimately bring about. It is simply the fact that the concentration of power in government, with the bureaucracy and standardization in an attempt to put everything in writing, leads to abuses.

What are the remedies when one is oppressed by a government? In the case of property, the remedies are very few and very expensive. However, with the entrenchment in the Charter comes the right to go to one place, our judicial system. There, one can convince a dispassionate, independent and very powerful court that the individual has been oppressed by the Government. The court has the power to remedy that injustice. That is absolutely critical, particularly in this modern age when we are becoming more imbued with rules and regulations set by governments, sometimes far away.

Let us not forget that it is a problem that affects ordinary Canadians. Earlier, my colleague gave an example of a Quebec farmer seeing workmen digging in his field. Let me give other examples.

Seven years after an Ontario man purchased a lot, it is rendered useless without compensation due to a conservation authority zoning.

Nine cottage owners in Alberta go to their properties to discover that a public utility has cut a 15-foot swath of trees from their land.

Many other Alberta property owners feel the heavy hand of public authority exercised through the provincial Government's 13 restricted development areas. The Government may, among many other infringements against private property, expropriate land in these areas without respecting the remedies that are available to individuals through the province's Expropriation Act.

In Montreal a delicatessen is fighting for its existence in an established location on land it has owned for 37 years. The city has a by-law that allows expropriation of land provided a developer owns two-thirds of a city block.

I could go on to give examples that have been sent to the Canadian Real Estate Association and which it documents for the House each year. It will not be long before the time in October, 1988, when they will be back to set out further examples of how our fellow citizens have lost their rights and privileges, not to mention financial compensation, because we have not entrenched the right to property in the Constitution. It was a gross oversight in 1981, and a tragedy for the nation. We have a chance in the next two hours of debate to remedy that wrong. I am convinced the House will do so. I certainly ask members of the Liberal Party to search their consciences deeply. If they oppose the entrenchment of property rights this time they will be gone forever as a Party in this country.

Mr. William C. Winegard (Guelph): Mr. Speaker, it is a pleasure to support this important motion moved by the Member for Kitchener (Mr. Reimer).

As I was preparing a few notes to enter this debate, it struck me that most Canadians already assume that they have the property rights that this motion is addressing. They assume that they have a constitutional right to the ownership and enjoyment of property in accordance with fundamental justice.

If we went out on the street now to ask the first 25 people we met if they have a constitutional right to own and enjoy property, their answer would be yes. It is so fundamental that they would not even think twice about it. Their answer would be yes, that they have that right as a Canadian.

They would assume that no government would have the right to take away the protection that they believe they have concerning their own property. Everyone in this country has the right to be protected from others and the right to be protected from the state, if necessary.

• (1740)

I well remember the speech of the Hon. Member for Niagara Falls (Mr. Nicholson) in October when he reiterated once again the story of Mirabel and how the rights of those landowners had been trampled upon. I would like to quote from that speech because I think it is important how one person, the Hon. Member for Niagara Falls, became so convinced that this amendment was necessary. I quote from page 10021 of *Hansard*:

> The people whose farms and homes were expropriated fought the issue for years, indeed decades, to do something about it. I became a believer in this resolution just on that issue alone because I always thought that if property rights had been enshrined in the Constitution, people would have had a legal access and would have been able to take a legal route to show and demonstrate to a court of law that their rights had been unnecessarily deprived.

Those are words to which we should all listen. I am grateful to my colleague for putting them on the record.

I remember also on that same day, my colleague, the Hon. Member for Kitchener talked about a Government that had confiscated lands from the oil companies. Those lands, presumably, did not count because they were north of the 60th parallel. Somehow Canadians forget all about that.

Canada is a signatory to the United Nations Universal Declaration of Human Rights which protects property. We have our own 1960 Canadian Bill of Rights which recognizes property rights. Why, then, would we balk at including property rights in our Constitution? It is not as if we were really breaking new ground. We have heard today that many, many countries around the world have already recognized the necessity to enshrine property rights in their constitutions, countries such as Australia, the United States, West Germany, Italy, Finland and Sweden, to name just a few.

The motion of the Hon. Member for Kitchener would not be necessary if this House had accepted the resolution from the Progressive Conservative Party in 1981. The Prime Minister of the day did not follow through, presumably because the New Democratic Party withdrew its support, and it withdrew its support because then as now it is not really a Party devoted to the rights of the individual but rather to the rights of the community as opposed to the individual.

In the name of the public good—is that not a ringing phrase, Sir?—my colleagues in the New Democratic Party would happily take away from those individuals or corporations which have been successful. We are not supposed to be successful. But what that Party does not understand is that the successful can look after themselves. We need this amendment for the person of modest means, for the person of modest influence. Surely, it is the ordinary Canadian whom this amendment protects.

I listened today with great interest, as I always do, to my friend, the Hon. Member for Thunder Bay—Nipigon (Mr. Epp), who spent considerable time telling us that property rights were already protected by law, that all was well without any change, that common law was well established. It is true that common law precedents protect property to a significant extent, but the Constitution is supreme. If my colleague does not object to property being protected by common law, which he says is good enough, why would he object to those rights being written into the Constitution? "Curiouser and curiouser".

When this Bill was before this House in October of 1987, much was made of the fact that "property" would have to be defined. Of course it would have to be defined. On that same day in October when the Bill was debated, one of my colleagues to the left said he was really worried about corporations being included. A corporation is not allowed legal rights? Are corporations not to be protected from capricious actions taken by Governments? Because that is partly what this is about.

Let me finish this short intervention as I began. I believe that most Canadians already think they have these rights under the Constitution. They could not believe or they would not believe that we had not entrenched the right to own and enjoy property, a fundamental right in any democratic society. Let us correct a past mistake. Let us accept the motion of the Hon. Member for Kitchener. Let us show Canadians that what they believe is in fact true, that they have the rights they think they have only because this Parliament ensured that they have those rights. Let us get on with it. Let us move to this motion when this debate is over with a conviction that we can indeed have our property rights entrenched in our Constitution, and no one, no capricious action on the part of any government now or in the future, will be able to take those rights away from us. That is the kind of country I believe Canadians think they have.

Mr. Norman Warner (Stormont—Dundas): Mr. Speaker, I appreciate the opportunity to join in this debate this afternoon on the motion to amend the Constitution Act of 1982. This amendment is an amendment to the supreme law of Canada. I have mailed a copy to my constituents, many of whom are students. In many cases people who took the document framed it. It is something that is very important to them. It is something that is very readable. It deals with our basic laws.

• (1750)

Being the supreme law of Canada I believe that it outlines these laws in plain, ordinary language which most people can read and understand. The legal significance of various words and various terms are dealt with by our courts and are open for interpretation. However, in most ways, this is a very readable document. It is very simple in its construction. It has 12 headings which are: Guarantee of Rights and Freedoms; Fundamental Freedoms; Democratic Rights; Mobility Rights; Legal Rights; Equality Rights; Official Languages of Canada; Minority Language Educational Rights; Enforcement; General; Application of Charter; and Citation. In these sections various aspects of our law are dealt with.

Under the heading Mobility Rights it states:

> 6(1) Every citizen of Canada has the right to enter, remain in and leave Canada. (2) Every citizen of Canada and every person who has the status of a permanent resident of Canada has the right (a) to move to and take up residence in any province; and (b) to pursue the gaining of a livelihood in any province.

These are accepted as very basic rights and principles. People accept them without thought. It is something that they have known they have had for years. Most constitutions of other countries entrench these rights and freedoms.

This document also protects the aboriginal people so that treaties that have been entered into prior to the entrenchment of the Charter of Rights and Freedoms will be acknowledged and accepted.

I suppose the predecessors of this Charter go back to the Magna Carta of 1215 and, more recently, the Bill of Rights

which Mr. Diefenbaker brought in in 1960. All of these documents have dealt with what people have felt were their basic rights and freedoms.

I know that when the settlers of Stormont—Dundas came over 200 years ago to establish themselves in that community as viable citizens they looked to the rights of property as being very definite and as being inherent with ownership. Today, there are people who have followed, farmers and business people who consider that they own property. They believe that they own property. They know that they own property. Yet here we are with our basic and supreme law which does not acknowledge the enjoyment of property as part of the Charter of Rights and Freedoms.

The portion that the Hon. Member for Kitchener (Mr. Reimer) is asking to be amended is one that reads:

> Everyone has the right to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except in accordance with the principles of fundamental justice.

As many previous speakers in this debate have indicated, the inclusion of "enjoyment of property" is very natural. It is something that most people believe should be part of this law. The exclusion of such makes this law very questionable since the ownership of property is inherent and as such a part of what Canadians have felt since the beginnings of our country. To buy, to sell, to retain and to hold for possession property is something that we all believe in. It is something with which we deal in our everyday lives. Not to include this in the Charter is to perhaps question if it is viable or not.

I recall a poster that the Canadian Real Estate Association sent to me a couple of years ago. It was a picture of a beautiful home in a beautiful setting on a hill. It was a very pretty scene, almost a dreamy type scene. I suppose it is something that many people hope they will be able to fulfil, that is, to own a beautiful dwelling such as that.

Earlier in debate there was some question of abuses which citizens have had to be subjected to in recent times. The concerns of Mirabel were discussed. In that case, quite obviously, more land was expropriated than was necessary for even the most grandiose of airports that could have been imagined in a development of many years. The rights of the citizens of that community have been acknowledged and land has been returned to them. Thus the proper enjoyment of property can be a part of their life as well.

Usage of property is very important. The privilege that Governments have to expropriate property has always been considered very seriously. It is something which I am sure provincial Governments and municipal Governments will acknowledge, especially as the provinces consider legislation such as the legislation which is before us. I assume that this Bill will be passed. Seven provinces and at least 50 per cent of the population are required to ratify a change to the Charter. I assume that all provinces will be giving this matter consideration and where there may be complications they will address these complications and the federal Government will acknowledge changes that will be necessary to implement this amendment.

In the Cornwall and Stormont—Dundas area much of our waterfront has been acquired by the Government through different agencies, either through the St. Lawrence Parks Commission, which manages a great deal of property for the province, or the St. Lawrence Seaway Authority, which is a federal Crown corporation. These lands were acquired at the time of the Seaway's construction. They have been managed in a responsible way since then. Although from time to time we may disagree with certain positions of the bodies that are involved, generally, development has been progressive.

However, recently, it has been acknowledged that this all-Canadian seaway will not go forward for many years, and lands that are held now for some 30 years are being allowed to be developed. The St. Lawrence Seaway Authority is retaining ownership. Rights to develop the lands have been allowed to be extended to private developers. Long-term leases can now be negotiated. In fact, some very interesting residential development is now proceeding in the western part of Cornwall on lands that have been a virtual eyesore and which in any other community with waterfront property would have enjoyed beautiful development for many years. It has been one of the unfortunate complications the Seaway has presented for my community. Although the rights to the property remain with the federal Government in the City of Cornwall the lands are being more properly utilized and will continue to be more of a people place in the future, a place that will have mixed development such as commercial, residential and private property reserves for parks and other recreational uses.

The Acting Speaker (Mr. Paproski): Order, please. The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 36(2) the Order is dropped to the bottom of the list of the order of precedence on the Order Paper.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

FINANCE—GOODYEAR TIRE COMPANY—TAX REMISSION ORDER

Mr. Patrick Boyer (Etobicoke—Lakeshore): Mr. Speaker, on March 7 I asked a question of the Minister of State for Finance (Mr. Hockin) about a remission order that had been granted to Goodyear Tire Company worth $50 million over four years. I asked whether the Minister was prepared to rescind that order in light of the fact that company officials

had subsequently stated that they would have made some improvements that were carried out without the benefit of that remission order. If the Hon. Minister was not prepared to do that, I asked if he would at least tell us what guarantees were in place to assure the Canadian taxpayers that a benefit equal to the $50 million would be there for the Canadian people. Those two questions could have been answered either yes or no, with or without an explanation. In fact, the answer was that I was told that I was wrong. That to me, Mr. Speaker, was a *non sequitur*.

Was I wrong, Mr. Speaker, on March 4, 1987 when I went with the 1,574 Goodyear workers in my riding who lost their jobs at Goodyear and we demonstrated at the head office of Goodyear, and I made a commitment to them? I stated that if Goodyear would grant transfer rights to those workers to any new plant that would be built, then I would move heaven and earth to see that any form of federal financial assistance was there to ensure that that new world class tire plant was developed. On the other hand, if Goodyear would not grant those transfer rights I stated that I would equally move heaven and earth to ensure that not a single cent of federal tax money was ever spent on or for the benefit of Goodyear. Was I wrong to make that commitment? In the absence of Goodyear giving that, and it never did give that commitment for transfer rights, what we had was transition at taxpayers' cost and at the cost of those individual workers who lost their jobs and who were told that if anything ever happened again for Goodyear, they could go and line up like other workers for new jobs that might come along.

In that same year, on December 20, by Order in Council the Government that I seek to support made this benefit for Goodyear. At the time I called it a cruel joke. Was I wrong to call it that? An Order in Council is a secret approach to public business. In the course of things, it is not something that gets debated on the floor of the House of Commons. If it had not been for the assiduous work of Canadian Press reporter Gordon McIntosh, who went through a stack of Orders in Council and come out on January 8 with the evidence that, lo and behold, two days before Christmas the Government had given this undeserved Christmas present to Goodyear then, as the Member of Parliament most directly affected, I probably would not even have known about it.

The issue here is not the use of remission orders, it is the abuse of remission orders. If parliamentary reform is to mean anything, it must mean that Members of Parliament have an opportunity to be here in the House of Commons and bring to bear on the issues in this country their knowledge, experience, and the views of their constituents.

Before I entered this House on February 24, 1984, I wrote an article on Government and corporate bail-outs. I pointed out that corporate bail-outs were nothing new in Canada. Canadians had grown accustomed to private enterprise at public expense. I went on and talked about the need for a clear policy framework for this type of Government subvention to the private sector. I even concluded with the comment that failure to have a coherent bail-out policy can lead to some *Alice in Wonderland* like results. Little did I think that *Alice in Wonderland* would be visited on Etobicoke—Lakeshore, but most assuredly it was.

Was it wrong for me to write to the President of Goodyear about this remission order and point out unequivocally my views, and for him to respond on January 18 and state that he appreciated the frankness of my views? He added that the federal Government has recognized the need to revitalize Canada's tire industry by encouraging new investments. He said as he understands it, this is the purpose of duty remission. The letter was signed Scott H. Busby, President, Good Year Canada Inc.

• (1805)

If that was the purpose of the remission order, then why should it have applied to Goodyear? Goodyear has two tire plants left in this country, one at Medicine Hat, Alberta, with some 250 employees. There it makes bias ply tires. Goodyear has a little niche in the market that is shrinking. The success and the longevity will depend entirely upon market forces, and no amount of government bail-outs will add or subtract to the jobs or the production there. The second, and only other tire plant that Goodyear has in this country, is at Valleyfield, Quebec. It is a new and modern plant. It was built after General Motors put in its plant at Ste. Thérèse. It is tied selling. Goodyear has its market for radial tires at GM, Ste. Thérèse. Last year the Government gave a $210 million benefit to GM at Ste. Thérèse. There is little likelihood in my mind that there will be any jeopardy to the Goodyear production at Valleyfield. That is a given. That is secure.

What was the basis, what was the need for this benefit to be conferred on Goodyear? Bearing in mind that the Financial Administration Act provides for remission orders where there are anomalies and unjust results, corrective measures can be taken under Section 17 and remission orders provided. It is not the place to enact industrial policy for this country. Remission orders are hip pocket, ad hoc measures to deal with something and they are being used for industrial policy. If the Government believes that there should be something in this area, let it bring on to the floor of the House of Commons something called the tire industry manufacturers assistance act, 1988 and let Members of Parliament who have these plants in their ridings and know something about the issues deal with it.

When I dealt with the officials and tried to get some explanation about the abuse, Mr. Speaker, I felt that I was seeing an episode of *Yes, Minister* that had been jointly scripted by Franz Kafka and George Orwell.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): If I may, Mr. Speaker, I should like first of all to point out to the Hon. Member that the remission order granted to the Goodyear Tire Company is worth $25 million over a four-year period, and not $50 million as he has

just stated. I should like also to emphasize that these $25 million are not a subsidy, but a remission on duties otherwise payable on this company's future imports.

Mr. Speaker, I am sure the Hon. Member is aware that the Canadian tire industry is making a major contribution to the economy of this country, with a production worth up to $1.7 billion in 1985. Tire manufacturing in Canada provide jobs to some 11,000 people, including 4,300 in Ontario, 4,000 in Nova Scotia, and 2,700 in Quebec. This industry has been exposed to strong restructuring pressures, to a series of takeovers, mergers and acquisitions which have resulted in a significant number of job lossses. Moreover, in anticipation of free trade with the United States, it is important, not to say essential, that the Canadian tire industry should become completely competitive on the North American market.

A remission is considered as a proper mechanism to encourage new investments in Canadian tire manufacturing firms and thus ensure the future of that industry in Canada. More specifically, the purpose of this remission of duty is to help tire makers streamline their facilities and rationalize their North American operations. Moreover, the tire duty remission program will avert future job losses and, as you know, will preserve existing jobs in this industry.

Clearly, if tire makers do not meet the expectations both of the Government and the industry, it will be the Government's responsibility to put an end to these benefits.

The Government is quite concerned about the effects of manpower upheaval and disruption from lay-offs. However, we should not loose sight of the jobs which will be secured as a result to the steps taken by the Government. I understand that only a few workers have been laid off and could still be recalled following the closing of the Goodyear plant in Toronto. I understand also that Goodyear has set up an employment priority program in Valleyfield and Medicine Hat. I know that the company has offered the same transfer rights to any new plant which could be built within the next five years, provided such employees meet the hiring requirements.

I have also been advised that Goodyear not only has met all of its legal commitments, but exceeded its obligations under the agreement it signed with its employees, when it ended its operations.

Mr. Speaker, our Government feels that the tire duty remission program will help tire manufacturers become more efficient. It is quite concerned about the long term profitability of Canadian tire manufacturers and we believe that the steps we have taken will open for them interesting opportunities in the future.

• (1810)

[*English*]

HAZARDOUS SUBSTANCES—PRESENCE OF DIOXIN IN PAPER PRODUCTS

Mr. Alan Redway (York East): Mr. Speaker, last week was my birthday. In fact, it was on March 11, to be exact.

Some Hon. Members: Hear, hear!

Mr. Redway: Thank you all very much for those kind acknowledgements and applause. But no, Mr. Speaker, there is certainly no need for you to sing *Happy Birthday* tonight. Do not worry about the cake because I was well looked after. I had a birthday cake here in Ottawa with which my staff very kindly provided me and I had a cake back home as well. Do not worry about that.

No, Mr. Speaker, I will not tell you how old I am. However, I will tell you that I am so old that when I was a kid, I used to get handkerchiefs as birthday presents. You remember what handkerchiefs are, do you not, Mr. Speaker? Those were the things we used to use before there were those paper tissues that we use now to wipe our noses with. Does that ring a bell?

I used to get handkerchiefs for every birthday and every Christmas. They came in all sorts of sizes and colours. Most of them, of course, were white, and the best kind were made of Irish linen. There were all sorts of other kinds as well and lots of pretty colours. I suppose they were supposed to be colour co-ordinated, but I did not understand that in those days.

Shortly after the Second World War, I got an awful lot of khaki handkerchiefs. I think they were probably war-surplus handkerchiefs. Then I used to get lovely handkerchiefs with my initials on them, the real fancy kind.

I have collected so many handkerchiefs over this period of time that I have a huge drawer full of them at home, and I never use one of them. The reason of course for that is that we do not use handkerchiefs any longer to any real extent, we use these paper tissues.

When I first started using paper tissues, we called them Kleenex. They were soft, strong and they popped up in the box. That was the only kind of paper tissue available, but now just about every paper company makes a paper tissue like that.

I am very seriously considering going back to using my old handkerchiefs again. This is because they have discovered small amounts of something called dioxin in these paper tissues and not only in paper tissues but in paper towels, coffee filters and paper plates. The levels of the dioxin appear to be small, but in fact they have been found to be higher in paper tissues and in paper towels than in some other things. Dioxin is an extremely toxic substance. Trace or small amounts have been known to cause birth defects, cancer and damage to the immune system.

The pulp and paper industry tells us that it suspects that these dioxins in paper tissues are formed by the chlorine-

bleaching process that is used in the paper-making here in Canada and the United States. In Europe, they use an oxygen-bleaching process and they apparently do not have the same dioxin problem. Of course, the industry says that low levels of dioxin pose no real and immediate threat or health hazard to us, but you will recall that a toxicologist with the environmental defense fund in the U.S. said these are products from which we can assume there will be a transfer of dioxins into ourselves.

• (1815)

In January of this year dioxin was found in the waters near the MacMillan Bloedel Harmac pulp mill in Nanaimo, British Columbia. You know where that is, Mr. Speaker. It is not very far from Victoria, as you well know. A spokesman for the federal Department of Fisheries and Oceans said at that time it should not come as any great surprise to anyone that there was dioxin found in the waters near that pulp mill. It may not be a great surprise but it is a matter of great concern. That is why I am asking the Parliamentary Secretary what in the heck we are going to do about it. What action is he and his Minister going to take to make sure this health hazard is eliminated?

Are we going to follow the European method and use an oxygen bleaching process to eliminate dioxin from paper products? Are we at least going to warn people that there is this problem with things like paper tissues? If we do not do something pretty soon, I am going to have to go back to putting handkerchiefs on my shopping list for Christmas and birthdays. What about it, Mr. Parliamentary Secretary? What are we going to do?

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am pleased to respond with further details to the question raised by the Hon. Member for York East (Mr. Redway) regarding the steps being taken by this Government to protect the health of Canadians from the effects of dioxins and furans in paper products.

The Minister of National Health and Welfare (Mr. Epp) has already informed the House that in early October, 1987, he commissioned an interdepartmental committee with representatives from Health and Welfare Canada, Environment Canada and Consumer and Corporate Affairs Canada. This committee has met several times to co-ordinate the activities under way within the three departments and to ensure there is effective communication among the various groups working on this issue.

Within National Health and Welfare a task force of experts from the Health Protection Branch has met to review the preliminary data reported to the media in late September by the American Paper Institute, API, and by the U.S. Environmental Protection Agency, EPA. Although both American groups had hoped to have their final reports available for release in November, the necessity of ensuring these extremely complex analyses for dioxins and furans at such low levels are accurate and reproducible, resulted in an unavoidable delay.

The EPA has now released details of its kraft pulp paper mill study. The API has provided a descriptive report of its research work on the migration of dioxins and furans from paper products to contact foods and has issued its assessment of the health risk associated with human exposure in contact paper products such as diapers, tissues and bond papers. It should be emphasized that it has taken nearly three years to complete the arduous task of developing the capability to sample and analyse these products, pulps, sludges and waste waters.

Officials within the Health Protection Branch have been able to complete an assessment of available data and have concluded that the minute concentrations of dioxins and furans found in some bleached paper products are well below the level of concern for human health. A quantitative risk assessment will be carried out using data currently being developed by contractors to the API and by Health and Welfare Canada laboratories.

National Health and Welfare does not expect to complete in a few months what has taken others almost two years to carry out. This research is technically extremely difficult and costly. Nevertheless, Canada has earned a reputation as a world leader in dioxin and furan research, and is fully capable of assessing the need for further analytical data and providing the technical skill to obtain it. Assessment of the implications of such data is also complex. However, it will be completed promptly once the data under development are released.

• (1820)

Work is also under way in the Department of the Environment, which has the responsibility for developing appropriate control strategies for the pulp and paper industry. Department of Environment officials have set up a Canadian task force to investigate the levels of dioxin and furan releases from pulp and paper manufacturing and, as appropriate, to investigate control strategies for the industry. The task force, in connection with the provinces and industry, will implement a sampling program and make appropriate recommendations on control needs for the industry.

Officials in both departments are in direct contact with industry in Canada and the U.S. to ensure that research on this issue is properly focused and complementary. It is in the best interests of Canadians that we build on all available and reliable data rather than ignoring those studies carried out by non-governmental groups.

These are the steps being taken by the Government to ensure that paper products sold in Canada pose no adverse health risk to Canadians and to ensure that sources of dioxins and furans in Canada be identified and controlled. I think I can safely say to my hon. colleague that he can continue to use paper tissue products without fear.

Adjournment Debate

EL SALVADOR—UNION WORKERS FIRED UPON BY MILITARY/ BOMBING OF OSCAR ROMERO COMMITTEE OFFICE

Mr. Dan Heap (Spadina): Mr. Speaker, on June 2, I asked the Secretary of State for External Affairs (Mr. Clark) a question about human rights violations in El Salvador in relation to Canada's support for the Government of El Salvador. In particular, I referred to a report which I had sent him the previous day that the United Workers of El Salvador, when demonstrating peacefully for the release of hundreds of political prisoners illegally held in Mariona Prison, were fired upon by the military which seriously wounded the Secretary-General of the union, Julio Portillo. I asked the Minister to request the Duarte Government to account for this violence and for the growing attacks during the last few months by the Duarte Government against trade unionists.

At the same time I asked the Minister to take up the matter of the bombing on the same day of the office of the Oscar Romero Committee of Mothers for the Detained and Disappeared. Two mothers were wounded and their files were all destroyed. The next day the Minister of National Defence threatened to break up their weekly peaceful marches if they continued to ask for news of their husbands, brothers, and sons who had disappeared. The Minister promised to answer. Nine and one-half months later he has not yet answered me.

The Canadian Government is renewing its bilateral aid to El Salvador although the Government ended that aid in 1984 on account of human rights violations which threatened basic civil and political society in that country. The present Government reinstituted bilateral aid on the explicit premise that the Duarte Government had both the will and the capacity to bring about peace and respect for basic human rights as well as judicial, economic, and social reform.

We should note that bilateral aid is not the only form in which aid can be given. It can also be given through Canadian non-governmental organizations and through multilateral institutions which can do it just as well as can the Canadian Government. Choosing to do it bilaterally sends a signal to the El Salvadoran Government and the rest of the world that our Government supports the Government of El Salvador and approves and accepts the Duarte regime as a regime worth working through. It in fact claims that the Duarte regime is improving and trying to continue to improve the human rights situation there.

The facts are the opposite. Since the time I spoke, political violence has remained at a very high level and, in fact, is increasing in El Salvador according to all independent observers. The total body count might be down, but that only reflects a decision on the part of the death squads to target the leadership of human rights organizations, trade unions, co-operatives, and other progressive groups.

The murder of Herbert Ernesto Anaya, the President of the Salvadoran Non-governmental Human Rights Commission on October 26 brought the whole question of human rights back into world attention. The Council on Hemispheric Affairs, in its Human Rights Review from 1987, once again named El Salvador as among the worst violators of human rights in the hemisphere.

• (1825)

The United Nations Sub-Commission on the Prevention of Discrimination and Protection of Minorities reported on September 2, last year, that:

> . . . serious and massive violations of human rights are still occurring in El Salvador.

As I said, the body count is only one indication of the human rights situation in El Salvador. A better one is the number of military officers prosecuted for human rights violations. That number is zero.

The only part of the Esquipulas peace accord that appears to be honoured by the Salvadoran government was the amnesty they provided to the death squads who killed trade unionists and other critics of the status quo.

The U.S. based lawyers Committee for Human Rights in El Salvador testified last year that:

> The collapse of El Salvador's criminal justice system is general and pervasive. Indeed, as best as we can tell, that system has never functioned effectively in the criminal justice field.

Land reform, a key issue in El Salvador, as in most Central American countries, is failing. Duarte's land reform program has turned into a shallow farce, overseen exclusively by organizations supporting the Government. At least 19 legally recognized peasant organizations have been excluded from participation.

The most authoritative human rights non-governmental organization in Canada monitoring latin American concerns is the Inter-Church Committee on Human Rights in Latin America. It represents most of the major denominations in Canada and conducts both on-site visits and continual assessments of reports and documentation.

In their most recent report on El Salvador, they quote our Government's reply to the Report of the Standing Committee on External Affairs and International Trade, in which our Government said:

> . . . the degree to which human rights are respected is a factor in determining eligibility for Canadian development assistance.

Well, to quote the Inter-Church Committee:

> In view of their careful assessment of the over-all human rights situation prevailing in El Salvador during 1987, the churches and church bodies which make up the Inter-Church Committee on Human Rights in Latin America believe, in accordance with the above stated policy of the Canadian Government, that there should be no new bilateral Canadian aid given the Government of El Salvador under present conditions.

I call on the Government to end bilateral aid to the murderous government of Duarte in El Salvador.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, on June 2, 1987, the Hon. Member asked in the House whether the Government

had any knowledge of the wounding of Julio Portillo, an official of the United Workers of El Salvador. The Secretary of State for External Affairs (Mr. Clark) replied that enquiries would be made into the case.

Our embassy has now confirmed that Mr. Portillo was shot on May 31, during a protest outside Mariona Prison. Fortunately, we understand he is recovering. There conflicting versions of what happened. One version is that he was shot by soldiers during a scuffle to remove protest placards. A second version is that he was shot by prison guards as the protesters were walking away from the site. A third version is that the protestors themselves fired the shot, accidentally wounding Mr. Portillo.

The Hon. Member also requested that inquiries be made into the bombing of the offices of the Oscar Romero Committee of Mothers for the Detained and Disappeared. Our embassy confirms that a bomb exploded in those offices on may 28 injuring two members. To date no one has claimed responsibility.

The Canadian Government deplores the incidents of violence that continue in El Salvador perpetrated by both sides in the conflict. As we have in the past, we will continue to urge further reform at every opportunity both bilaterally and multilaterally. Inquiries on specific cases such as these also serve to register official Canadian interest and concern.

The latest incident that has come to our attention concerning the United Workers of El Salvador is the arrest and beating of labour leader Umberto Centeno on March 10. Although he was subsequently released, our embassy in San Jose, Costa Rica, is investigating the incident.

The Acting Speaker (Mr. McKinnon): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.31 p.m.

HOUSE OF COMMONS

Wednesday, March 16, 1988

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

FINANCE

OPPOSITION TO TAX ON FOOD

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, today, according to reports in the media, a committee of the House wants the Government to impose a tax on food. Mr. Speaker, I would like to make it clear that as far as the Liberal Party is concerned, there is not going to be a tax on bread and butter. That is our position. At the request of my Leader (Mr. Turner), my colleague from Hamilton East (Ms. Copps) and I circulated petitions across Canada, and Canadians are entirely against the introduction of this new tax. However, I warn the Canadians who are listening that I would not be surprised if the Government, considering the way it and the Prime Minister (Mr. Mulroney) deceived senior citizens in the matter of deindexing old age security pensions, I would not be surprised that if this Government is ever re-elected, the first thing it would do would be to put a tax on bread and butter. Don't trust them!

* * *

[*English*]

THE ECONOMY

CRITICISM OF CREDIT CARD MENTALITY

Mr. Paul Gagnon (Calgary North): Mr. Speaker, the United Kingdom Government of Margaret Thatcher must be congratulated for reporting a budgetary surplus yesterday of some three billion pounds. This compares to Canada's $29-billion deficit. The burning question is why Canada spends so much more than it raises.

Not one day passes but we parliamentarians are lobbied to spend more, be it by industry, by commerce, or by special interest groups. Not surprisingly, no one lobbies us for higher taxes.

This credit card mentality must change. We as a society cannot afford to spend money we do not have. A continuation of our current policy can only lead to higher interest rates, a declining dollar, and monetary chaos. The choice is simple, prudence now or chaos later.

* * *

FEDERAL-PROVINCIAL RELATIONS

BRITISH COLUMBIA THRONE SPEECH—AWARDING OF FEDERAL GOVERNMENT CONTRACTS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, yesterday's British Columbia Throne Speech shows that Premier Bill Vander Zalm has changed his buddy-buddy relationship with the Prime Minister (Mr. Mulroney) and is now trying to talk tough in order to get fair shares for British Columbia. It is true that British Columbia has not received its fair share of federal contracts.

Of the 30 largest contractors ranked in terms of the dollar value of contracts received, only one was a British Columbia firm. British Columbia has 11.4 per cent of the population but in 1986-87 B.C. suppliers got only 9.1 per cent of federal government contracts, down from 10.2 per cent in 1985-86. These were relatively small purchases amounting to only 4.1 per cent of total federal purchasing outlays, down from 5.3 per cent in 1985-86.

• (1405)

British Columbians do not want a Premier who is a sycophant, they do not want a Premier who attempts to be a bully, they do not want a Premier who is the cry-baby of Confederation. They want someone who will stand up, speak reasonably, and get a fair deal for British Columbia.

* * *

ABORTION

SUPPORT FOR RIGHT TO LIFE

Mr. John Nunziata (York South—Weston): Mr. Speaker, human life in whatever form is sacred. It is precious and must be protected by the full force and effect of the law from the very moment of conception to natural death. Just as it is wrong for the state to allow the taking of a life through capital punishment, it is equally wrong to take a life before birth.

Parliament, each and every one of us, will soon have to decide when life begins. There is only one logical and just answer. Life begins at conception. To conclude that life begins at any other stage is to demean the very essence of life.

The Charter of Rights and Freedoms does not discriminate between human beings. Regardless of how tragic or miserable or physically or mentally impaired a life is, that life is protected by law. We all have the right to life. Why, then, should we discriminate prior to birth? It is morally wrong to do so.

To quote an individual who wrote to all of us: "Just as one cannot be a little bit pregnant or a little bit honourable or a little bit honest or a little bit faithful, a country cannot have a Constitution that holds that life is a little bit sacred. It is either protected or it is not protected."

The most important human right, the only absolute human right, is the right to life. I hope Parliament endorses this principle during the abortion debate.

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THE ADMINISTRATION

SAVINGS ACHIEVED THROUGH GOVERNMENT'S CASH MANAGEMENT PRACTICES

Mr. Don Ravis (Saskatoon East): Mr. Speaker, it was recently announced that, due to the Government's improvement in cash management practices, over $539 million has been saved since 1985. These savings are projected to reach $1.2 billion by 1991, illuminating the positive impact that modern business-like practices can have on government. It is interesting to note that this story made page 13 in *The Ottawa Citizen* last week.

The savings in taxpayers' dollars do not become apparent overnight. It took time for management to assess the situation and introduce new practices. Now the benefits of an increasingly efficient federal Government are starting to yield real savings. These savings represent the fact that Government does not have to continue down the path of increasing growth and waste.

The introduction of practices like prompt bank deposits and paying suppliers on time was the kind of common sense needed in the financial management of the country. I have worked for sound financial management in government on the Standing Committee on Public Accounts, and I know the Government will continue to do more to ensure better use of taxpayers' dollars.

[*Translation*]

EXTERNAL AFFAIRS

SITUATION OF PALESTINIANS—CONDEMNATION OF ISRAEL BY SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Mr. Robert Toupin (Terrebonne): Mr. Speaker, I want to congratulate the Secretary of State for External Affairs (Mr. Clark) for the courage he showed in openly and firmly condemning Israel.

We cannot support Israel when it violates the most basic human rights, as it has done in the case of the Palestinians.

Mr. Speaker, I may add that I deplore the lukewarm reaction of the Opposition Parties to this situation.

Will political considerations once again outweigh the need to defend the principles of justice and respect for human rights?

* * *

FREE TRADE

FREE TRADE SYMPOSIUM IN QUÉBEC—TRIBUTE TO ORGANIZERS AND PARTICIPANTS

Mr. Marcel R. Tremblay (Quebec-Est): Mr. Speaker, on March 3 I had the privilege of attending a workshop on free trade held at the *Centre municipal des Congrès* in Quebec City.

The workshop, which was organized jointly by the Metropolitan Quebec Chamber of Commerce and Industry and the Department of Business Administration of Laval University, was attended by over 300 people.

All 300 participants, leaders in their respective fields, confirmed their support for free trade.

Minister Pierre MacDonald, a member of the Quebec Cabinet, agreed with us that Canadians believe the agreement is a good thing and that it is well accepted. He suggested that participants look for ways to get the most out of the advantages arising from the agreement.

This experience makes me wonder why, when all Canadians understand and support this historic agreement, the Liberal Party of Canada and the NDP cannot or will not understand.

Mr. Speaker, I would like to congratulate the two main organizers of this event which was a success both in terms of attendance and organization, and I am referring to Messrs. H. Pierre Racine and Pierre Talbot.

Mr. Prime Minister, the people of the Quebec City area want to thank you for the historic agreement you have given us.

• (1410)

[*English*]

ROYAL CANADIAN MOUNTED POLICE

MEASURES URGED TO IMPROVE ROLE OF WOMEN MEMBERS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I was the Solicitor General in 1974 when the decision was made to admit women to the RCMP and, as a result, I was extremely disappointed today to read that their status in the force is not improving but worsening. This was the conclusion of a 215-page internal study made public yesterday through Access to Information.

At present there are 852 female constables in the RCMP constituting 6.5 per cent of all constables. When women were admitted to this male stronghold in 1974 it was recognized that special steps would have to be taken to facilitate their participation, as was done by many police forces in North America and Europe. Unfortunately, this has not been pursued properly.

Last week was Women's Week and on Wednesday we debated the adequacy of the Government's employment equity legislation. We said that that law was weak because it had no enforcement mechanism. Let the Government strengthen the legislation and take immediate steps to improve the role of women in the RCMP.

* * *

DISASTERS

LOSS OF NOVA SCOTIA FISHERMEN'S LIVES—DUTY TO ASSIST FAMILIES

Mr. Howard Crosby (Halifax West): Mr. Speaker, for generations the villagers of Sambro have sailed from their safe harbour to fish on the treacherous waters of the North Atlantic. The risks are immense and ever present, but fishing is not merely a vocation but a way of life for many Maritimers.

On March 8, 1988, the dangers of ocean fishing struck the crew of the *Bonnie Lou II*. A late winter storm attacked this small vessel causing damage that led to its destruction. The sea search that followed failed to find any trace of the five young crewmen. Skipper Lorne Gray, brothers Jimmie and Brian Gray, Denny Gilkie and Blair Gray were lost on the North Atlantic. Family and friends were forced to conclude that these brave young fishermen were victims of the raging ocean.

The fishermen of Sambro will continue to challenge the Atlantic Ocean despite the risks because fishing is their way of life. Parliamentarians and all Canadians moved by this tragedy will recognize a duty to ensure their families and children are helped and protected.

S. O. 21

APARTHEID

SOUTH AFRICA—DENUNCIATION OF DECISION TO EXECUTE "THE SHARPEVILLE SIX"

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, today is one of those days when I regret the passing of the old Standing Order 43, because today is the kind of day on which all Members of this House might have been able to join, through that procedure, in unanimously urging the Government of South Africa to commute the hanging sentences of "the Sharpeville Six".

However, we do not have that procedure available to us so we must get up, time and again—the Prime Minister (Mr. Mulroney), the Secretary of State for External Affairs (Mr. Clark), and every one of us—to make it absolutely clear that we regard as abominable the decision of the South African Government to hang these six individuals, which decision contravenes every principle of liberal and democratic jurisprudence which we could imagine.

It sets a bad precedent that blacks in South Africa in particular can be sentenced to be hanged on the basis of their participation in a crowd rather than on the basis of that for which they can individually be held responsible. It certainly shows once again that the Government of South Africa intends to use every device at its disposal to combat anti-apartheid activity. That is something which all Canadians reject.

* * *

PUBLIC SERVICE

SUSPENSION OF REVENUE CANADA EMPLOYEE

Mr. John Oostrom (Willowdale): Mr. Speaker, on February 10, Brian Grant, an employee with Revenue Canada, was suspended for passing information to two government agencies. The information led Immigration Canada to apprehend 24 illegal aliens as well as providing the police with a vital piece of evidence which led to solving a murder.

Because of these acts Mr. Grant is now subject to an investigation for breach of confidentiality. This is a serious matter and one which must be addressed. A policy must be implemented whereby individuals in Departments can communicate information to their superiors which is detrimental to Canadians. In addition, a clear policy of inter-agency communications must be implemented. All government Departments and agencies must have one goal of ensuring that the safety and well-being of Canadians come first.

• (1415)

ENVIRONMENTAL AFFAIRS

ONTARIO MINISTER'S SPEECH APPLAUDED

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Ontario Environment Minister, Mr. Jim Bradley, told the King of Sweden: "The polluters in the United States and the United Kingdom are waging environmental war on our countries", because Ontario and Sweden are both threatened by acid rain coming from neighbours upwind who refuse to cut pollution. Mr. Bradley pointed out: "This situation will continue and worsen unless we find the means to make a great change in the actions of our neighbours".

Mr. Bradley called upon the United States and Britain to join Canada and Sweden in the 30 Per Cent Club, a group of over 20 nations which have vowed to cut SO2 emissions by at least 30 per cent by 1994. It is refreshing to hear a Canadian speaking up on the international acid rain perspective. Unfortunately, it is a provincial environment Minister alone who has the vision to speak up.

The federal Minister of the Environment (Mr. McMillan) is silent on the international acid rain stage. Perhaps Mr. Bradley's remarks will give the federal Minister the courage to speak up now.

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[*Translation*]

FREE TRADE

BENEFITS FOR CANADIANS

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, the Leader of the New Democratic Party and Member for Oshawa (Mr. Broadbent) is taking a negative approach to free trade, although he is fully aware of the fact that the agreement will boost the Canadian economy and create jobs.

For 25 years now his riding has benefitted from the automotive agreement under which Ontario has recorded Canada's lowest unemployment rate—5.8 per cent—and created the highest number of jobs, while central Quebec had to cope with an unemployment level in excess of 10 per cent.

Quebecers in general and Drummondville residents in particular have every right to expect lower unemployment rates comparable with those of Ontario.

The Hon. Member for Oshawa cannot accept the fact that Quebec and my riding seek their fair share of the economic spinoffs from the agreement.

His protectionist attitude will not prevent Quebec from exporting hydro power to the United States and create 40,000 new jobs as a result of the agreement.

Our Government's balance sheet speaks for itself, and we will continue to introduce measures and programs to spur the economy, create jobs, and make life easier for Canadian men and women alike.

ORAL QUESTION PERIOD

[*English*]

FINANCIAL INSTITUTIONS

SERVICE FEES CHARGED BY BANKS AND TRUST COMPANIES

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Yesterday the Minister admitted there was a very serious problem with service charges of Canadian banks, but he refused to take any action.

Would the Minister explain to Canadians the fairness and appropriateness of the Royal Trust charging consumers a fee if their balance is too low? Would he explain why the Bank of Montreal charges a fee if one wants information on one's own account? And would he explain why the Bank of Nova Scotia and the Toronto Dominion Bank have retroactive service charge fees? In other words, one is informed in July of a service charge that took place in June.

Would the Minister explain to Canadians the fairness of these measures and why he continues to allow them to exist? Why does he do that?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, officials in my Department and in the Department of my colleague, the Minister of Consumer and Corporate Affairs, are watching this matter very carefully. The Hon. Member knows as well that the Standing Committee on Finance and Economic Affairs will be releasing a report shortly on this subject. I would remind the Hon. Member that his particular concern should be brought before the committee.

The Government is willing, as the Minister of Consumer and Corporate Affairs said yesterday, to act quickly after we receive the committee report. However, I remind the Hon. Member of two things. If he has evidence of any violation of the Bank Act, he should present it forthwith. Second, I remind him that our financial institution reforms, allowing trust companies greater consumer and commercial lending powers and opening up consumer and commercial lending powers to insurance companies, will add an increment of tremendous new competition which will drive down these rates and charges.

Mr. Dingwall: Mr. Speaker, that is the same sort of leadership Canadians saw when investors in the Principal group were going down the tube—no action by this Government until well after the fact.

PROFITS OF BANKS—MORTGAGE RENEWAL CHARGES

Mr. Dave Dingwall (Cape Breton—East Richmond): The Minister will know that last year the net profit of the Royal Bank of Canada was in excess of $540 million. Yet that bank, as well as other banking institutions, is continuing to charge Canadian consumers $1.50 and upwards for the use of instant bank tellers, and institutions are charging Canadians as much as $85 for a mere signature for the renewal of a mortgage.

• (1420)

In good conscience, why does the Minister allow these practices to continue when he has a preponderance of evidence, knows that they exist, and knows that they are continuing?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, my information with respect to the very examples raised by the Hon. Member is that he is totally wrong in each instance that he raises.

He is concerned about bank rate charges. He has a forum to present those concerns. I urge him to do that.

PROTECTION OF CONSUMERS—GOVERNMENT POSITION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the best forum for Canadian consumers to voice their concerns on practices concerning anything, but, in particular, chartered banks, is the Parliament of Canada.

Some Hon. Members: Hear, hear!

Mr. Dingwall: Mr. Speaker, with respect to the Principal Group the Minister pleaded that it was a jurisdictional problem and therefore he could not act. He now pleads that he wants Mr. McIntosh and the chartered banks to do their own policing.

I ask members of the Government when they will stand in their places and represent Canadian consumers who are being shafted by chartered banks, something which the Minister of Consumer and Corporate Affairs agreed to in comments he made in a scrum outside the House yesterday? When will the Government stand up for Canadian consumers and curtail these some 170 bank service charges?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the Government has acted consistently on behalf of consumers, especially as regards banking practices. We have the financial institutions reform which is the most major new increment of competition for the banks that has been produced in 60 years.

The Hon. Member does not want to present his examples to the Standing Committee. Why does he not want to do that? It is a committee of this House. It is taking a long and careful look at this matter. That also is a forum as well as this House.

GENERAL AGREEMENT ON TARIFFS AND TRADE

PETITION SUBMITTED BY CANADIAN WINE INDUSTRY—SUBSIDIZED EUROPEAN WINES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, in the absence of the Minister for International Trade I would like to direct my question to the Minister of Finance.

On July 28, 1984, in the election campaign, the Prime Minister in St. Catharines promised the wine grape growers of Canada that his Government would "act to revitalize the industry and keep our farmers farming". We know that the Government has dealt a major body blow to that industry because of its proposed trade agreement with the United States.

We also know that the industry is facing another major threat from subsidized imports from European wine producers. I wish to ask the Minister of Finance this. Does the Government intend to accept and act upon the petition put forward by the wine industry of Canada today under Section 59(2) of the Customs Tariff Act and take proper action under GATT rules against subsidized imported European wines?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member is correct in at least one part of his preface in that there has been a representation made to my colleague and me by the Canadian Wine Institute as the law requires. It is a matter that has been raised with us on several occasions by the Member of Parliament for St. Catharines and by others. Naturally, we will be looking at that submission, the announcement of which was made today.

Mr. Axworthy: Mr. Speaker, just let me say to the Minister he does not have much time. We hope that we will get an answer soon.

* * *

CLOTHING INDUSTRY

DUTY REMISSION ASSISTANCE—REQUEST FOR EXEMPTION FROM CANADA-UNITED STATES FREE TRADE AGREEMENT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my supplementary question is directed to the Minister of Finance. We know that the Canadian Government has promised the apparel industry of Canada a $200 million duty remission package in order to offset the devastating effect of the proposed trade agreement with the United States on that industry which it says itself threatens to lose 65,000 jobs in a very major Canadian industry.

Is the Government prepared to say now that it is prepared to go ahead and offer the full $200 million package to that industry or to give it an exemption from the trade agreement before we lose hundreds of thousands of jobs in a very viable industry?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member's rhetoric is getting the better of him again. There has been no offer of a $200 million duty remission scheme. That is a figment of the Hon. Member's imagination.

Mr. Axworthy: You better talk to the industry about that. You made the promise.

Mr. Wilson (Etobicoke Centre): The Hon. Member has said that I made the promise. I challenge him to show me where I made that promise.

• (1425)

We have had a number of discussions with the industry. We have been concerned about providing a regime whereby the competitiveness of the industry can be improved as a result of the free trade agreement. We see some great opportunities for the apparel industry in selling into that very large United States market.

It has been difficult to arrive at a consensus with the industry because of the different points of view represented by different sectors in the industry, but we are making some good headway there and we hope that we will have something to announce soon.

* * *

PHARMACEUTICAL INDUSTRY

INCREASE IN DRUG PRICES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. A few weeks ago a study done by the Government of Ontario showed that drug prices for over 1,000 drugs had gone up in excess of the changes in the consumer price index. That was supposed to be the highest they would increase, according to the commitments made by the Minister and the brand name drug companies.

Today another study has come out that has shown that prices of many major drugs needed by Canadians have increased—note this I say to the Minister—by more than 50 per cent.

I want to ask the Minister when is the consumer going to get the protection that he promised.

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): The study published in today's *Toronto Star* lists four drugs which supposedly increased by 50 per cent, 38 per cent, 29 per cent, and 20 per cent. Every one of those drugs is off patent.

Some Hon. Members: Oh, oh!

Mr. Andre: The Patent Act and changes thereto would have absolutely nothing to do with, and have no effect whatsoever, on those drugs.

On the other hand, if it had not been for delays by the Opposition and the Senate, the Drug Prices Review Board would be in a position to examine those types of costs and to ensure that the companies justified them. As it is, they are not in a position to do that. But they have given the study a preliminary look and that study is seriously flawed. Anybody with any degree of self-respect would dissociate themselves from that study immediately.

POWERS OF DRUG PRICES REVIEW BOARD

Hon. Edward Broadbent (Oshawa): Mr. Speaker, in November, 1986, the Minister said: "The price of drugs will not increase by one cent, not those on the market, not those coming on the market, no drugs are going to go up". Those are the words of the Minister.

We know from the Ontario Government study that 1,000 drugs increased in price in excess of the consumer price index increase in January.

When will the Minister start putting some teeth into the board that was set up in December? Will he give it some authority now, and bring in a Bill that will at least amend it to give it the authority to roll back all unjustified price increases?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): If the Leader of the New Democratic Party had quoted me correctly he would have added to the end of that statement, "as a result of C-22", because he knows that even the most severe critics of Bill C-22 had the intellectual honesty to admit that there was nothing in Bill C-22 that could possibly have any upward effect on the prices of any drugs currently on the market.

The effect of Bill C-22 could be to determine at what point generic competition came on the market. It could have no effect on pushing prices upwards, and that is admitted by everybody who looked at the Bill in committee. The Hon. Leader of the New Democratic Party knows that, and he should accept that fact.

Mr. Broadbent: Dead wrong, Harvie.

Mr. Andre: The Drug Prices Review Board under the powers granted to it has ample power to ensure that there is downward pressure on the prices of drugs in Canada, once it gets into operation. The fact that it is not in operation today is as a result of delaying tactics by the opposition Parties. I cannot help that.

STUDY'S FINDINGS—REQUEST THAT BOARD HAVE POWER TO ROLLBACK PRICES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister knows that the board that his Government has set up

has no authority to roll back prices whatsoever, and it is not in an effective position to protect Canadian consumers.

I would like to ask the Minister the following question. An independent pharmacist stated today: "In 20 years of involvement with the industry we have never witnessed price increases of such magnitude by any companies as has occurred after the proclamation of Bill C-22".

• (1430)

Those are the comments of a man who is working out there. In the interest of the public, again I ask the Minister will he, for once, live up to his responsibility as Minister of Consumer and Corporate Affairs and put teeth in the board so that it can rollback all unjustified price increases?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, that particular pharmacist is the person who participated in the study.

Mr. Broadbent: Yes, yes.

Mr. Andre: Let me just explain one fault with the study, just one. It compares the prices in 1987 without federal sales tax versus the prices in 1988 with sales tax.

Some Hon. Members: Oh, oh!

Mr. Andre: And then says: "Oh, my goodness". That is only one of many, many faults in this study.

The Hon. Leader of the New Democratic Party should seek better expert advice if he wants to make some point on drug pricing.

Mr. Broadbent: That accounts for a 50 per cent increase, does it?

* * *

[*Translation*]

TARIFFS

DUTY REMISSION FOR CERTAIN IMPORTED TEXTILES—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, Canada's apparel manufacturers are calling out for help. That is the message their representatives gave us this morning. The industry employs 110,000 people in Canada, of whom 65,000 work in Quebec. Industry representatives also told us again this morning that these jobs are at risk as a result of the Free Trade Agreement. They ask the Government, and that is once again the question I have for the Minister of Finance . . . The Minister said earlier, in his answer to the Hon. Member from Winnipeg—Fort Garry, that the Government had made no offer of a $200 million duty remission on imported textile products.

Mr. Speaker, the documents we were given by the Canadian Apparel Manufacturers Institute reflect the opposite of what the Minister just said. I therefore want to ask the Minister whether the Goverment intends to meet its commitment to Canadian apparel manufacturers and their employees and make good its offer of a $200 million duty remission for the industry on imports of textile products from countries other than the United States.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member must be very careful in the positions he takes on this type of issue.

If he wants to propose a $200 million duty remission scheme, he had better also check with the textile industry to see how it feels about a duty remission scheme of that order of magnitude. I think he will find that the support he picks up in one segment of the industry, the apparel sector, he has probably lost, and then some, with other segments of the industry.

PRIME MINISTER'S ELECTION PROMISE

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I may be wrong in that suggestion, but a duty remission was a promise made by the Prime Minister of Canada in Sherbrooke during the 1984 election.

[*Translation*]

Mr. Speaker, this offer to remit duty on imports of textile products was made by the Prime Minister of Canada during the election campaign in 1984. Once again, I want to ask the Minister of Finance whether he is going to meet this commitment. We have the quotes in the documents we were given by the people in the apparel industry. Could the Minister of Finance, in order to protect 65,000 jobs in the apparel industry which are being threatened by the Free Trade Agreement with the United States, meet the commitment his Leader, the present Prime Minister of Canada, made during the election campaign to remit duty on imports of textile products from countries other than the United States?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member pursues this thought he may find that he has some differences with his colleague from Shefford.

I indicated that there are different points of view between certain segments of the apparel industry and segments of the textile industry.

What we are trying to do here is to develop a package of support for the industry which can enhance its competitive position and help it adjust in the free trade environment. Those discussions are ongoing.

However, I say as strongly as I can that to characterize some of the quotes that he and his colleague from Winnipeg have as promises involving a few hundred million dollars—

Mr. Garneau: That was a promise made by the Prime Minister.

Mr. Wilson (Etobicoke Centre): —involving a $200 million duty remission scheme, is absolutely unfounded. There has not been a promise to that effect.

POSITION OF AMERICAN APPAREL MANUFACTURERS ASSOCIATION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a letter from the American Apparel Manufacturers Association which contains the following quote representing its policy:

> The American Apparel Manufacturers Association will oppose Congressional approval of the U.S.-Canadian Free Trade Agreement if the Canadian Government implements any plan to provide Canadian apparel manufacturers a subsidy—

Will the Government stand up and clearly reject this blackmail? Will it state today that it will proceed with the $200 million support for the garment industry, which was promised in the past by the Minister of Industry?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the New Democrat Member is following the same faulty rhetoric as the previous two questioners have used. There has not been a promise of a $200 million duty remission scheme, and that is an absolute fact.

What I can say to the Hon. Member is that we have had ongoing negotiations since the free trade agreement with the textile and clothing industries in order to provide a basis of support which is consistent with the free trade agreement, as set out in the free trade agreement itself.

Those discussions have been difficult because, as Hon. Members will know, there are quite divergent points of view in the apparel sector and in the textile sector. It is difficult to get a package of measures which is acceptable within Canada, within the various industries in Canada.

That is what we are working on, and we will continue to work in that direction.

Mr. Langdon: The Minister knows that the Minister of Industry sent a letter with precisely that promise to the people of the industry right across the country.

[*Translation*]

REQUEST THAT GOVERNMENT SUPPORT CLOTHING MANUFACTURERS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, here is my supplementary: Is the Government prepared to acknowledge and live up to its promise of a $200 million support payment to the garment industry? Yes or no?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, for the fourth time I repeat that there was no promise of a $200 million duty remission scheme. There was no promise, and the Hon. Member knows that. Now then, in response to the previous question I said we had negotiations with the textile and apparel industry, and it is difficult for the various sectors of the industry to reach a consensus. Still it is very important that the Government should offer the textile and garment industries a program designed to make them still more competitive.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF ICELANDIC MEMBER OF PARLIAMENT

Mr. Speaker: I wish to bring to the attention of Hon. Members the presence in the gallery today of Kristin Halldorsdottir, member of The Women's Alliance Movement of Iceland and a Member of Parliament.

Some Hon. Members: Hear, hear!

* * *

UNEMPLOYMENT INSURANCE

MATERNITY BENEFITS—REQUEST FOR AMENDMENTS—RETENTION OF BABIES IN HOSPITALS

Mrs. Mary Collins (Capilano): Mr. Speaker, my question is for the Minister of Employment and Immigration. As the Minister knows, I have had a continuing interest in making amendments to the Unemployment Insurance Act to allow a mother, when her child is born prematurely or has to remain in hospital because of health problems, to be able to postpone taking her maternity benefits until the child comes home from hospital.

As he also knows, I have a Private Member's Bill, but its path is long and tortuous.

• (1440)

I would ask the Minister, in fact I would plead with the Minister, that he on behalf of the Government be prepared to make those amendments now so that Melanie Williams and other women across Canada will know that this Government cares about them and their families during this difficult time in their lives.

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I thank the Hon. Member for Capilano for her question. I know and everyone in the House knows how much she is interested in this issue.

I will table this afternoon some amendments to the Immigration Act, and I am sure that the Hon. Member will be very happy with my answer this afternoon.

TELEFILM CANADA

CHAIRMAN'S SALARY AND EXPENSE ACCOUNTS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Deputy Prime Minister. Disclosure today of the details of the expense accounts of the outgoing part-time Chairman of Telefilm Canada gives rise to serious questions about the salaries and expenditures of government patronage appointees.

Jean Sirois, the part-time Chairman of Telefilm Canada, has run up expenses and salaries totalling more than $176,000 in his first 16 months on the job. The total is not in, but that is in addition to more than $400,000 in legal fees charged to the Department of Consumer and Corporate Affairs during the same period of time.

Does the Deputy Prime Minister approve of these extravagant salary and expense account claims? Can the Deputy Prime Minister tell the House whether Mr. Sirois was running Telefilm Canada or casting himself for a role in *Dynasty*?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, the travel and the expense accounts of the Chairman of Telefilm Canada are the responsibility of the board of directors of Telefilm Canada and of the Executive Director of Telefilm Canada who, up until October, was Mr. Pearson.

These accounts were approved by the board of directors and by the Executive Director of Telefilm Canada, and if the latter did not approve of them, he should never have signed them.

It is not the responsibility of the Government to approve or to restrict the travel plans of the President or the Chairman of Telefilm Canada any more than it is to approve or to restrict the travel plans of the Chairman or the President of the CBC, of the Canada Council or of any of the cultural agencies. These are independent agencies which have an arm's length relationship with the Government. As I have said before, if the Hon. Member has any proof of wrongdoing or impropriety, I have told him he should bring it forward and it will be investigated. I notice that he has not done so.

Mr. Tobin: Mr. Speaker, Mr. Sirois is looking for a role in *Dynasty* and the Minister is obviously cut out for a role in *Yes, Minister*.

Ms. Copps: *Lifestyles of the Rich and Famous.*

Mr. Tobin: Acting as a part-time chairman and a part-time lawyer, Mr. Sirois has collected three-quarters of a million dollars from the taxpayers. Thank God the Prime Minister never gave him a full-time appointment.

Mr. Speaker: The Hon. Member will put his question.

CHAIRMAN'S EXPENDITURES—INSTALLATION OF NEW CASH FLOW SYSTEMS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Deputy Prime Minister. Does the Deputy Prime Minister approve of Mr. Sirois' extravagant spending? Does he agree with the words of the Minister of Communications who, a week ago, praised Mr. Sirois "for overseeing the installation of new financial and cash flow systems at Telefilm Canada"? Obviously the Minister's praise was flowing as freely as Mr. Sirois' cash flow. Does the Deputy Prime Minister agree?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I think probably the best answer to the Hon. Member was found in an article in this morning's *Ottawa Citizen* written by the Vice President of the Canadian Association of Broadcasters. He writes as follows:

> Let's end the muckraking and intrigue about Telefilm Canada. What's at stake is too vital to Canadian independent film and television production, and domestic broadcasting, to be continually defamed . . .
>
> Rather than accuse others, we should pull together, building on Telefilm's legacy as a successful instrument of public policy.

He went on to list the number of films that have been made with the help of Telefilm Canada which are winning awards throughout the world.

The reason this Hon. Member and other Hon. Members of the Opposition continually attack and try to undermine Telefilm Canada is because they have no film policy of their own and they have nothing positive to put forward.

* * *

CONSUMER AFFAIRS

BANKS' SERVICE CHARGES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Yesterday in the House the Minister admitted that in fact a freeze on bank service charges would do nothing but keep service charges at a high level. Is the Minister prepared to accept his responsibility for the protection of consumers in the market-place by rolling back these high service charges which these ravenous and rapacious banks are charging Canadian consumers?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, as I answered yesterday and as my colleague answered yesterday and again today, the question of service charges is under active consideration by officials and by a committee of the House of Commons, as a matter of fact, which will be reporting in due course. If I thought that demagoguery, screeching, and yelling would help consumers, I would engage in it too, but I have a sore throat at the moment.

Some Hon. Members: Oh, oh!

REQUEST THAT MINISTER ORDER ROLLBACK

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is directed to the same Minister. In light of the fact that this is the same Minister who surrendered consumers onto the altars of the multinational pharmaceutical companies a short while ago, and in light of the fact that in many small communities across Canada consumers do not have a choice of banks unlike the Minister and those in urban communities, instead of surrendering the consumers once again to these ravenous banks, is he prepared to do what any Minister who is worth his salt is prepared to do, and that is to order a rollback of the service charges?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, all over the world, political leaders and different political systems are discovering that price control by the central authority carries with it costs that are more punitive than the benefits it is supposed to bring. If I believed in that 19th century principle that setting all prices at the centre would create a new nirvana for consumers, then I would be in that Hon. Member's Party. However, I believe the consumers have a right to know what they are being charged and that is why I am calling for disclosure. I believe that consumers have the intelligence to make good choices when they have the information.

I await with my colleague the report of the committee of the House for which the Hon. Member should have more respect, and when it reports we will be able to examine the situation and, if necessary, but only if necessary, take the kind of Draconian action the Hon. Member is calling for.

* * *

IMMIGRATION

ENTRY OF FILIPINO DOMESTIC WORKERS TO CANADA

Mr. Alan Redway (York East): Mr. Speaker, I have a question for the Minister of State for Immigration. Will the Minister advise the House if it is true that President Corey Aquino of the Philippines has imposed a freeze on Filipino domestics wanting to come to Canada? If that is so, why is it? Will the Minister also advise the House if Canada has been successful in attempting to obtain an exemption from that freeze?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, I want to thank the Hon. Member for the question. I am aware that the Philippine Government is presently considering exempting Canada from the ban. The issue is presently before the Philippine Cabinet, to the best of my knowledge, and I will be reporting to the House as soon as more information becomes available.

• (1450)

I might add that in 1986 there were over 16,000 foreign domestics included in our immigration program and welcomed to Canada, and of those 6,553 came from the Philippines.

* * *

AEROSPACE INDUSTRY

ESTABLISHMENT OF SPACE AGENCY

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. Yesterday he told MPs for the umpteenth time that the Government will establish an independent space agency. He will forgive Canadians for being confused and skeptical given the contradictory statements of the Minister for Regional Industrial Expansion.

Will the Minister confirm today that the Government will establish an independent space agency, that he has the full support of his Cabinet colleagues, and that this is indeed government policy?

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, for the umpteenth time I will tell the Hon. Member that the creation of a space agency to manage the various aspects of our space program was in the Throne Speech. It is a government commitment. My colleague responded to one of those hypothetical questions that the Opposition likes to ask: If there were not a space program, would we have a space agency? We do not make it a habit of forming agencies and bureaucracy with nothing to do. If there were not a space program we would not have a space agency, for the umpteenth time.

Mr. Berger: If having nothing to do was the criterion, the Minister's Department would have to be disbanded.

Mr. Clark (Yellowhead): Is that Liberal policy?

[*Translation*]

DEMAND THAT MINISTER INTRODUCE BILL IMMEDIATELY

Mr. David Berger (Laurier): Mr. Speaker, will the Minister make a commitment to table immediately the Bill to create the space agency, if only to show his good faith and at long last tell Canadians where the agency will be located?

[*English*]

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, if my Department was disbanded we would not have anyone to manage a $100 million science and technology subagreement with the Province of Quebec which is paying dividends beyond anyone's imagination. I will table a Bill on the establishment of the agency and its location at the time the Government decides just what are the nature

and scope of our space program. Those decisions will be made within the next few weeks.

* * *

EMPLOYMENT

CLOSURE OF CANADA PACKERS PLANT IN MANITOBA—PLIGHT OF LAID-OFF OLDER WORKERS

Mr. Rod Murphy (Churchill): Mr. Speaker, in the absence of the Minister of Labour I will direct my question to the Minister of Employment and Immigration.

In the 1986 Budget the Government announced its intention to introduce an adjustment program for laid-off older workers. At the end of this month the Canada Packers plant in St. Boniface, Manitoba, will close and 400 of the most senior employees will lose their jobs. According to a study, fully 35 per cent of the employees who were laid off earlier are still unemployed.

Can the Minister tell this House when improvements to labour adjustment procedures will be in place in order to help those 400 workers?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, this issue concerns the Minister of Labour, but I can tell the Hon. Member that the Minister is negotiating at present with all the provinces. I was told that the negotiations are going well and I believe the Minister could announce something pretty soon.

DELAY IN INTRODUCING ADJUSTMENT PROGRAM FOR OLDER WORKERS

Mr. Rod Murphy (Churchill): Mr. Speaker, we realize negotiations have been going on for a while but the promise was made two years ago. Will the Minister, or the Minister of Labour, make sure that the workers at Firestone in Hamilton, Massey Combines in Brantford, and Canada Packers in St. Boniface, will not be punished because of the Government's delay? Surely the workers are not at fault for the delay. Will he assure us that this program will be retroactive so that the people laid off now and who will be laid off at the end of this month will not suffer because of the government's delay of over two years?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I suggest my hon. friend is referring to individual cases and that while he is saying that a number of plants are closing, he should indicate that my Department, through the Industrial Assistance Service, has various contracts to look after not only all their older workers, but all their workers generally. I must remind my hon. friend also that only during the last year, between 1987 and 1988, unemployment among older workers went down from 7.6 per cent to 6.5 per cent, which is below the unemployment level for the whole country. When unemployment figures are going down, it obviously does not seem to please the Liberals.

Mr. Malépart: Mr. Speaker, we will bring up Saint-Benoit again tomorrow!

* * *

AEROSPACE

QUERY WHEN GOVERNMENT WILL ANNOUNCE SITE OF NEW SPACE AGENCY

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, if I direct my question to the Minister of State (Science and Technology), Mr. Speaker, it is because he seems in total contradiction with the Minister of Regional Industrial Expansion and the Minister of State responsible for Science and Technology concerning the establishment of a space agency. What we want to know is this: Is the Minister going to announce where this agency will be located? Will the Government make this announcement before the election, after the election or during the election? That is what we and Montrealers want to know.

[*English*]

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, as the Hon. Member knows, we carried out the widest possible consultation to discover all aspects of this procedure. In fact I consulted with the Hon. Member for Ottawa—Vanier and he says the space agency would best be placed in Ottawa. The Hon. Member for Montreal—Sainte-Marie says the agency would best be located in Montreal. My constituents say it would best be located in Prince George, British Columbia.

Mr. Gauthier: Ottawa—Vanier.

Mr. Axworthy: Winnipeg.

Mr. Oberle: We will announce that decision at the time I table the Bill.

[*Translation*]

REQUEST FOR GREATER SHARE FOR QUÉBEC

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the Prime Minister came and embraced Mayor Doré on the porch. He came and embraced Mr. Robert Bourassa at a cocktail. The Minister of Regional Industrial Expansion indicated to Montrealers that the space agency will be located in Montreal. You are the Governement. Are you going to make that announcement? Montrealers also want to know why, when contracts are awarded, we are limited to 35 per cent, while in the car manufacturing industry, this does not happen. In the matter of shipbuilding contracts, we were had with the frigates: Quebec got nothing. In the space industry, where we are the majority, will we be limited to 35 per cent? Why such discrimination?

[*English*]

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, several days ago the same Hon. Member lamented the alleged fact that only 9 per cent of our science and technology expenditures are made in Québec. Today he says it is 35 per cent. Perhaps the Hon. Member could give me a percentage suitable to him and consistent with what other people are saying and I will try to accommodate him.

I said at the time we table a Bill on the space agency and we have established the necessity for it, we will at the same time announce its location.

* * *

[*Translation*]

CANADIAN NATIONAL RAILWAYS

WESTERN CANADA—FREIGHT RATE REDUCTIONS—GOVERNMENT POSITION

Mr. Guy St. Julien (Abitibi): Mr. Speaker, I put my question to the Minister of Transport. The Canadian National Railways are about to grant freight rate reductions for rough lumber transportation from British Columbia to eastern United States transfer facilities. My question is the following. Why are the Canadian National Railways encouraging the West to the detriment of the East?

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, CN is of course attempting to be competitive within the new competitive pricing policies established by the National Transportation Agency. It is of course reducing rates wherever that is proper to do so or makes them more competitive in Canada.

Its competition in Québec is the trucking companies which have about 70 per cent of the market. The competition in the West comes from ships. If there are any Québec lumber companies which think that they are either not charging compensatory rates in the West, or that a rate is unjust or discriminatory, they can apply to the National Transportation Agency and request an investigation.

* * *

[*Translation*]

OFFICIAL LANGUAGES

LE DROIT NEWSPAPER—REQUEST THAT GOVERNMENT INTERVENE TO MAINTAIN FRENCH LANGUAGE NEWSPAPER IN NATIONAL CAPITAL

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the Secretary of State who is responsible for bilingualism in Canada. In view of the Government's commitment with regard to Bill C-72 on official bilingualism, is it willing to intervene and use its influence to ensure the survival of the newspaper *Le Droit*, the only French language daily in the national capital of a bilingual country?

• (1500)

[*English*]

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, I understand the concern of the Member. I can advise him that we have had some consideration of the matter and I hope that we can assist. If we can, we will.

[*Translation*]

REQUEST THAT GOVERNMENT UNDERTAKE DIRECT INTERVENTION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I would like to ask a supplementary question. In view of the fact some members of the Government, including the Prime Minister, are very close to the Hollinger company, which owns *Le Droit*, and namely Mr. Conrad Black and Mr. Peter White, a former assistant to the Prime Minister, will the Government intervene directly to save this important newspaper, to rescue the 250 employees who suffer financially from the intransigence of the employer, and to ensure the continued publication of a newspaper in the other official language in the bilingual capital of a bilingual country?

[*English*]

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, we can take the Hon. Member's question as a representation. The matter is under consideration.

Mr. Speaker: The Hon. Member for Egmont for a single question. This will be the last question.

* * *

AGRICULTURE

PRINCE EDWARD ISLAND—POTATO STABILIZATION PROGRAM

Mr. George Henderson (Egmont): Mr. Speaker, when the Minister of Agriculture announced the 1985 Potato Stabilization Program for Prince Edward Island farmers he excluded or subtracted from the calculation of the provincial share of stabilization funds 104,703 metric tonnes of potatoes which were disposed of through the 1985 potato diversion program.

The Minister knows full well that by doing this he has cut stabilization payments to Prince Edward Island farmers by about $800,000. Why has the Minister short-changed the potato farmers of P.E.I. by this tricky arithmetic?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Government has not short-changed any farmers. The Government has not short-changed potato farmers in any part

of the country. The Government did not use any tricky mathematics to arrive at the method of payment.

The Hon. Member must recognize that it would be impossible for us to make two stabilization type payments to the same crop in the same crop year. At the request of the producers in P.E.I. and New Brunswick a year or so ago, we assisted them to enter into a cost-sharing program for diversion purposes. We also applied some financial assistance, at about that same time, in the Province of British Columbia.

In order to be fair and equitable we had to exclude the volume of potatoes which was covered under the diversion program in Prince Edward Island and in New Brunswick. We also had to exclude the volume of potatoes that qualified for the stabilization payment in the Province of British Columbia.

Mr. Henderson: Will you allow a short supplementary question, Mr. Speaker?

Mr. Speaker: The Question Period is over. Perhaps the Hon. Member will raise the matter again at another time.

* * *

PRIVILEGE

ALLEGED LEAK OF CONFIDENTIAL RESEARCH MATERIAL OF STANDING COMMITTEE—RULING OF MR. SPEAKER

Mr. Speaker: I want to advise Hon. Members that we have a question of privilege to deal with. I call first on the Hon. Member for Mississauga South (Mr. Blenkarn).

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, yesterday I raised a question of privilege in connection with reports which were under consideration by the Finance Committee which had, unfortunately, been allowed to get into the public hand improperly and without the permission of the committee. They were released in such a fashion as to cause some concern to the public.

As a result of a young man coming forward, that issue has now, I think, been resolved. We have received advice from the young man, who was an employee of a Member. I know the young man and I think he has learned his lesson. One of the problems with the operation here is the pressure which people are sometimes under to tell people things which they perhaps should not find out.

I think, Sir, that if you would outline as far as possible the views of the Chair on this matter, we would probably best handle it in that fashion and not proceed further by referring this specific matter to the Committee on Elections, Privileges and Procedure, although it is clearly a matter of privilege because of the damage that the release of confidential material can cause, not only to the committee but to the House itself and to the integrity of Members.

I think this particular matter has been attended to and dealt with effectively, but if you could make a ruling on the issue, Mr. Speaker, I think it would be appreciated by all Members of the House.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I want to express, in the strongest possible terms, my disapproval of what has happened. When a preliminary draft prepared by a staff person is misrepresented as a report by Members of Parliament, it is not only mischievous but a serious obstruction to the continuing work of the committee. The real report will not get the same media attention as the leaked draft and some Canadians will remain misinformed. This is particularly irresponsible, even cruel, in the matter of the sales tax on food.

All three Parties in this House have taken a position against imposing a sales tax on food. Yet, this morning's headlines screamed something different. My colleagues from Newfoundland tell me that there were radio shows in their areas beamed into very poor areas telling people that their food bills were about to go up by 10 per cent.

I can hardly find words to express my disapproval of the irresponsibility which would impose that kind of pain and distress on poor people who are finding it hard enough to live.

Some Hon. Members: Hear, hear!

Miss Nicholson: This morning a spokesperson for the National Anti-Poverty Organization was quoted, quite correctly, as expressing bewilderment at the idea that an all-Party committee of this House could reverse itself on commitments which had been made.

This is really quite shocking. It is unfair to the people of Canada. It is unfair to the Members of this House and members of committees who try to work with difficult and complex issues and produce recommendations which are sensible and fair.

A less important matter, although I still mention it, is that the same staff person who released this draft report on the committee's examination of the sales tax in New Zealand before the committee had expressed opinion on it, also released to the press a draft report on banking charges, again to which the committee had not yet bent its mind.

In that preliminary draft there were some errors. There is nothing wrong with a preliminary draft being less than accurate because obviously the staff keeps reviewing and checking for accuracy, with or without the input of members of the committee. But for someone to hand out a preliminary draft that Members had not looked at means that errors just go into the system and get fed around the country.

• (1510)

Although I would not be quite as kind as the Chairman about the young staff person involved, and I agree he is young and young people are entitled to make mistakes once—let us hope he has learned from it—I agree he should not be named

or pilloried. However,he is not only an individual working for a Member of Parliament, he has also worked for our committee for six months. He is in a position to know very well the difference between a preliminary draft prepared by staff at which Members have not looked and a report that Members are in the process of adopting. For someone with that kind of inside information to hand out a draft to the media as a final draft is triply irresponsible and deserving of condemnation.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, on behalf of our Party, I also want to express disapproval over what has happened. What has happened is wrong. It is wrong for someone, be it a Member of Parliament or a staff member from an office of a Member of Parliament, to leak confidential information to the press. I think this is the time we should remind ourselves that this place runs because of trust. Yes, we have partisan politics and we differ on issues, but Parliament only runs because there is a certain amount of trust between the members of all political Parties.

I want to compliment the generous comments of the Chairman of the finance committee, the Hon. Member for Mississauga South (Mr. Blenkarn). He says he knows the person in question and he thinks that person has learned his lesson. I too know the person in question and I do think this person has learned his lesson. However, that aside, I think this is a very important opportunity to remind all Members of Parliament and to remind the staff of Members of Parliament that when we are dealing with confidential work in the House of Commons, or in the committees of the House of Commons, that work should remain confidential. If it does not, it undermines the trust of this place and the integrity of all Members of Parliament.

Mr. Speaker: Hon. Members have just heard the Hon. Member for Mississauga South (Mr. Blenkarn) and others. The effect of their interventions has been to inform this House that a member of the staff of a Member of Parliament has admitted leaking confidential and private research material from the finance committee to the print media.

As your Speaker, it is my humble opinion that it is in the best interests of the House that this matter now be set aside, given the fact that Members of Parliament from all three Parties who sit on the committee have made the remarks they have in this place.

However, this issue does warrant some comment from the Chair, and it is with caution that any presiding officer comments on such matters. First, let me express my personal gratitude to Members for the manner in which this was handled. Honour and trust, even in as difficult and sometimes as partisan an arena as this, is the foundation of our democratic system of government. The House of Commons can only be effective when the basic principles of honesty and trust guide its often heated debates.

I wish to remind those who work for Members that while they enjoy some of the privileges of the House, they also bear, in our more modern parliamentary system, the very heavy responsibilities of trust, honour and confidentiality. It is rare indeed that such matters have occupied the time of this House and, given all that goes on on Parliament Hill, it is a credit to all those people who serve us so well that such incidents are the extreme exception.

I must say to all Hon. Members, and to everyone who works in this place for Hon. Members, that if it had not been for the frank explanation and the way in which all three Members on this committee, representing all three Parties, have intervened, this breach of privilege could easily have been referred to the appropriate committee with all the consequences that would ensue.

However, there was another participant in this incident. The confidential report of the finance committee may well have been released without proper authorization as, in fact, of course, it was, but someone else also decided to print or report parts thereof. The new, reformed committees of the House have greater powers than ever before. They are now inquiring more often into areas of vital public interest. The Hon. Member for Trinity (Miss Nicholson), in what, I think, was an extremely lucid intervention, has pointed out exactly the harm to the public interest that flows from either the irresponsible leaking of material or the injudicious use of it once it is leaked.

To ensure that these committees are able to function in a climate of trust, Members are agreed that their work should not be impeded, delayed or obstructed or brought under undue suspicion by any premature publication of their *in camera* proceedings or draft reports. The good relations between the House and the media are also founded on principles of trust and honour. Those of us who have spent time in this place know that it is impossible to have a democratic community unless there is that relationship between those who are elected and those who report on us.

I can only hope that in the future, the media might reflect on the conventions that the House has imposed upon itself in matters of confidentiality of committee reports, and consider carefully how any decision it might make potentially to breach the privileges of the House impacts on the important principles of parliamentary government and can do great harm to the public interest.

ROUTINE PROCEEDINGS

[*English*]

REGIONAL INDUSTRIAL EXPANSION

TABLING OF EXPENDITURES

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, in response to a question on Thursday, March 10, 1988, the Minister of Regional Industrial Expansion (Mr. de Cotret) gave a commitment to make certain statistics available. On his behalf, I have the pleasure

of tabling, in both official languages, a breakdown of federal moneys distributed for science and technology, research and development, as well as federal space expenditures.

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CANADIAN GRAIN COMMISSION

TABLING OF ANNUAL REPORT

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): Mr. Speaker, I wish to table, in both official languages, the annual report of the Canadian Grain Commission. Pursuant to Standing Order 67(4), this document is deemed permanently referred to the Standing Committee on Agriculture.

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WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, pursuant to the provisions of Standing Order 84(1) I have the honour to lay upon the Table copies of a Ways and Means motion to amend the Excise Tax Act.

Pursuant to Standing Order 84(2), I ask that an Order of the Day be designated for the consideration of the said motion.

* * *

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to 37 petitions bearing the following numbers: 332-3835 to 332-3839 inclusive, 332-3850, 332-3945, 332-3946, 332-3992, 332-3993, 332-3997, 332-4000 to 332-4002 inclusive, 332-4004, 332-4006, 332-4031 to 332-4036 inclusive, 332-4038, 332-4039, 332-4047, 332-4053 to 332-4056 inclusive, 332-4058 and 332-4070 to 332-4076 inclusive.

• (1520)

[*English*]

COMMITTEES OF THE HOUSE

STRIKING COMMITTEE—FIFTY-FIFTH AND FIFTY-SIXTH REPORTS OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to present the fifty-fifth and fifty-sixth reports of the Striking Committee.

If the House gives its consent, Mr. Speaker, I intend to move concurrence in the fifty-sixth report later this day.

[*Translation*]

COASTING TRADE AND COMMERCIAL MARINE ACTIVITIES

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, the Legislative Committee on Bill C-52, an Act respecting the use of foreign ships and non-duty paid ships in the coasting trades and in other marine activities of a commercial nature has the honour to table its report in both official languages.

I should like to thank all members of the Committee for the extensive work they have performed during the past few weeks. Our proceedings were carried on in a climate of sincere co-operation, thus allowing us to improve significantly the bill under consideration.

[*English*]

I would also like to express my gratitude to all the witnesses who accepted to appear, sometimes on very short notice, before the committee, and to share with us their views concerning this piece of legislation. Their expertise has been very helpful to the committee.

FINANCE AND ECONOMIC AFFAIRS—FIFTEENTH REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present in both official languages the fifteenth report of the Standing Committee on Finance and Economic Affairs in relation to the goods and service tax. This report deals specifically with the committee's visit to New Zealand between February 14, 1988, and February 23, 1988.

The committee held 22 meetings in New Zealand with the architect of the tax, the Minister of Finance for New Zealand, Roger Douglas, many of his colleagues, public officials, independent businessmen, legal and accounting people. In all we saw 37 witnesses. The report is a very comprehensive report.

Without going into the full recommendations, I might say for those who have leaked this report that the committee makes no recommendation with respect to the taxing of such necessities as food.

[*Editor's Note: See today's Votes and Proceedings.*]

Introduction of Bills

[*Translation*]

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO AMEND

Hon. Benoît Bouchard (Minister of Employment and Immigration) moved for leave to introduce Bill C-116, an Act to amend the Unemployment Insurance Act, 1971.

Mr. Speaker: Is leave to introduce the bill granted?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

Mr. Speaker: When shall that Bill be read for the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

Mr. Bouchard: Mr. Speaker, I would like to make a correction to the answer I gave this afternoon to the Hon. Member for Capilano (Mrs. Collins). For obvious reasons, instead of saying "The Unemployment Insurance Act", I said "The Immigration Act". I would appreciate, Mr. Speaker, that that correction be made. I did mean the amendments to the Unemployment Insurance Act.

* * *

[*English*]

FINANCIAL ADMINISTRATION ACT

MEASURE TO AMEND

Mr. Patrick Boyer (Etobicoke—Lakeshore) moved for leave to introduce Bill C-287, an Act to amend the Financial Administration Act with regard to remission orders.

He said: Mr. Speaker, the Bill that I am introducing for first reading today amends the Financial Administration Act pertaining to remission orders. It is certified consistent with Standing Order 108.

Very briefly, the Bill would provide an opportunity for this House to scrutinize and to approve remission orders that involve amounts in excess of $1 million. It would also require the Minister of Finance to assess, through a justification report, whether amounts remitted are compensated by a financial benefit for Canada.

In conclusion, I note that this is a matter the Auditor General has drawn attention to, the Public Accounts Committee has considered it, and I have personally raised it several times in the House in respect of the remission order granted to Goodyear Canada Inc.

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

ENERGY, MINES AND RESOURCES

AUTHORIZATION TO TRAVEL FOR STANDING COMMITTEE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, there have been discussions among the Parties. I think you would find that there is unanimous consent to put the following motions immediately. The first reads:

> That, the Standing Committee on Energy, Mines and Resources and the necessary supporting staff be authorized to travel to eastern and southern Ontario from March 20 to 23, 1988 inclusive; to Europe from April 8 to 17, 1988 inclusive; and to Washington, D.C. and Boston from May 1 to 4, 1988 inclusive; and for the purpose of continuing its ongoing study of the economics of nuclear power in Canada.

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

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

MANAGEMENT AND MEMBERS' SERVICES

AUTHORIZATION TO TRAVEL FOR STANDING COMMITTEE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, the second motion states:

> That, the Standing Committee on Management and Members' Services and the necessary supporting staff be authorized to travel to Washington, D.C. from April 18 to April 21, 1988 inclusive to study Members' services in the U.S.

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

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

[*Translation*]

STRIKING COMMITTEE

CONCURRENCE IN 56TH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, if the House agrees, I move that the 56th Report of the Striking Committee, tabled in the House earlier today, be concurred in.

Motion agreed to.

* * *

• (1530)

[*English*]

PETITIONS

LOW-LEVEL FLIGHTS OVER GOOSE BAY, LABRADOR

Mr. Dan Heap (Spadina): Mr. Speaker, I have the honour to present a petition from a number of residents of Canada who are concerned about the low-level flight training of pilots of NATO countries at the Canadian Forces Base in Goose Bay, Labrador. This is disrupting many of the native people whose lives are based on hunting, fishing, tourism, and mining, and which they feel provides a more stable, healthy, and peaceful employment there.

The petitioners point out that this program to train pilots to fly under radar into eastern Europe is a provocative and aggressive war-fighting action tending to endanger world peace. Therefore, the petitioners ask Parliament to ensure that the Prime Minister will end all low-level flight training at the Goose Bay Canadian Forces Base and cease negotiations with NATO for the establishment of a larger base there.

PROPOSED FREE TRADE

Mr. Dan Heap (Spadina): Mr. Speaker, I also have a petition from a number of residents of the constituency of Spadina. They point out that the fabric of Canadian sovereignty is threatened by the proposed agreement between the Prime Minister (Mr. Mulroney) and the President of the United States, the Prime Minister having no mandate to negotiate such a deal with the United States. Furthermore, this deal would reduce Canada's ability to plan economic, social, and cultural programs that we need, and it would integrate Canada further into the North American defence industrial base.

For those reasons, the undersigned ask the House of Commons to ensure that a national debate takes place on this trade deal, and that this debate result in a national general election before any agreement has been signed.

ARM'S CONTROL

Mr. Peter Peterson (Hamilton West): Mr. Speaker, I have a petition to present today which has been signed by members

of my constituency of Hamilton West and the neighbouring riding of Hamilton—Wentworth. The petitioners are members of the congregation of Westdale United Church in the City of Hamilton. Among other things they point out that, under successive Governments, Canada's weapons and weapon components industry has doubled in the past eight years.

They call upon Parliament to establish a review committee whose function would be to monitor Canada's policy in connection with this industry, and until such time halt further expansion of this industry in Canada.

OPPOSITION TO BILL C-55—REFUGEE DETERMINATION

Mr. Sergio Marchi (York West): Mr. Speaker, I have the honour to present two petitions signed by Canadians from across the country. The petitioners are residents of Ottawa, Toronto, Edmonton, and Calgary. The petitioners urge the Government of Canada, and particularly the Minister of Immigration, to amend the legislation, Bill C-55, dealing with the refugee determination system, in order that the prescreening stage and the implementation of a safe third country would be removed from the proposed legislation and thereby make the legislation more fair, just, and equally effective. I table the petitions for the consideration of the Government and of the House of Commons.

PROPOSED FREE TRADE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have the honour to present two petitions both of which deal with the Prime Minister's (Mr. Mulroney) trade agreement with President Reagan of the United States.

The petitioners object to the fact that the Government had no mandate from the Canadian people to conclude a trade agreement with the United States. They object to the fact that the promise made in the bilateral trade negotiations that Canadian sovereignty would not be compromised has been forgotten.

They humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed trade agreement during a national general election.

NORTHERN TAX ALLOWANCES

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I have the privilege to present two petitions. One is signed by some 60 residents of the community of Fort Frances, Ontario to add to the more than 1,000 signatures that have come from that community on this same matter.

The second petition is signed by a vast majority of the adult residents of the community of Mine Centre, Ontario.

Both petitions complain of the unfair implementation of the northern residents' tax allowance which the petitioners believe to be discriminatory in granting such an allowance to some

communities whereas other adjacent neighbouring communities are excluded from the beneficial operation of that northern residents' tax allowance.

The remedy that the petitioners humbly pray and call upon Parliament for is that all communities in the remote and isolated constituencies in this country designated as Tier III constituencies under the Canada Elections Act should be designated as being eligible to receive the northern residents' tax allowance.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Deputy Speaker: On a point of order, the Hon. Member for Ottawa—Vanier.

Mr. Gauthier: Mr. Speaker, I have been successful in getting an answer to my Question No. 209 some 147 days after the question was put on October 15. The Government finally gave me an answer on March 10. We all know that my request was in accordance with the regulations of Standing Order 64(3), and the Government did not obey the Standing Orders which state that there be a 45 day limit on the reply.

Nevertheless, I was so successful in convincing the Parliamentary Secretary, that my colleague, the Hon. Member for Davenport (Mr. Caccia), has asked me to intervene in his name today and perhaps use my good offices to try to convince the Parliamentary Secretary to answer Question No. 205, which has been outstanding since October 8, 1987, although a reply was requested within 45 days.

I wonder if the Parliamentary Secretary, in view of the good relations that we have established in the last few days, could not see fit to ask the appropriate authorities to answer that question today, or perhaps tomorrow at the latest.

Mr. Hawkes: Mr. Speaker, I would remind my hon. friend that Question No. 209 was answered. The difficulty with that question was that it was broad, it encompassed many government departments, and it was both time consuming and very expensive. Historically I have asked for a chance to cut the questions down to something more limited so that we can respond more quickly.

In connection with Question No. 205, it too cuts across two government departments. I understand that answers are available for both government departments. It is currently in translation and it should be available very shortly, in spite of the intervention by my hon. friend.

Mr. Gauthier: I wish to remind the Hon. Member that, in reforming the rules of the House, Members of the House cannot put more than four questions. The Parliamentary Secretary knows that, and we all know that. Indeed, if the question I put on October 15 was an extended question requiring some work and research, I do not apologize for that. I am only allowed to have four questions on the Order Paper. If the Parliamentary Secretary allows more, perhaps we will put more questions, and he will have to give shorter answers to shorter questions.

Mr. Hawkes: Perhaps I have not made the situation as clear as I might have, and I will try once again. If the Hon. Member had asked those questions in series he would have received 80 to 90 per cent of the answers within the required 45 days. When the Hon. Member asks such a broad question, I cannot come to the House and answer it until all parts of the question are answered. Therefore, if there is one particularly obscure or difficult piece of information to be obtained, or there is a slow Minister, then the Member is indeed cutting down the flow of information to himself. He would be well advised to follow my advice.

Mr. Murphy: The Parliamentary Secretary is well known for rising in this House and condemning others for not getting their petitions in on time, and complaining about all sorts of misdemeanours, in his mind. I find it very interesting because we on the opposition side have explained that quite often caucus members are in committee and they are not here to present the petitions on time, quite often they are travelling or doing other work, and that they have other priorities. Therefore, petitions cannot always come in in a very quick manner.

However, the Parliamentary Secretary did not accept that. Now we hear excuse after excuse; the Ministers are slow—and I am not sure if he is talking in terms of time or mentality—but he has excuse after excuse as to why the Government does not answer questions. Today he does not answer one question.

It seems to me that there are 40 cabinet Ministers, almost the equivalent number of Parliamentary Secretaries, goodness knows how many special assistants and senior advisers, and obviously those questions can be answered much more quickly than this. I would hope the Parliamentary Secretary takes this message back to the slow Ministers and to others.

Mr. Hawkes: Mr. Speaker, as of Monday of this week, we had responded to 87.4 per cent of the questions. There are 36 questions outstanding out of 285. The average length of time for response is going down. I continue to indicate to the House the complexity of questions, the number of departments they run across, and if there is one difficult situation, it slows down the whole answer.

• (1540)

Indeed questions more carefully targeted to reflect the original purpose for Order Paper questions would facilitate the work of the Government. Later, on a point of order, I will have something to say about petitions.

Mr. Deputy Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all Notices of Motions for the Production of Papers stand.

Mr. Deputy Speaker: Shall all notices of motions stand?

Some Hon. Members: Agreed.

* * *

POINT OF ORDER

PETITIONS—GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, operating on the advice of the Chair last week, I should like to bring two situations regarding petitions to the attention of the House.

Today I was able to respond to 37 petitions which were laid upon the Table in the last two weeks. All petitions laid upon the Table in the last two weeks have already been responded to.

Some 18 of the 37 petitions were certified in late November or early December, 1987, and not brought to the House until the month of March, 1988.

As Hon. Members send the Government's answers to petitioners, I hope they will remind petitioners that the delay is not the fault of the Government but indeed the fault of Hon. Members for taking so long to bring petitions before the House after they are certified.

Mr. Murphy: Mr. Speaker, the Parliamentary Secretary indicated that he has answered the petitions which were brought forward in the last two weeks. Is he indicating that he has answered all petitions on the subject of free trade brought forward in the last two weeks?

Mr. Hawkes: Mr. Speaker, between March 2 and March 9, I think we have done that.

GOVERNMENT ORDERS

[*English*]

CANADA ELECTIONS ACT

MEASURE TO AMEND

Hon. Doug Lewis (for the Deputy Prime Minister, President of the Privy Council and President of the Treasury Board) moved that Bill C-79, an Act to amend the Canada Elections Act and other Acts in relation thereto, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I am pleased to have the opportunity to open what we hope will be a very short debate at second reading stage of Bill C-79. We want to get the Bill to a legislative committee where it can be examined in detail and where witnesses can be heard.

We appreciate that there is a continuing need to review the existing Canada Elections Act as a result of a recent committee hearing. However, we feel that Bill C-79, which has had a great deal of discussion among the Parties prior to this point in time, should proceed to committee in order to get the committee work started.

We assumed office in September, 1984. In response to various reports of the Canada Elections Commissioner, the Government began to review the Act and to consider various proposals for improvement. As a result of this exercise, the then President of the Privy Council published a White Paper on election reform in June, 1986, which announced the Government's proposals for reform of the Act. The paper was an important initiative of the Government. It served as the basis upon which constructive discussions developed among representatives of the three Parties.

I say without any hesitation that we have made a great deal of progress in trying to understand the legislation. I will discuss in a moment some possible amendments.

The legislation improves one of the most important pieces of legislation of any truly democratic society, that is, legislation dealing with the electoral process. It is for that reason that we moved slowly and in close co-operation with my colleagues in both opposition Parties.

I would say that we are confident that the result of this legislative revision will be to create a more fair and more equitable Canada Elections Act which is in step with not only the modern electoral process but with the changing needs of the electorate. A clear priority in the legislation is our desire to facilitate and extend the right of Canadians to vote.

I would suggest that one of the shortcomings of the present legislation in this regard—and I say it as a candidate and as a former campaign manager—is the problem encountered by urban voters who find, when they come to the polling station, that they are not permitted to vote because their names are not on the voters' list.

In ridings such as Simcoe North we can fix that problem because people in rural areas are entitled to be sworn in at the poll. It is especially important when we have a summer election or an election in which the enumeration process took place during the summer. We find that people living in urban areas are, for some reason or other, not enumerated and therefore, if they do not catch it, not able to vote on voting day.

We think we have corrected that problem in the Bill. Often the problem is not a deliberate one; it is the result of an oversight or an error. After all, the point of the whole process is that Canadians should be allowed to vote, so we have included a solution in the Bill to correct present problems.

Let us move on to people who are absent from the electoral district on election day and inmates awaiting trial who are unable to get to their own polling station. We will make it easier, through the Bill, to vote in an advanced poll and easier to vote at the office of the returning officer whose office will be more accessible. We are also making it possible to vote in the office of the Deputy Assistant Returning Officer.

As well, we are giving federally-appointed judges the right to vote. There will be an enforcement commission to enforce the Act and to decide when prosecutions are necessary, and the trial will be held in a federal court as opposed to a provincial court.

There are other items in the Bill which I should like to highlight, for example proxy voting. It will be open to anyone absent from an electoral district on election day. However, we will not get into the business of wholesale proxy voting. It will be made an offence to solicit a proxy or be a proxy voter more than once.

[*Translation*]

From now on, in accordance with the Canadian Charter of Rights and Freedoms, the mentally handicapped will be allowed to vote.

[*English*]

Seasonal residents will no longer lose their franchise through restrictions to having to vote at their principal residence. They can now vote in the district of their second residence. This is a matter of great interest to a riding such as mine. Simcoe North has a great many seasonal residents who may wish to cast their vote where they are spending the summer. I would also say the same of the riding of the Hon. Member for Parry Sound—Muskoka (Mr. Darling) in that several residents would be in the same position.

Mr. Darling: That's right.

Mr. Lewis: Actually I would say that I have more summer residents in my riding than he has in Parry Sound—Muskoka.

Mr. Darling: You have not.

Mr. Lewis: In any event, we are taking steps to accommodate the physically handicapped at all central polls, offices of returning officers, and advance polls. They will all be required to have level access. Other polls will have level access wherever possible, or an explanation from the returning officer will be required.

• (1550)

I would say on a personal note that there was some editorial comment on this item in *The Toronto Star*. I think it was well intentioned in that *The Toronto Star* was promoting access for the disabled everywhere. I would point out to those who are concerned about such access that the Bill does state that the returning office must have such access, but there are certain polling stations in rural or remote areas where there may be difficulties with access. I believe that that is taken care of in the enumeration. We have taken great strides to overcome the problem, and speaking on behalf of the Government, I would hope that this is something that would be addressed by witnesses at committee if they so desire. If there are any improvements we can make in this area, we are certainly open to them.

[*Translation*]

In addition, Mr. Speaker, the ban on the sale of alcohol on election day and on the solicitation of votes by non-residents of Canada has been repealed.

[*English*]

For some time there has been the feeling that to ban the sale of alcohol on election day hearkened back to a time when votes could be won with the use of alcohol. My friend, the Hon. Member for Parry Sound—Muskoka, and I come from tourist areas. We do not see that it is any problem to have alcohol sold on voting day and still respect the traditions of a free and democratic election.

There are other changes to the Act in which the House may be interested with respect to the returning officer and his ability to delegate his responsibilities. In an effort to involve young people in the election process and at the same time to provide employment for young people, one of the things we did was to allow the returning officer to appoint young people who are 16 and 17 years old as enumerators, as district returning officers or as poll clerks and allow them to go outside the official electoral districts to participate. We think this broadens the process and gets young people involved in the electoral process earlier. We feel that they can do the job. We have no hesitation in making that particular amendment.

We have made certain changes in the provision for the nomination of candidates. A candidate will need to have 100 electors sign nomination papers in order to file. Those of us in the House who have been through the electoral process realize that it is a very serious matter. We have no difficulty with what are often called fringe candidates, but we appreciate that running in an election is a serious business and we want to make sure that we have entirely serious candidates in the field.

We feel that these amendments constitute an important step forward for anyone who believes as we do that we must upgrade our legislation in order to meet the objectives and the aspirations of our times. There have been very extensive negotiations and discussions between the Parties on certain items with a view to improving the Act as printed. I point particularly to the question addressed in the Bill of the right of Canadians abroad to vote. We appreciate that because of the Canadian Charter of Rights and Freedoms, this issue must be addressed. I can say without hesitation that my colleagues in the opposition Parties felt the need to address it as well.

I would suggest that we had trouble with the mechanics of how we could implement the system in fairness not only to Canadians living abroad but also to people trying to organize elections. We have had discussions with the Table Officers as to how the issue might be addressed. Originally I had thought that a reference could be made by the House to the Standing Committee on Elections, Privileges and Procedure. I was advised by the Table Officers that it might be easier, when this Bill goes to a legislative committee, and as I said we hope it might go this afternoon, to ask the Elections, Privileges and Procedure Committee at the same time, by letter,to specifically address itself to that part of the Act as a reference or as an undertaking of the committee. At the same time we would indicate at committee that we would amend the Bill to delete that part and let the committee come up with a workable way of addressing the problem. I suggest that that is one way that that might be dealt with in the spirit of co-operation.

We also looked at certain other items in the Bill and I would signal that we are looking at amendments to those. Specifically, we looked at the question of opinion polls. The Bill has certain provisions for the publication of questions asked, who paid for the poll, when it was done and the like. As a result of representations from the media and others, we found that certain parts of the media like the print media would be able to handle that easily, whereas the electronic media could not handle that information within the context of a broadcast. We are looking at some amendments to that, amendments which have been discussed with my colleagues.

As well, we looked at the difficulties of reporting cash flow and other items with local associations. We looked at what has been referred to as premature publication of results and the difficulties we face in a country as big as this where the polls are closed at eight o'clock in Newfoundland and some four and a half hours later in British Columbia. I think we will see some amendments to that provision at committee.

In an effort to facilitate the election, we dealt with agents at the poll. There has been a suggestion that there should be two rather than one, and we have no difficulty with that particular amendment.

We looked at the enforcement commission provision. I speak for my colleagues, I am sure, when I say that members of all Parties want to be sure that the enforcement commission is seen to be non-partisan and is made up of the best people possible. We are looking at wording which would take out any suggestion of partisanship in the process of appointments to that particular commission.

I do want to conclude shortly to allow my colleagues to address the Bill, but I want to say something, if I may, on the report which was tabled recently by the Standing Committee on Elections, Privileges and Procedure. Hon. Members will recall that we encouraged the committee to examine carefully the subject of election expenses.

[*Translation*]

To that end, Mr. Speaker, the Committee summoned some Elections Canada officials who, as expert witnesses, explained some of the Bill's difficult and complex aspects.

[*English*]

In its report, the committee recommended that the Act be amended as quickly as possible so that it defines precisely those election expenses which should be the subject of spending controls and rebates. I think it is fair to say that all of us who serve in this House share this objective. We are all seriously concerned about any ambiguities in the Act in this regard.

In addition, I think it is self-evident that this is a matter of great interest to the public and the media and there have been increased demands for clarity. It is because we share those objectives that we are committed to trying to find a way to clarify the issue of election expenses.

There have been discussions among officials of all Parties with a view to resolving this matter. The discussions have not been finalized yet, but once we are in a position to finalize them, we will look at the relevant legislation as quickly as possible.

We appreciate the positive comments that have been made by my colleagues in the opposition Parties with respect to this Bill. We sought the co-operation and support of the Opposition and it is our sincere intention to continue to proceed, in a non-partisan and constructive spirit, with a review of any remaining issues.

• (1600)

I can assure you that the Government is prepared to listen to all views, those of our friends opposite and witnesses in committee, with a view to improving the Elections Act. I urge the opposition Parties to expedite this matter to committee stage so that we can start hearing witnesses, and get a feel for the amendments which have been agreed upon so that they can be drafted and moved. It is in the best interests of all Canadians who vote and in the best interests of all candidates who run that the technical matters in the Bill which are not at issue be proceeded with so that the Chief Electoral Officer can make the required changes. Therefore, I urge my colleagues opposite to give a speedy passage to this Bill so that the committee can start to hear witnesses and do its clause-by-clause work.

I want to close by thanking my colleagues opposite for their co-operation at this point and I hope we can move the Bill into committee as soon as possible.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to say first of all that as far as the Liberal Party is concerned, we welcome Bill C-79 as a step in the right direction. For the most part, the Bill proposes a number of relatively ordinary and minor changes to the Canada Elections Act, although in many cases, the changes will prove very convenient for Canadian voters. We are not talking about any major change in philosophy or policy with respect to the legislation. What we have here is mainly a set of recommendations by the Chief Electoral Officer, set forth in a 160-page document about the size of a dictionary or telephone book.

I agree there has been a lot of discussion among the Parties about reaching a consensus on the content of the Bill and expediting this legislation with the unanimity that has become a tradition in the House of Commons when considering changes to the Canada Elections Act, which means refraining from all partisan debate.

There was a great deal of consultation, and I want to thank the Minister acting for the Government House Leader for inviting my colleague in the New Democratic Party and myself to his office, to review some of the more contentious and delicate aspects of the Bill. There are several, and I will get back to these later on.

I would say that on the whole, the Government has done a good job. However, I think it is unfortunate the Government neglected to propose amendments that would have had the effect of clarifying the definition of election expenses. I will get back to this. I mention this right at the beginning of my remarks because what will probably sink this Bill is the fact that the Government wants to have it passed quickly this afternoon. Indeed, not so long ago the Minister wrote to me suggesting that perhaps we might agree to put up only one speaker per Party. This could have been arranged had the Government made it clear it wanted to amend the Elections Act to clarify the definition of election expenses, and to establish the difference between what we call election expenses and campaign expenses. Unfortunately the Government does not seem to be inclined to do that, so perhaps the Minister will have to show more patience because, having brought the matter up with Party colleagues and in our caucus this morning I must regretfully tell the Minister that a few of my colleagues will want to speak to this Bill.

[*English*]

It would be my pleasure to agree with the Minister's suggestion that we deal with the Bill very quickly this afternoon, but the fact that the Government has not seen fit to bring in amendments to clarify the definition of election expenses has spurred some of my colleagues to action. Some of them will want to speak on this Bill and try to convince the Minister of the importance, if not the urgency, of amending the Elections Act to clarify the definition of an election expense.

Let us have a look at some of the issues in this Bill. Everyone agrees that there are some small housekeeping items which are not too contentious. There were in general six issues discussed among the Parties and we were able to come to an agreement and resolve our differences on all of these issues.

The Minister referred earlier to opinion polls. Bill C-79 wanted to impose on all media, whether electronic or print, the requirement that they provide all information related to polls, such as who commissioned it, the size of the sample, when it was taken, and so on. However, the electronic media told us that it is very difficult in the short time they have available, either on radio or television, to provide all this information. I would have preferred to have a standard for the print media and another one for the electronic media so as to make sure that both were at least obliged to provide some information. However, since the Government agreed to some of our representations, I agreed, with some reluctance, to drop this from the Bill. I think we can live with it because in good part we have to admit that the print media has been providing all the information for a number of years already.

With regard to local riding associations, there again our Party would have preferred, the proposal that donations over $100 to riding associations be divulged, receipted and so on to have been mandatory rather than voluntary. We think to propose a voluntary system is window-dressing. It does not solve the problem. It is an attempt to say we have dealt with the problem but it is not a real solution. However, you cannot win on all fronts.

We said we would have liked annual returns because if riding associations are to collect moneys subject to the rebate, it means the public at large has been contributing through taxes. In this case, not only do you want to know who gave money to the riding association in amounts exceeding $100, you want to know what the riding association is doing with the money. The Bill did not contain that requirement. There was no provision for mandatory annual returns by riding associations. We thought that if they were to benefit from rebates and so on, they would have to be on the same level as Parties and candidates during elections, all of whom have to provide a return and account for what they have done with the money. However, we agreed to the Minister's proposal that this could be removed from the Bill rather than have a proposal which is not perfect.

However, I would ask the Minister if he would not be agreeable to referring this subject to a committee. I think we could work on this, improve it, and come to a solution if it were.

I know the Minister is willing to refer the question of voting abroad. If this also were referred, and it is a smaller item, it could be done in the same package and it would take much less time than the other issue. Maybe we could hear witnesses, too. At the same time as they are dealing with voting abroad

perhaps they can tell us what they think about local associations having to divulge their donors, having to provide annual returns, and so on.

• (1610)

The Government had originally decided that there would be only one agent representing a candidate at the polls. This became a problem in my province because we have traditionally had two. I have to give credit to the Government and the Minister who has expressed willingness to try to get back to two representatives per candidate. It has been suggested that we could restore partially what was in the Elections Act, that is, that one candidate could have two agents at the polls, but not at the counting. In my province it is mainly for the counting that we want to have two agents. I wonder whether it would not be possible through amendment at committee stage to try to restore what is in the Elections Act because that would suit a major province of the country which has 75 seats. Perhaps the Minister would like to reflect on that.

With regard to Canadians voting abroad, in principle we have welcomed the move by the Government to allow Canadians who happen to live abroad to exercise their right to vote. We differ in that we think that the proposal in Bill C-79 is too wide-ranging, too much subject to abuse, and has been put together too quickly. This is the reason that some of us have suggested to the Minister that this be stripped from the Bill by way of amendment and that we have a separate reference to the committee. The Minister has agreed to this and I would like to give him credit for that. I believe that if we take the time to think about it and ask Canadians to come before the committee to give us their views, we can devise a better system for allowing Canadians abroad to vote.

We are talking about a large number of people. Canadians abroad in the U.S. alone amount to about two million people. That figure is probably double world-wide. Some people have Canadian citizenship just because they were born in Canada. They may have moved when they were only a few months old and may have never lived in Canada since then. This Bill would give them the right to vote. I do not think it is fair for someone who is not really a Canadian, although he may have Canadian citizenship, to have the right to vote I would like to know what my fellow Canadians think about this. I would like to give them a chance to appear before the committee and tell us where to draw the line.

Obviously to give only Canadian Forces personnel and people working abroad for External Affairs the right to vote is not enough. That is clear in my mind. There are a number of people on contracts with various companies, for example people working for Bell Canada installing a telephone system in Saudi Arabia or some other part of the world. Why should they lose their right to vote because they happen to be working abroad when an election is called?

It is a matter of determining who has the right to vote, under what conditions, and how to facilitate that. I believe that to refer this to the committee is the proper route. The Government has decided to do that and the Minister should take credit for that.

With regard to the enforcement commission, I and my Party are quite satisfied that we are going to change the way the Act is enforced. Very recently we had hearings before the Committee on Elections, Privileges and Procedure. Elections Canada was called upon to appear, and the Elections Commissioner was questioned on the procedures he uses to police and enforce the Act. Bill C-79 is bringing forth a whole new concept. We will now have not an Elections Commissioner but an enforcement commission made up of representatives of all Parties. I think that is a great step forward.

We have been discussing this at length among the Parties. I understand that the last proposal of the Minister is that the chairman and the member of the enforcement commission representing the public be appointed by a resolution of the House of Commons. I think that is fair. I think we should have another resolution which would contain in whole the representatives of each political Party as they are agreed to.

In devising such a system we would need, first, maximum consultation among the Parties. The last thing we want is a commission staffed with people who are there only to protect the interests of their own Party. We want a level of quality of people sitting on that committee which goes beyond the mere protection of the interests of a political Party. We want people with vision.

There is a risk with such a system, that being that if only people protecting interests are sitting around the table the temptation may exist to say, "We will not lay charges against your guy in such a riding provided you do not suggest that this guy of our Party in another riding broke the law". I do not think this is the way in which this should be approached. We want the type of people who are going to be impartial as much as possible. I want maximum consultation among the Parties at the time of appointment in order that we have a crew of five very solid and competent people who will do a good job for us and who will police the Act in an impartial way. I believe that to present the appointments in two motions like this in the House of Commons could go a long way toward providing this enhanced consultation.

I would now like to come to the other part of the proposal, especially the latest proposal made by the Minister in letters to us and also in the speech he just made. This is the more difficult part. We on this side of the House are saddened that the Government would not seize the opportunity of making extensive amendments to the Elections Act without bringing forward those amendments which, in our opinion, are most urgently needed.

I would like to refer to the extensive hearings which have been held by the Committee on Elections, Privileges and Procedure in the case of the election expenses of the Minister of Energy, Mines and Resources (Mr. Masse). We heard several witnesses and rapidly came to the determination that

the Election Expenses Act is not clear enough when it tries, and I use the word "tries" advisedly, to define an election expense. I would like to quote some of the recommendations made in the eighth report of the Committee on Elections, Privileges and Procedure. It reads in part as follows:

> The difficulty with the limited scope of the definition of election expenses was alluded to in a document produced by Elections Canada on 9 July, 1984—

—just after the last election—

> —entitled Guidelines Respecting Election Expenses of Registered Political Parties. It was further amplified in a telex to all political parties on September 1, 1984—

That was only three days before the last election. Maybe it was too late to change the Elections Act then, but three years have elapsed since that time. The Government has been reminded time and time again that there is a problem with the definition of election expenses, but it has not moved to correct the situation.

• (1620)

First, I was surprised it would not be included in Bill C-79, but let us be honest, Bill C-79 was written almost a year ago. But after the hearings of the Standing Committee on Elections, Privileges and Procedure, I cannot understand why the Government would not realize that there is a gaping hole in the rules defining election expenses through which one could drive a truckload of unreported election expenses, making a mockery of what I thought was the principle that election expenses were to be limited to give an equal chance to all persons running for election whether they be rich or have a medium income and medium means to run their campaign. The committee report states:

> It was pointed out time and time again during the hearings that the present definition in the Act of those campaign expenses that are "election expenses" is vague and imprecise. Your committee is also concerned that the vagueness of wording and interpretation may lead to abuses during the next election.

That is clear enough. I would like to bring to your attention, Mr. Speaker, in case you may have been busy doing something else and was not able to attend this committee, that this is a unanimous report. The majority of the committee was composed of members of the government side, and this is a unanimous report. We all came to the obvious conclusion that the Act is too vague.

[*Translation*]

And that being said, Mr. Speaker, the recommendation we finally made was again unanimous: Your Committee recommends that the Act be amended as quickly as possible in those sections dealing with expenses so that it precisely defines those election expenses which should be the subject of spending controls and rebates. That is crystal clear. I repeat that the Committee of which I was a member and with me, one of my NDP colleagues, nevertheless consisted of a majority of Conservative Members who in fact drafted the recommendation.

Furthermore, some Conservative Ministers commented on the Canada Elections Act, and I am thinking of the Minister of Energy, Mines and Resources (Mr. Masse), who was glad the Committee decided not to condemn his actions following the hearings, possibly because the Committee failed to obtain all the information it needed, but in any case, although the Minister was vastly relieved, he did have some comments about the Canada Elections Act.

Mr. Speaker, I have here an article that appeared in *Le Devoir* on February 29, and I quote: Masse in favour of amending the Canada Elections Act which was used against him.

[*English*]

"Masse rails against election expenses law. Masse wants election rules simplified".

[*Translation*]

Upon reading these articles, we realize that here again, the problem is that the definition of election expenses is not sufficiently clear. I don't know what the newspapers will have to say tomorrow morning. I don't know what you will see on the TV News this evening, Mr. Speaker, or what we will hear on the radio. However, I am sure that all the information media will be amazed to hear the Government missed a golden opportunity to amend the Canada Elections Act by clarifying the definition of election expenses. Especially since an *ad hoc* committee consisting of Members of all three Parties, the Conservative Party, the Liberal Party and the New Democratic Party, has been sitting for some time and made recommendations that would provide for a more acurate definition of election expenses.

We want to prevent abuses, and the investigation carried out by the Standing Committee on Privileges and Elections is quite clear on this matter. If the legislation is not amended, the door will be wide open for all sorts of abuses during the next election.

Mr. Speaker, the Committee hearings have demonstrated that it is now possible to have paid volunteers in an election campaign. A contradiction in terms, paid "volunteers"!. That is exactly the ruling which Elections Canada made in connection with certain election expenses of the Minister of Energy, Mines and Resources who had paid representatives in the polling stations and other people working on his election a salary which was under the commercial value. The ruling of Elections Canada is to the effect "... that these election expenses are not subject to the limit. We now have a new term "campaign expenses".

From now on, therefore, we will have campaign expenses which are not subject to the election expense limit, and also election expenses.

Which means that anyone can exceed the imposed ceiling which is between $35,000 and $40,000, depending on the riding and the number of voters, by as much as $15,000 or $20,000 over the election expense limit. Which means that the spirit of the legislation is no longer respected and those who

have lots of money can spend a great deal by using existing loopholes which the Government refuses to eliminate.

Mr. Speaker, I have just said that we now have "paid volunteers" people whose expenses on behalf of a candidate can be reimbursed such as car-renting, hotel and food costs; these are not election expenses, because the person whose expenses are being reimbursed is considered a "volunteer". Fancy that!

Again, this means that people in the know who take the trouble of learning about these loopholes can easily spend some $20,000, and even more over their election expense limit, without being subject to any kind of sanction by Elections Canada. This means that there is no longer equality among the candidates.

We are coming back to the old system where there were no expense limit and where those who had lots of money had a definite advantage over those who had lots of ideas but little money.

[*English*]

I realize that Bill C-79 was written before all these committee hearings. I admit that. But what surprises me is that the Minister does not appear to be willing to move amendments at the committee stage—

Mr. Lewis: It is not within the scope of the Act.

Mr. Guilbault (Saint-Jacques): The Minister says it is not within the scope of the Act. If the Government wants to close the loopholes, the Government can. It can get another royal recommendation. In this particular case, the Government is lucky because it happens to have the support of both the New Democratic Party and the Liberal Party with respect to closing the loopholes. Therefore, it would not be a matter of the Government having to work very hard in trying to reach the objective of clarifying the definition of an election expense. The co-operation is offered. If the Minister does not do it, that is when the co-operation may not be forthcoming. I do not know what the media will be reporting tonight, but I am sure it will be quite surprised, after having followed very closely the committee hearings into the election expenses of the Minister of Energy, Mines and Resources, to see the Government is not moving to close these loopholes.

The people of Canada will be surprised because now everyone realizes. Very few people knew before these committee hearings that there were two types of election expenses, election expenses and campaign expenses. Now all Canadians know that. Now all Canadians believe that there should be proper definitions in the Act.

I would like to suggest something very precise and concrete. I do not just want to argue about the election expenses. I would like to propose a concept of what should be considered an election expense. The concept my Party would like to put forward is very simple. It is that everything should be an election expense unless it is specifically excluded, not the other way around. The principle should be that every dollar that is spent in a riding during an election, by someone involved in the election, is philosophically, as far as I am concerned, for the election.

• (1630)

There could be exclusions, and some of them are already there. I realize, for example, that the personal expenses of candidates have to be excluded. Transportation expenses of candidates have to be excluded. If they were not, as they have been all this time, then it means that candidates representing or running in large ridings, where sometimes the means of transportation is by airplane, helicopter, ship, or whatever else, would not be on the same footing as people running in a small urban riding such as mine where the size of the riding is more vertical than horizontal.

A number of other items which can be excluded include auditors' fees, candidates' deposits and legal fees. My philosophy is that any expense in a riding related to an election is actually done to promote a candidate. No one spends money just for fun during an election campaign. If something is to be excluded then let us have it in print, otherwise let us include everything.

There were discussions between Parties to try to come to some agreement as to what to include. For example, do we include the cost of polling? I do not mind. There are ways to do that. We can exclude the cost of polling. Polling itself does not promote a Party, it provides one with information. It is from that information that the Party can make moves to try to win the election. But certainly the mere fact of polling is not something that promotes a Party in itself. It is research. Either we exclude it or, as the Conservative Party has suggested, let us include it. But let us increase the limit that Parties are allowed to spend. I am easy one way or the other. We can agree on these things. I understand that the amount of money that can be spent by a political Party during a campaign at this time is about $7.5 million. If we were to increase the limit to include polling, then we are talking about an additional $1 million. Perhaps that is the way to go.

There were also discussions about fund raising expenses. Some say that if one is using what is called a home list of preferred donors, then one is probably not winning votes because these are people who have been on the home list for years. One is simply collecting money. I would be willing to agree that if a Party does that or if a candidate does that, then the cost of sending letters should not be an election expense. It could be out and not in.

However, if one Party or one candidate is prospecting by sending out thousands and thousands of letters across the country, then these are certainly election expenses. I refer especially to three-page letters in which some Parties talk in bad terms of other Parties with a single paragraph at the end stating, "We also need your financial support". There are ways to agree on what is in and what is out. The groundwork was

done during discussions between Parties. All the Government has to do is to step down and to take its responsibilities.

The Government has brought in Budgets with which other Parties did not agree. They still brought these Budgets down. The Government has negotiated the free trade deal with the United States. Not everyone in the country agrees with this, but the Government has still done it. I do not see why the Government should hide behind an eventual unanimity of the definition of election expenses. I think that the discussions between the three Parties are advanced enough that all the Government has to do at this stage is to settle a couple of outstanding items and to come in with actual amendments.

I can make a couple of other suggestions. The Minister is listening. He is sitting across from me with a smile on his face. If I have the Minister listening to me, then I am going to make a couple of other concrete suggestions.

One of the obvious problems is with the definition of election expenses under the electoral terms. I think we have a problem with the words "for the purpose of promoting or opposing directly or during an election a particular registered Party or the election of a particular candidate". The minute we use the words "for the purpose of promoting or opposing" it is a matter of interpretation which is very difficult to make. This paragraph should be changed. The words "during the election" can be kept. I agree that if one spends money three months before an election or two days after voting day then one is not influencing the vote. I am saying that the philosophy of my Party is that if one is spending money during the writ, then one is spending money and one wants to win the election. It would be easy to clarify this paragraph.

Further down is paragraph 2.1(f) which is the paragraph that allowed the Minister of Energy to escape by paying people and still calling them volunteers. This paragraph states that an election expense is the cost of acquiring the services of any person, including remuneration and expenses paid to him or on his behalf as an official agent or registered agent or otherwise, except where such services are donated, something with which we all agree. If the person donates the service then one cannot say that it is an expense. It states further " provided at materially less than their commercial value". That is where the problem lies. Because of this particular section of the Act, one ends up being able to pay people and to claim that they are still volunteers, which does not make sense to me. It does not make sense to most Canadians. If people are paid, they are not volunteers. This can be corrected by removing some of the wording such as "except when services are provided at materially less than their commercial value".

The Minister certainly has a basis on which to move in and close these gaps. I am asking him to do that. If he does not do that, Canadians will be quite dissatisfied with the exercise in which we are now involved.

All the rest is housekeeping as far as I am concerned. It is small stuff compared to the definition of election expenses. I plead with the Minister to move in. We are ready to continue discussions. We have had discussions between the three Parties. I think that they have been cordial and constructive. I have been trying to offer in a quick fashion some suggestions to the Minister as to how we can better define election expenses. If the Minister has something else, something of his own, or if my colleagues in the New Democratic Party have suggestions, then we are willing to listen. We are willing to discuss and to sit down to try to plug these gaps. It would be regrettable if Parliament would miss such an occasion, and to use a euphemism, if Parliament missed a golden opportunity to close these loopholes and to prevent what the committee determined has to be possible abuse during the next election.

Unfortunately, our Party will have to line up other speakers to try to convince the Minister that this is the most important part of the Act. This is the part that needs to be cured most. I recommend for bedtime reading to the Minister a document which is not very long. It is entitled, "Minutes of Proceedings and Evidence of the Standing Committee on Elections, Privilege and Procedure Respecting the Canada Elections Act", otherwise known as the eighth report of the committee. That was tabled in the House on March 3. If the Minister were to read this, he would come to the conclusion that the Government has to move in now to better define what is an election expense. If the Government does not do that, it will be proceeding at its own expense.

• (1640)

Mr. Rod Murphy (Churchill): Mr. Speaker, during the comments of the Hon. Member for Saint-Jacques (Mr. Guilbault), the Deputy House Leader made some remarks. He was reacting to the fact that the Liberal Member who just spoke had suggested that perhaps we should be looking at amendments in committee in regard to defining the Canada Elections Act. I am not sure if the comments were recorded by *Hansard*, but the effect of the Minister's comments were that we could not amend this Bill in committee with regard to election expenses because it goes beyond the scope of Bill C-79. I believe that the Minister is correct. That is one of the major concerns that we have with this piece of legislation. It does not deal with what all of us in the House, the media, and many people in the country know to be a glaring error or a loophole in the present legislation.

There are many things that are good in this legislation. We have been lobbied quite reasonably by the Government and by other people to try to send this legislation to committee quickly. For example, I know that the Hon. Member for Beaches (Mr. Young), who has been active in handicapped and disabled issues for a number of years, has talked to people from those communities. They state that they want this legislation because it does help to improve their access to polling stations and other election offices during the process of a federal election. Today it is necessary to speak for that group in the House and state that we are in favour of that clause. We are in favour of many of the clauses contained in the 160 page Bill in front of us today.

During the last little while, some of the problem areas of Bill C-79 have been discussed among the Parties. We think that we have come to grips with some of the major errors or problems within Bill C-79. We have not finished with all of the problems of Bill C-79, and I will deal with that later on.

The fact that the Government has not moved on providing a definition of what is an election expense is so glaring that we cannot agree to the passage of this legislation at this time. Until the Government is willing to address the whole issue, we cannot accept the Bill. We believe that this may be our only opportunity prior to the next election to close the loophole made so public by the affair of the Member for Frontenac (Mr. Masse). Without closing this loophole, the 1988 or 1989 election campaign will be a wide open affair with no effective limits placed on expenditures.

The revelations made by the former Commissioner of Canada Elections in front of the Standing Committee on Elections, Privileges and Procedure last month indicated what a mess we have. It is essential that the Government agrees to the inclusion of all expenses inside the elections expenses limits. Exceptions can be made for auditors, deposits, and other similar expenses, but these have to be specified. Allowing for grey areas in those categories only makes the situation worse. Again, big money can play an issue in deciding the fate of Parties and individuals in the election. We propose a philosophy of "if it ain't out it's in". In other words, anything that is not specifically excluded from the limit must be listed and must be included under the election spending limits.

We recognize that that can create a problem because we are changing the rules. If it is necessary, we agree that the limits should be increased to ensure that most legitimate expenses can be covered, but still keep the philosophy of the 1972-1974 legislation which stated that there should be a limit on how much the Parties can spend, and that there should be a limit on how much each of the candidates can spend.

We are not alone in that opinion. The lawyers for Elections Canada who were asked to look at this issue issued their report on March 3, 1988. The law firm of Borden and Elliot in dealing with this issue stated:

> In our view, the easiest and simplest means of defining "election expenses" would be to deem all funds spent by a Candidate or a party in an election as "election expenses" and then proceed, in subparagraphs, to enumerate those items of expense which Parliament does not wish to limit. The Act is presently structured in such a manner that the broadest definition of election spending is found in section 62 in the words, "any expenses incurred on account of or in respect of the conduct or management of the election." Based on our suggestion wording such as that should constitute the definition of "election expenses" and the exceptions should follow setting forth those items of expense on which Parliament chooses not to place limitations . . .

That is the legal opinion received by Elections Canada earlier this month. We believe that in the legislation which presently exists in the various provinces, including the Province of Ontario, there are examples of what could be used in the federal Canada Elections Act. Our problem is the following. Over the next little while Bill C-79 will be studied. It deals with the Canada Elections Act, changes to the Canada Elections Act, and for some reason the Government is refusing to act on what might be the most important Section of the Canada Elections Act, which is the section dealing with election expenses.

We have been asked by the Government to have faith that it will do something prior to the next federal election. Although the Minister has been very forthright with us in the House, I must say that we have no reason to believe that there will be changes to the definitions of election expenses prior to the next election. We realize that agents for the Conservative Party were aware of the problem as early as the summer of 1985.

We are aware that the lawyer for the Member for Frontenac was aware of the situation. We are also aware that the Minister of Energy, Mines and Resources read his letter from Mr. Gorman to this same lawyer. We are aware that this same lawyer represents the Conservative Party at the ad hoc meetings of the three Parties. It is that committee which has been looking at election expenses since the summer of 1986. Yet nothing has happened. We are in a situation where the Government through legislation tabled in the summer of 1986 was aware of the problem. At that time it sent the issue of election expenses off to an all-Party committee, not the House committee but the ad hoc committee of officials of the various political Parties. Nothing happened. There were many meetings, but no agreement was reached.

It is almost two years later, and three years since Conservative lawyers were aware of the problem, and there is no legislation that indicates that the definition of election expenses will be changed. I do not wish a "Dodge City" type of election in 1988 or 1989. I believe that it is possible, if the Government has the will, to introduce legislation which allows us to deal with election expenses. I am very disappointed that the Government did not do so at the same time as it started debate on Bill C-79, the Bill we are presently debating. Bill C-79 was first tabled in the House on June 30, 1987, almost nine months ago. Until one and a half hours ago there was no debate on this piece of legislation whatsoever. That means that the Government had no parliamentary time invested in this legislation.

• (1650)

The Government had nothing to lose by holding off the introduction of this legislation for another week or two in order to allow its officials to make a proposal regarding election expenses and to reintroduce a piece of legislation incorporating Bill C-79 and a definition of election expenses. It could have done that. It would not have cost the Government any parliamentary time, but it would have meant that the committee had proposed legislation before it with regard to election expenses and that we in the committee would have been in a position to make whatever amendments were necessary. However, by starting the debate without any reference to the committee on election expenses, the Deputy House Leader for the Government has precluded any possibility of the committee

making any legislative recommendations or amendments to Bill C-79 that deal with election expenses.

Once Bill C-79 gets to committee, it will be there for a fair length of time. It is a comprehensive Bill affecting many groups in society. Many individuals and others will want to make presentations to the committee. In addition, because it is a comprehensive piece of legislation, it will take time for the committee to study it in a clause by clause manner.

If the committee is doing that during the months of April and May, when will it start studying proposed legislation with regard to election expenses? It will not.

The Government has been unable to come up with a definition of election expenses, after the investigation of the Hon. Member for Frontenac after the various legal opinions of which people were aware in 1985, after the all-Party study throughout the summer of 1986. It did not do so in the fall of 1987, and if it does not do so in the spring of 1988, I do not believe it has a commitment to come up with a workable definition of election expenses. I am afraid that the Government may have some ulterior motives for not coming up with that definition.

As we are well aware, the Liberal Party is seriously in debt. The Conservative Party has a very good bankroll at the present time. It also believes that it has the ability to raise more money before the next election. The Government represents the Party which has the most to gain by being able to spend considerable amounts of money that are not covered by the limitations on election expenses.

One has only to look at the 1984 election to realize how close the Government came to going over the limits. One has only to look at the accounts of the Hon. Member for Frontenac to realize that much more was spent in that campaign than the election limits allowed because of a glaring loophole.

The Government can survive as a Party with the present very loose legislation. It may help the Tories save one or two seats, three or four seats, or five or six seats. It may help them to have a very expensive national campaign, but that is not democracy nor the intent of the present legislation.

In the mid-1970s all Parties agreed that there must be limitations on the expenses of Parties and candidates. They wrote legislation which they thought was very thorough. Most of us in all three Parties believed that it was thorough as we went through the 1979, 1980, and 1984 election campaigns. We believed that we had a good piece of legislation and that we had stopped most of the loopholes. When most of us campaigned we looked at our limits, whether it was $30,000 or $40,000 in our ridings. We looked to see what expenses we had to pay and tried to come in under the limits. We believed that it was just legislation which would be enforced. We now know, as a result of what happened to the Hon. Member for Frontenac and the committee study, that that was not the case.

We have a situation presently where, for example, I could hire volunteers whom I could be paying $40 or $50 per day. As long as it is below the minimum wage, we can get away with it. We can assume that such people would be working 16 hours or 18 hours per day. In some elections they work that long. They are called volunteers, but they could be earning $40 per day over a 50-day period of time for some $2,000 each. I could fly the volunteers in helicopters to each of my 63 communities. I could put them up in hotels, resorts, or whatever other accommodation is available. I could feed them and give them expense money. All that could be done and I would not have to declare one cent under the election expenses limitations.

Mr. Lewis: What about CUPW?

Mr. Murphy: The Government House Leader is joking or suggesting that perhaps CUPW does not have that money. I will tell him that we can raise a lot of money in my riding as we have in the past. However, despite the fact that we can afford to run a very expensive campaign in the Churchill riding, and despite the fact that many of our incumbents could do so elsewhere in the country, we do not believe that we should buy votes. We do not believe that the system should be so unfair that one Party can spend $150,000 while another Party or individual who follows the spirit of the law is limited to $35,000.

There are some people who say that that will not happen. As a result of the investigation involving the Minister of Energy, we believe that approximately $20,000 was spent and assumed to be campaign expenses which did not come under the limitations.

It does not take much work for a campaign manager or a party official to realize that if these items come under election expenses they will use up that money and come up to their election limit. However, there are many items which no longer constitute an expense under the limits with which they can do whatever they want.

It is not only the case in rural ridings such as my own where the spirit of the Act can be so abused. Let us look at an urban riding where it is close, where we know that any of the three Parties could win the seat. It is quite simple to move in a bunch of university students or others who would be quite happy to work for $2,000 over a 50-day period, to put them up in hotels in Regina East or Regina West, and to feed them so that there is a full-time army of people campaigning on behalf of a candidate. It is quite a legal situation.

An Hon. Member: Oh, oh!

Mr. Murphy: I hear some rantings by an Hon. Member.

Mr. Redway: Rational comment.

Mr. Murphy: If a person has a rational comment to make, he will make it from his seat. If he does not have a rational comment to make, he will continue to heckle. The point is that all three Parties in the standing committee said that we had to deal with the issue. Also the lawyers for Elections Canada said that it had to be dealt with.

Let me explain other things that were said by the lawyers for Elections Canada. They indicated that the definition of election expenses was so troublesome, cumbersome, and ambiguous as to make it virtually impossible for any candidate to know if an expense is an election expense and, conversely, for the commissioner to know whether the failure of a candidate to include certain types of expenses as election expenses in the return should warrant prosecution.

This was not political rantings. It was something that we all realized was a problem for any candidate who wanted to run an honest campaign or for any Party that wanted to run an honest campaign. It is even a problem for those involved in investigations and prosecutions afterwards to know what should have been done or what should not have been done during an election campaign. It is a major problem, and there has been no commitment from the Government that it will deal with this issue prior to the next election.

• (1700)

I believe I have made my point on that, but it is so important that we have a real definition of election expenses. As the Liberal spokesman who spoke previously indicated, right now a candidate could send out a fund-raising letter lambasting his opponent, talking about what he or she has done or should not have done, to every person in the riding. In the last paragraph there could be a little pitch for the incumbent, the Minister of Transport (Mr. Crosbie), for example. That would not constitute an election expense. It could contain page after page of the most vicious partisan material and it could actually ask for money for a candidate, but it would not constitute an election expense.

The same is true of polling. While polling people, a candidate could ask most blatant partisan questions, basically playing a recorded message for a political Party, but that is polling and it does not count as an expense. Obviously we do not have legislation which protects the candidates, and it must be cleaned up. For us to go forward with Bill C-79 without dealing with that is for us to create election havoc.

When the Minister introduced Bill C-79, he did not give a firm commitment to deal with election expenses. There was no commitment from the Government that that would be dealt with in an acceptable manner prior to any upcoming election. There was an agreement that the issue be studied, but there was no commitment to bringing forward provisions which are acceptable to the Parties in time for the next election.

I know that I do not have very much time left in debate, so I will turn to other matters. One of the areas on which we have come to agreement is the reporting of financial accounts by local constituency associations. In the legislation, there was a proposal for voluntary reporting by local associations. We consider that to be neither fish nor fowl.

If the Government believes that the funds raised by local associations and how those funds are spent, funds quite often gained through election rebates or tax rebates, should be recorded, then it should not be a voluntary effort, it should be a compulsory effort. The Government has stated in Bill C-79 that it does believe that this should be reported. There are large amounts of money in local associations for which no one is accountable and there are no controls over that money. We do have a problem.

Obviously the Government believed that there should be some accountability, but for some reason, it has made the accountability voluntary. I know that the Minister of State (Mr. Lewis) is not only a lawyer, something which we do not hold against him all the time, but in addition to that he is an accountant. To have voluntary accountability is to have no accountability at all.

Those associations with clean records which are spending money in a manner that will not suffer from public scrutiny will be quite willing to report their accounts on an annual basis. Those associations like the one in the constituency of the Minister of Finance (Mr. Wilson) with over $100,000 sitting in an account or accounts somewhere do not have to report, even though we do not know what they do with that money. We do not understand why the accountability is voluntary. We believe, and to be fair members of the Liberal Party also believe, that it should be compulsory.

Since we wanted compulsory accountability and the Government wanted voluntary accountability, the Government simply decided to take out the whole clause. That is the Government's way of coming to a compromise on this issue. We regret that because again, this is a chance to clean up the Elections Act and to ensure that money raised through election rebates, taxpayers' dollars, or tax rebates, is accountable. The Government was moving in that direction, but for some reason it decided not to move far enough. We do not like it but we accept the fact that this clause will be withdrawn in committee.

The issue of Canadians living abroad being allowed to vote is one which all of us regret cannot be dealt with at this time. It is unfortunate that we have not begun to deal with the Elections Act until almost the end of the fourth year of the Government's mandate. It is unfortunate that the proposal made in Bill C-79 is so wide open that it creates a problem for all three Parties.

As has been mentioned before, the proposal in Bill C-79 is to let anyone who has Canadian citizenship and who indicates that he or she may eventually return to Canada vote in an election. He or she could have been away not only five, 10 or 15 years but 30 or 40 years, most of his or her life. He or she would still be permitted to vote in a Canadian election, simply by saying that he or she will probably return to Canada at some point.

We believe that there are too many road-blocks preventing Canadians who are legitimately abroad from voting. We certainly believe that those who are working for Crown corporations, the federal Government, NGOs or the like should be able to vote. We would also suggest that those who

are on vacation for a short length of time should be able to vote if they can get to a proper place like a Canadian consulate or embassy. However, to open it wide up without any clarification is unacceptable.

We proposed that we limit the categories of people who would be eligible for voting. We also suggested that those who had been away for five or ten years without ever returning to Canada should not be allowed to vote, but those who had been back or had only been away for four or five years should automatically be allowed to vote.

We went through the exercise of trying to find a reasonable compromise, but we could not find one. Now it appears that we will have to send this matter to committee for separate study, recognizing the fact that it will probably not be resolved before the next federal election.

I was asked by one of my colleagues why this should not be open, that there would not be that many voters from abroad who would vote. I was told that for every person who had never returned to Canada who voted, there would probably be six or seven living outside Canada and who should be able to vote who would vote. That might be true, but we are talking about massive numbers of people. On the American side, over two million Americans who live offshore have voted. With our population figures, Elections Canada assumes that there may be about 200,000 people who do not live in Canada voting in a general election.

The problem with the legislation is that a candidate who runs in Broadview—Greenwood, Regina or in Thunder Bay may find that there are 2,000 or 3,000 voters who will vote on election day who cannot be contacted. The candidate does not know where they live, he has no indication of who they are and he has no means of communicating with them. Yet they will make a difference when it comes to whether or not the candidate wins a seat.

We want to see Canadians who legitimately work or live elsewhere for a short period of time be able to vote. Unfortunately, the Government has been unable to make a proposal and unwilling to accept the amendments we have suggested to resolve this matter. Rather than having a complete screw-up in the next election, I believe we may be forced into taking this clause from the Bill and studying it separately, realizing that the net result will be that many Canadians who should legitimately be allowed to vote in the next election will not be able to do so.

This Bill contains 160 pages and I will not be able to deal with all the problems in it. Let me deal with some of the problems that will be important over the next little while.

• (1710)

When the Standing Committee on Elections, Privileges and Procedure dealt with the problems of the Hon. Member for Frontenac, we saw a need to tighten up the election enforcement commission. This Bill does that. It prevents premature publicity when investigations are taking place. It allows the commission to use investigators outside of the RCMP so that maybe things can be done a little faster. This also shows that investigators are more directly accountable to the commission so that you have some control over what they are doing or not doing. You are in a position to give them direction so that they are actually investigating what they are supposed to be as opposed to doing a wide open investigation.

One of the problems with the present system is that the commissioner calls for an investigation but it is the RCMP, acting almost completely separate and apart, which conducts the investigation. This is without, in many cases, reporting back to the commissioner for instructions or legal interpretations. This Act improves that situation. That is very important to a lot of people because reputations have been hurt in the past and investigations have not been as thorough as they should be. This is not because the RCMP is doing an inefficient job, but because the people who carry out the investigations are not in a position to know what the commissioner is really after or what has transpired in the meanwhile.

One of our main concerns is that we make sure the commission is secure from the taint of political patronage and that decisions on investigations or prosecution for alleged infractions is non-partisan. This is not in the legislation but we have been assured that amendments will be coming forward, and we accept the concept that the Chair and the Member representing the public be approved through a resolution of this House. The members representing the various political Parties should also be approved through a motion or some other means with the agreement of all Party Leaders. However, we have to know a bit more about that process to make sure it does not become open to abuse.

We are also concerned, and I hope the Minister is paying attention, with what happens when one member representing a Party resigns. How will he or she be replaced? In the initial step you get agreement of the three Party leaders for all three people. We are not sure what happens when one person resigns and we have to replace that person.

The Bill also called for one agent in each poll. All three Parties are used to the practice of two agents in a poll. Quite often someone is inside seeing who has voted and someone can come in to see who has voted so that when the various Parties are knocking on doors, encouraging people to get out and vote, you do not knock on the door of someone who voted three hours ago. For some reason the legislation is going to restrict us to one agent who, presumably, will have to sit inside all day and not give any information to the Parties. Obviously that would restrict the use of an agent. The Government has recognized the error of its ways and is willing to go back to two agents per Party. That is a good move.

With respect to opinion polls, at the time the Government was in real trouble it decided it did not want opinion polls too often during an election. It came out with a very strict definition of what must be done if you publish an opinion poll.

However, it became so cumbersome that it was obvious, while it was all right for the print media, it would make it impossible for a radio or television reporter to cover an election. You have to spend 10 minutes explaining what the poll was, the sample size, the questions asked, who paid for it and what-have- you. That could not be done in a 30-second clip. We encouraged the Government to make sure what would be required for the print media be fairly specific, because they have the space, and that there be a shorter form for the electronic media. The Government, for its own reasons, determined that rather than having a different requirement for the different types of media, it will pull the entire section dealing with opinion polls. In the long run that might be regrettable. I believe there is some advantage to having minimum requirements.

An Hon. Member has said something and I do not know what it was. It is government legislation which was going to require everyone to say everything. We are saying we think a minimum would be a good idea and in the best interests of the public. Since the Government has gone from an all to nothing position I do not see how the Conservative Member, who holds himself out as an Elections Act expert, can object when the NDP says there should be a minimum standard. The Government, in the legislation now before us, requires very detailed information on the publication of opinion polls. We are saying we need something but you are too strict with regard to the electronic media. However, we thought something could have been done which was acceptable, and I hope that in committee we will still find some middle ground.

The last area to be dealt with by negotiation among the Parties, and I always like to bring this forward so it is not done just in the back room and the public has some knowledge about it, concerns the broadcasting of results. The problem was this. We in the West, especially the far west, would be driving home from work when the polls closed in Atlantic Canada. Even before someone has gone home for supper, before they even think about getting dressed up to go and vote, they would know that in Atlantic Canada 30 Members of this Party were elected, 10 of that Party and two Conservatives. The same thing would happen when the polls closed in Quebec and Ontario. I am sure my friend, the Hon. Member for Bow River (Mr. Taylor), will agree that western Canadians have often felt that decisions were made prior to the West being heard from.

Under the current legislation we have a rule that you cannot broadcast results until the polls close in that part of the country. We have a problem because the Broadcasting Act says that those companies which provide cable TV cannot edit the signals. The Elections Act says you cannot broadcast the results before the polls have closed, and the Broadcasting Act says you cannot edit the signals. If you are getting signals from Atlantic Canada or Hamilton, obviously they are going to cover the election. The legislation suggests that we just remove the ban on broadcasting the election results so that they can be given out as soon as they come in from various parts of the country.

Personally I believe that would be unacceptable to many people in the West. Depending on what happens in the next election, it could increase regional animosity. The Government decided it will live with the present system for another election. We will still prohibit the broadcasting of election results, but have not taken the further step of changing the Broadcasting Act to allow those companies providing cable TV service to edit out election coverage. I wish it had gone that step further.

That is possible because in this Bill we are not just amending the Elections Act. If you look through it you will discover there are about five or six other pieces of legislation being changed at the same time. The Government can change not only the Elections Act but the Broadcasting Act at this time in such a way that cable companies and others are not forced to break one Act or the other. We are putting those companies in a very awkward situation. We have the power to fix that up and I hope the Government will take that into consideration.

You have indicated that I have one more minute left to speak. There are two areas I want to cover quickly. The first is that despite the amendments to improve the ability of urban voters to be registered and vote, we still forbid urban voters who have not been put on the election list from voting on election day. We create all sorts of other situations. They can go to the returning officer's office and vote on election day if they are not registered. There are all sorts of ways and means that they can get on the election list between the date of the writ and election day, but they still cannot be sworn in at the polls.

• (1720)

I will give a very quick sample of the problem that creates. Just as the election was called in 1984, thousands of people who worked at International Nickel in my riding were laid off for the entire summer. Most of them went back to visit their families. Most of them come from other parts of the province or other parts of the country. Many of them returned to Thompson just when school started, which happened to be September 4. They were not on the list.

You may say that is an exceptional circumstance, but we have many summer elections and many shut-downs. We are having too many of them and this problem will increase. I believe that we in this country should be politically sophisticated enough to allow people with the proper documentation to prove that they are Canadian citizens and live in a particular riding to swear to their identity on election day and be allowed to vote because they are Canadian citizens living in Canada.

I find it ironic that the Act proposes allowing all sorts of people to vote who have never been in Canada for the last 20 or 30 years, but does nothing to allow people who, for reasons beyond their control, have been left off the voters' list. We are talking about many thousands of Canadians.

There is a proposal in the legislation to change the number of voters per poll from an average of 250 to a minimum of 250. That in itself does not sound like a problem but it is my

understanding from some calls I received very recently that people who have been appointed as returning officers have been instructed to have a minimum of 400 or 450 people per poll. If that is the intent of this change to the Elections Act, it is certainly going much beyond the concept of a minimum of 250 voters per poll. I would prefer that the legislation specify what is meant in order that we do not have enormous polls.

Mr. Patrick Boyer (Etobicoke—Lakeshore): Mr. Speaker, it is a curious thing that this legislation should be taking so long to get through the House when every Member here considers himself or herself to be an expert on the subject because they all got here by complying with this law and have an intimate working knowledge with a lot of its provisions.

I would like to begin my comments this afternoon with the general observation that there are in fact a number of separate measures which, in the course of this thirty-third Parliament, are dealing in one way or another with the electoral procedure and the democratic process. We have heard criticisms this afternoon from Liberal and New Democratic spokesmen about the fact that more is not being done in Bill C-79 to address the definition of election and campaign expenses.

It is a fact that there have been and will be a number of separate statutes before this House addressing the election process. We have dealt already, for example, in this thirty-third Parliament with legislation to modify the rules for electoral boundaries. Section 51 of the Constitution and the Electoral Boundaries Readjustment Act were amended as one step. Bill C-79, presently before us, is a second step. The indication by the Minister that there will be further examination of election expenses following the report tabled in recent days by the Chairman of the Standing Committee on Elections, Privileges and Procedure will give rise to a further area of consideration.

There are two other Bills, one dealing with the registration of paid lobbyists and the other with conflict of interest legislation which pertains to Members of Parliament, which I think must be seen as part of the whole fabric dealing with this general area of the health, procedures and nature of our democratic process. Another which is being drafted which I intend to introduce as a Private Members' Bill is the national referendums and plebiscites Act, which would be a counterpart to the Elections Act and would provide for questions to be submitted directly to the people.

I make those general comments only to set in a broader and fairer context some of the narrow criticisms which have been coming from the two opposition Parties about the fact there are some things not being dealt with in Bill C-79.

Speaking frankly, I share the regret that we are dealing with this only at this stage. I was chairman of the caucus committee on election law and redistribution which in 1984 and 1985 made recommendations that would result in changes. This became the White Paper and then the legislation. The series of delays has put the Chief Electoral Officer in an invidious position. If we pass this legislation within the next month or so, and anticipating a reasonable date of June, 1989, for the next federal election, that would make it quite a time crunch for those who are shouldered, once this is passed, with the legal obligation of carrying out the election according to all these new procedures, rules and regulations.

I would like to turn to two or three specific sections that are included in Bill C-79 and stress their importance or significance. The first of those has to do with the position of disabled Canadians and their electoral process. Strides have been taken in previous amendments to this Act to, for example, facilitate voting by blind voters. The notch ballot in some jurisdictions and the template in other jurisdictions have been two of the technical methods used to facilitate blind voters to vote. There traditionally was also the way of being accompanied by a seeing voter in the ballot box area and marking the ballot that way.

In this Act we are considering amendments which will make further progress by ensuring level access to voting stations. When the Minister was speaking he pointed to the difficulties which exist in some of the rural areas. The provision which will be in this Act requiring enumerators to ascertain the level access requirement of voters will be helpful information, but more than that it will be necessary to ensure, in my view, level access for voters in every case.

I do appreciate that in some cases that may be an impossibility. I submit, and will in committee as well, that the answer to that is the mobile poll in the sense that the voting box and materials can actually be taken out and down the steps to facilitate voting by someone who is unable to enter the polling place.

Mobile polls are not a novelty. They were used in previous elections. Indeed, overseas, on those rare occasions when Canadian soldiers were voting during war time, ballot boxes were actually moved to where the soldiers were.

Another area which is significant in terms of Canadians with disabilities and voting is the extension of the franchise, under this Act, to Canadians with mental disabilities. The former prohibitions which existed in federal, and certainly a lot of the provincial statutes, were terrible provisions in the way in which they lumped people together and entirely disfranchised them on the basis of some mental affliction or disability.

• (1730)

When the equality rights committee of this Parliament met in New Brunswick, we heard submissions on the importance of extending the franchise to those with mental disabilities. Part of the rationale was that this in fact is a self-denying ordinance. Someone who is mentally incapable of getting to a ballot station and voting is not going to raise a problem, but there are many other individuals with some forms of mental illness from which they are recovering, which may create problems for them in their daily living, but do not in any way

impair their ability to follow public events and come to a very sound decision as to who is the best candidate or Party, and they should not be denied that basic democratic right. Therefore, I am glad this Act will reflect that more modern and compassionate approach.

I would point out that the Province of Ontario has already enacted such a provision. A provincial general election was conducted with that provision in place and it was a benefit to many and a problem for no one.

What represents a very important reform here is the establishment of the Canadian elections enforcement commission. A number of Members elected to this Parliament found, in the wake of the September 4 results, that investigations were being undertaken pertaining to their election expenses. In some cases those investigations were being conducted by officers of the RCMP. I have heard of some cases where the officers involved had just come off a drug bust, with much of the mentality used in dealing with thugs and criminals who are trafficking in drugs, and with a very combative approach to the "criminals" they were investigating. That was matched by a very shallow understanding, to put it generously, of the intricate provisions of the Canada Elections Act. That meant that there would be a significant difference in the perhaps 30 or 40 investigations going on across the country with respect to the level, quality and nature of the investigation. Therefore, the new provision which will allow the commission to appoint its own investigators, and to have a standard and uniform approach from coast to coast to coast by people who are knowledgeable about the Elections Act and the workings of the elections financing provisions, is going to prove to be in everyone's interest, including the public.

The provision in the Act that deals with liquor causes me to pause and take a drink of water, knowing that in future elections people will be able to pause and drink a glass of something stronger, because of the removal of the prohibition of selling liquor while the voting is under way. That provision is found there because of practices from the late 19th century when a great many elections saw a candidate floated to power on a perfect sea of booze. I know that in the Parry Sound—Muskoka district, where I come from originally, it took the Conservative Party many years to live down the infamy of the frozen whisky election campaign. Everyone here would know that whisky does not freeze because alcohol does not freeze. But in that election it did because it had been so watered down. When the voters came out from the schoolhouse to dip the metal bucket down into the barrel on the back of the sleigh out behind the school, the bucket did not come up with whisky, it hit ice. The whisky had frozen because it had been so watered down. For about a decade after that, the Conservatives in that area could never get any credibility or any vote because they were known to have watered down the whisky.

Ms. Copps: The more it changes, the more it stays the same.

Mr. Boyer: I think that is another thing that speaks in favour of summertime elections. I am glad to see this Bill is going to committee with the full intention that a lot of these provisions will be thoroughly examined at that stage and further changes will be made. If we take, for example, the provisions which deal with the publication of opinion polls during a campaign, on the one hand, and the proposed removal from the Act of the ban on publication of election results in those areas where voting is still under way, we see something of a contradiction. First, dealing with opinion polls, I think the tendency in recent elections to have the publication of opinion poll results at different stages of the campaign has become, to some extent, a transforming factor in the way elections are viewed and understood. As much as there is concentration on the personalities, policies and programs, there is an emphasis on the polls, the reaction of the polls, and who is ahead and by how many lengths.

To see election campaigns transformed into horse races is not overly edifying, nor is it really that helpful to Canadians who want to see and hear about the candidates, policies and issues. That is why the recommendation was made that there be included in the Act something that I would really characterize as consumer protection legislation, that, yes, the major broadcasters and the major newspaper publishers do indicate who commissioned the poll, when it was conducted, how large the sample, the nature of the question and the percentage of error on a sample of that size.

We all know that there are other kinds of polls that are taken which may not be reliable. They may not be scientific in any sense. Yet they are reported on in the course of an election campaign, often with the effect of influencing or creating a lot of hype and getting a response to something that is as much a fiction of someone's imagination than it is an actual reflection of popular opinion.

Therefore, I think it is important to put within the Canada Elections Act this kind of consumer protection. If it is a difficulty for the broadcast media to do that in the course of a 30 second clip—the New Democratic Member for Churchill (Mr. Murphy) seemed almost beside himself in his concern about the broadcast media in this regard—perhaps it should not be trying to do it in a 30 second clip. Perhaps that is the answer.

We will look at that in committee and I would like to suggest that while looking at it, we should equally consider the proposal to delete the important section of the Canada Elections Act that prohibits disclosure of election results in an area where voting is still under way. The premature publication of election results can have an influence on the way others may vote. There are political scientists who argue for both sides saying that those who would jump on the bandwagon are counteracted by those who would opt for the underdog. However, we do not have to resolve that argument on a political scientific basis. I think we need to stick with the provision that was first enacted in 1938, primarily as a response to the practices of the Canadian Press. For years, the Canadian Press election report was Canada's only national compilation of the election results. Official reports available

only weeks later did not name Parties, show Party standings or include Party vote compilations. The Canadian Press election reports became so systematized, thorough and fast as a tabulation of early accounts from individual constituencies that CP was able to flash the election or the defeat of federal Governments while voters in British Columbia were still casting ballots. Consequently, an Act was passed here in Parliament in 1938 to prevent publication of CP's results in either newspaper extras or on the air in any province while voting was still in progress. Something in the 1942 plebiscite on conscription contained the same provision.

• (1740)

In the 1960s and 1970s the broadcasting networks usurped this role CP had developed for itself, using their computers and nation-wide link-ups. However, the problem was still the same. This is why Section 105 of the Canada Elections Act, in a sense of preserving fairness, prohibits those publications in areas where voting is still under way. I think that is an important provision. I do not think it should be deleted. It is proposed that it be deleted, which is why I hope to speak to it in committee.

Generally, under this Act we are seeing a further opening up of the franchise. I have already mentioned the extension of the franchise to the disabled. The vote is now going to federal judges. There is also the proposal that Canadians living abroad be able to vote, much as Americans, Australians and residents of the United Kingdom are able to do.

We have also seen an extension of the franchise through the opportunities that are being increased under Bill C-79. It is worth pausing to record that Canada has the highest rate of eligible voters on its voters' list of any of the democracies. This is the reason we have the longest election campaigns, sort of a 58-60 day minimum. We are really the only country that starts about the whole process of compiling its voters' list after the election has begun. Yet that process ensures that some 97 per cent or 98 per cent of qualified voters find their names on the voters' lists. There is then a further period of revision, as well as courts of revision, which adds further opportunities for voters to find their names on the list.

In recent years we have taken additional steps to see that those who are thereby qualified to vote are not administratively disfranchised. It is one thing to be 18 or over, a Canadian resident and a Canadian citizen and therefore qualified. But, first, one has to have one's name on the voters' list. Second, one has to be able to actually get to vote at a time and place where the polls are open. That is why we have seen the provisions in this Act to expand proxy voting, to permit voting by people who have two residences. In the location of either one there is an option there to choose and so on. In other words, we are seeking to go the furthest route possible to ensure that every Canadian has the opportunity to fulfil their first duty as citizens which, of course, is to get themselves a government.

My final comment has to do with the concern being expressed by members of the two opposition Parties with respect to the definition of election expenses and campaign expenses. I share the concern expressed with respect to having this matter dealt with. I listened to the concern that was being expressed with two caveats in mind.

The first caveat is that the difficulties that they point out will, if unchanged in the present Act, continue to be difficulties that are shared equally by all Parties and all candidates seeking office and any effort therefore to parade these as giving some kind of particular advantage to one or another Party is to put on a partisan edge that really is inappropriate.

With respect to the second caveat, I listened to the concerns expressed with some sense of the history of Canadian elections when the way our great grandfathers and grandmothers conducted elections were wild in comparison to the almost genteel practices of today. The Minister from Newfoundland who is in the House knows that in his province, as in the Province of Quebec, there were election riots. In some of those election riots people were killed. Corruption was an absolute cornerstone of early Canadian elections. We have gone a long distance to bringing about changes, particularly in the 1974 legislation, to see that politics is not a rich person's game, that is it open, above board and fair to all.

With the reservations I have mentioned I think that Bill C-79 represents another important step forward.

Ms. Copps: Mr. Speaker, I think the Hon. Member really believes that it is important to put everyone on an even footing and to establish very specific limits with respect to spending during election campaigns. Can the Hon. Member explain why his Government is not coming forward with specific amendments in relation to the definition of election and campaign expenses?

Mr. Boyer: Mr. Speaker, I will repeat what I said when the Hon. Member was not in the House when I addressed this matter earlier in my remarks. I talked about six or seven different pieces of legislation that are going through the Thirty-third Parliament which deal with the various aspects of the electoral procedure. I referred to redistribution, conflict of interest legislation, the registration of paid lobbyists, Bill C-79 and my proposed legislation on national referendums and plebiscites that will be tabled soon.

Earlier the Minister expressed the intention to examine this matter, but he also said he had received an indication from the Table concerning the difficulties of dealing in Bill C-79, which has been in the House for quite some time now, with the subject matter of a report from the Standing Committee on Elections, Privileges and Procedure which was only tabled about 10 days ago. I think it is a problem of timing which has created an imperfect approach to this matter. However, I certainly join with the Hon. Member in wanting to see this other matter dealt with, if not in Bill C-79 then in other legislation.

Ms. Copps: Mr. Speaker, is the Hon. Member aware of the fact that the all-Party committee that has been meeting on the issue of the definition of campaign expense, et cetera, has in fact as recently as this week, put some agreement as to the definitions in these areas? It is my contention that if the Government is prepared to wait for a week or two in order to obtain some thoughtful and unanimous concerns in this regard then it can move ahead with the Bill that will deal with the issue of election spending. If this Bill goes ahead as is without the amendments that were blatantly called for in relation to the report of the Standing Committee on Elections, Privileges and Procedure, then obviously this Bill is a farce. If a situation exists in which, by statute, one can spend only, let us say for purposes of discussion, $38,000 on election expenses but one can go ahead and spend $60,000 or $70,000 on campaign expenses, then obviously *de facto* there is a free spending campaign which is in violation of the spirit of the Act. That is why I think the two have to go hand in hand. I think that they should be both brought together.

Mr. Boyer: Mr. Speaker, I guess it is here that the Hon. Member for Hamilton East (Ms. Copps) and I part company rather dramatically. I think it is unconscionable that it has taken so long to get this Bill this far in this Parliament. The Hon. Member says that we should now delay yet a few more weeks because there is some discussion going on behind the curtains among the representatives of the three Parties as to what they might agree to as a definition of election expenses and campaign expenses. She suggests that we wait even longer to get on with measures that will give to disabled Canadians fair and greater access to the democratic process, as well as deal with some of these anomalous situations and outdated provisions in the statute.

• (1750)

I refer to measures with respect to liquor on the day of voting, and some of the other measures that I characterized as consumer protection legislation with respect to public opinion polls, and all the things that I did mention in the course of my speech. I regret that the Hon. Member for Hamilton East, who I know takes those things seriously, was not in the House during the course of my speech. She would have heard why I think it is truly unfortunate that at this late date we are going to be passing even this much and saddling the Chief Electoral Officer with the onerous task of gearing for an election on these changed procedures.

We must get on with this. Over nine months ago I proposed that this Bill be split in two and that the non-controversial parts be passed, and that those other areas dealing with broadcast and election expenses be delayed, if delay was necessary, to achieve a consensus in the House. I am no longer persuaded, on the basis of performance to date, that that type of consensus can or will be developed. I would resist strongly any effort to delay this Bill any further. There are many other good provisions in this Bill. I worked hard on it as chairman of the caucus committee since late 1984 and early 1985. The time to look for further causes for delay is passed, and the time for action is here.

Mr. Redway: I know the Hon. Member is one who had a great deal of input into the Bill before us. I would like to ask the Hon. Member for his comments with respect to four areas of the Bill.

First, one of the great areas of concern in the Bill certainly relates to having people enumerated and placed on the voters' list. Why is it that this Bill does not incorporate the provisions for a permanent voters' list?

Second, if there is not to be a permanent voters' list, in municipal elections one who is not on the voters' list can be sworn in at the polls on voting day at the time of voting. Why does the Bill not provide for that?

Third, traditionally judges have been considered to be entirely independent of the political process. Why does this Bill give, for the first time to my knowledge, the vote to judges?

Fourth, one of the penalties that has traditionally been imposed on those who are incarcerated is the temporary removal of one of the rights of citizenship, and that is the right to vote. Why is it that this Bill franchises people who are incarcerated? Having done so, if this legislation is passed, is it the intention of the Government, having franchised prisoners, to take away the right to vote from police officers?

Mr. Boyer: First, the permanent voters' list has two problems. One is the cost. The cost is somewhere around $90 million to prepare an enumeration of voters' list in an election campaign. The cost of maintaining a permanent voters' list is in excess of that amount. Under our present system of enumeration, 97 to 98 per cent of eligible voters are on our voters' list. That is higher than any other democracy and that is because of the approach that we have.

In connection with national plebiscites, one of the inhibiting factors may be the cost of those votes. It would involve compiling the same voters' list at a cost of approximately $90 million. As a country, if we come to be more democratic and over the course of a Parliament submit one, two, or three matters directly to the people for their consideration, so that there are nation-wide votes at more frequent intervals, then it makes good sense to bring the cost of all of those votes down by instituting a permanent voters' list. That could also shorten the time of election campaigns.

Under the Charter there was a strong argument that judges not be disfranchised, but rather than we as parliamentarians making that decision on their behalf, should solicit even if informally through the channels and through the judicial councils and so on, a clear indication from the Canadian judiciary as to whether they want the long-standing tradition in this country to have our judges separate, apart and distinct from the electoral and political process continued, or they want to be on an equal footing with others and have the ability to cast a vote. To my knowledge, that course was not followed.

The decision was taken, probably on advice of the Department of Justice, to extend the franchise to judges. Formerly the Liberal Party in Government amended the Canada Elections Act to give the vote to citizenship judges, but that was at a time when the appointment of those individuals was even more clearly identified with the Party affiliation and it was simply seen as a method of perhaps franchising a sure school of votes.

The question of the prisoners is one that was initially dealt with in the Province of Quebec where prisoners were given the right to vote in provincial general elections, and never in by-elections. The issue is one that I felt was not ever adequately addressed by judges in passing sentence. It should be at that level where the judge is making the main assessment that the person is going to be removed of their liberty, and that at that level prisoners should have the vote taken away from them as an additional penalty.

I would like to continue, but I see that my time is up.

Mr. Deputy Speaker: There are three minutes left. On debate the Hon. Member for Hamilton East.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, very briefly I would like to call attention to our concerns in relation to campaign and election expenses.

If this particular Bill goes through as is, and I respect the intentions of the Hon. Member for Etobicoke—Lakeshore (Mr. Boyer), it will be the greatest travesty to election expense control that has ever been levied on the people of Canada. It is a farce to claim that this particular Bill as is puts limits on spending. It sets up a situation which we have seen and identified where the current Act, because of its vagueness in relation to campaign expenses, will permit Members or candidates to go out and spend $100,000 plus allegedly under the guise that they are living within the guidelines that are set by the Act. This giant loophole has to be plugged. If it is not plugged, I would suggest that any talk by the Government about controlling spending is merely blowing in the wind, because it really has no intention of controlling spending unless it brings forward specific amendments to define campaign expenses in relation to election expenses.

I see that my time is up momentarily.

Mr. Deputy Speaker: It being six o'clock p.m., this House stands adjourned until tomorrow at 11 a.m. pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, March 17, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

PROPOSED FREE TRADE

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour and duty to present a petition on behalf of a number of residents of Canada who are concerned that without any mandate from the Canadian people the Prime Minister (Mr. Mulroney) has negotiated a bilateral trade deal with the U.S. In spite of his promise that sovereignty would not be compromised, the proposed trade deal threatens the fabric of Canadian political and economic sovereignty and our ability to establish economic programs to our own benefit. It also fails to secure access to the U.S. market, the stated goal of the negotiations.

Therefore, your petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to table a petition, certified correct pursuant to Standing Order 106, from a large number of British Columbians who are concerned that the Conservative Government had no mandate from the Canadian people to conclude a trade agreement with the U.S. Since the Prime Minister (Mr. Mulroney) promised in the course of the bilateral trade negotiations that Canadian sovereignty would not be compromised, and since it is now clear that it has been; and since the trade agreement negotiated by the Government threatens Canadian political and economic sovereignty by removing the power of the Government of Canada to effectively control foreign ownership, to develop Canadian energy resources in the best interests of Canadians, or equalize opportunities between the regions, the petitioners humbly pray and call upon Parliament to dissolve and allow the Canadian people to determine the course of Canada in a general election.

Mr. Rod Murphy (Churchill): Mr. Speaker, I also have the honour to present a petition signed by many residents of Canada in different provinces indicating their opposition to the Government on the free trade deal. They believe the Government has no mandate from the Canadian people to conclude a trade arrangement with the U.S. They believe the Prime Minister (Mr. Mulroney) promised that in the course of the bilateral trade negotiations Canadian sovereignty would not be compromised. They believe the actual agreement negotiated by the Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership, develop Canadian energy resources in the best interests of the people of Canada, and also prevents us from equalizing opportunities between the regions. They believe the agreement would deny Canada the policy freedom to determine its own economic future and undermine our ability to build a society distinct from that of the U.S. They also believe the Government did not succeed in acquiring secure access to the U.S. market, which was the key government objective.

Therefore, your petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed trade agreement through a national general election.

OPPOSITION TO BILL C-33—INDEXATION OF PENSIONS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have a petition which is in order pursuant to Standing Order 106. The petitioners would like to present a common grievance. They say that indexed pensions for all Canadians are essential so that pensioners can protect the value of their pensions from the adverse effects of inflation. They say other employers and Governments recognize the need for indexation and are therefore negotiating and legislating inflation protection for pension benefits.

• (1110)

The petitioners say that Bill C-33 will remove the legislative provision of full inflation protection from all federal public service employees' pension benefits earned in future in spite of the fact that these employees have contributed and will continue to contribute 7.5 per cent of every dollar earned toward their pension benefits including full inflation protection. The undersigned, your petitioners, humbly pray and call upon Parliament to maintain legislative full indexing of the federal Public Service, Canadian Armed Forces, and Royal Canadian Mounted Police Pension benefits.

PLIGHT OF THE HOMELESS

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, it is my duty to present a grievance on behalf of

residents of Barrie, Ontario; Whitehorse, Yukon; Edmonton, Alberta; Sarsfield, Ontario; Nelson, B.C.; and Toronto, Ontario.

These petitioners denounce the fact that more than 100,000 Canadians were homeless last year, that an increased number of young people, women, and entire families are without a roof over their heads, that the amount of affordable housing is constantly dwindling, and that the Government has not yet introduced any new measures to help the homeless.

For these reasons and many others the petitioners humbly pray and call upon Parliament to act immediately and establish the necessary measures to ensure that Canadians live in adequate and healthy housing and also have access to rehabilitation programs in order to reintegrate our Canadian society in dignity.

FORT ALBANY FIRST NATION—SAFE SCHOOL ACCOMMODATION

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I have a duly certified petition pursuant to Standing Order 106. This petition was presented to me during a meeting of the Mushkegowuk Tribal Council in Attawapiskat just a week ago.

The petition is signed by 100 Indian people of the Fort Albany First Nation located on the western coast of James Bay. The band school, Ste. Anne's, has been closed because it is a fire trap. Therefore, the signatories call upon Canada to fulfil its fiduciary and treaty obligations and provide safe school accommodation on Sinclair Island.

OPPOSITION TO BILL C-55—REFUGEE DETERMINATION

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to present, for the attention of the House and the Government, three certified petitions. Two of them deal with the refugee legislation, Bill C-55. The petitioners come from the communities of Maple, Scarborough, Rexdale, Brampton, Mississauga, and Toronto. They are petitioning essentially for the elimination of the two stages in the refugee determination system, the first of which we call prescreening and the second, the safe third country concept.

Canadians who have signed these petitions are urging the Government to have a fair and expeditious refugee system, but certainly emphasize the word "fair". Therefore, they urge the Government to eliminate these two stages which essentially build a barrier for any individual who wants to access the refugee determination system in our country.

CLOSURE OF CANADIAN EMBASSY IN ECUADOR

Mr. Sergio Marchi (York West): Mr. Speaker, the second petition comes from Canadians living in Brampton, Georgetown, Downsview, and Toronto. The petitioners complain about the Government's actions, and in particular those of the Secretary of State for External Affairs (Mr. Clark), in closing the Canadian Embassy in Equador.

The closing has caused hardship in that people must wait six months to get an appointment at our Embassy in Bogota, Colombia, which is the closest embassy. The petitioners request the Government to reconsider its decision and to reopen an embassy which provides an important link to Canadian families living in Canada.

BILL C-72—EFFECT ON UNILINGUAL ANGLOPHONES

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I have the honour to present today two petitions from residents of my constituency of Calgary South and from residents of the entire Province of Alberta. The petitioners humbly pray and call upon Parliament to cancel Bill C-72 so that unilingual people have a chance for a position in government. The petitioners state that it sets a dangerous precedent to ban unilingual Anglophones and people of other cultures. They pray that Bill C-72 be disregarded for the benefit of the whole country.

Mr. Murphy: Who sent that out, Dan McKenzie? Did Dan McKenzie sign that?

Mr. Speaker: I point out to Hon. Members that Hon. Members are asked to present petitions on behalf of Canadians who send these petitions to this place. I do not think it is appropriate to remark on the motivation of those Canadian citizens who sign a petition and send it here.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

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

Some Hon. Members: Agreed.

* * *

[*English*]

POINT OF ORDER

CORRECTION TO YESTERDAY'S STATEMENT

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I rise today to correct the record of yesterday. Yesterday I laid upon the Table the Government's response to 37 petitions presented to the House between March 2 and March 9. Unfortunately, I misspoke myself and said that it was the responses to all petitions that had been presented in the month of March. That is not correct, Mr. Speaker. It is

certainly a large majority of them but it is not all the petitions. I simply want the record to be correct.

Mr. Speaker: I thank the Hon. Member. I wish, in the interests of the decent usage of the English language, that we would take the word "misspoke", put it aside, and never use it again. It is an Americanism, if I can put it that way, which has no place in this fair land.

* * *

MOTION TO ADJOURN UNDER S. O. 29

MILITARY ESCALATION IN CENTRAL AMERICA

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, this morning I sent to Your Honour a request for an emergency debate based upon the very disturbing news which was registered this morning about the increasing military escalation in Central America.

Canadians on both government and opposition sides of the House have joined in very strong support of the peace process which was initiated over a year ago by President Arias of Costa Rica. We have watched, with some encouragement, the developments. The events of last night and today are major set-backs. Not only do they register a danger to the nationals of that area, but there are many Canadians involved in that zone. There is a real possibility that conflagration could occur.

I urge you, Mr. Speaker, to consider the opportunity for debate so that we would be able, not only to get a full rendering of what is going on from government sources but also to give Members of this House an opportunity to express their very deep concerns about the events which are taking place in that part of the world.

Mr. Speaker: The Hon. Member for Winnipeg—Fort Garry has raised a matter which I think all Members, regardless of political persuasion, would agree is serious.

As Hon. Members will know, and I think it is important for the public to understand this also, when the reform committee recommended reforms of Parliament it was suggested that in applications for an emergency debate the Chair not give reasons as to why it decides either for or against it. I think that that is probably sound advice because we otherwise get into the situation of setting up a sort of mini-jurisprudence as to when and under what circumstances an application should be accepted. Most applications for an emergency debate are serious, as is this one made by the Hon. Member for Winnipeg—Fort Garry.

I have given this very careful consideration and my decision not to proceed with an emergency debate at this time is no reflection upon the importance with which I think this House views the matter raised by the Hon. Member for Winnipeg—Fort Garry.

• (1120)

I will break from the recommendation of the reform committee somewhat and indicate that there is presently a committee of this House which has been formed to investigate and look into that very part of the world about which the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) is concerned in his application. That committee has been formed and, while it is not for the Chair to tell that committee what to do, it may very well be appropriate for that committee to address that, given the events.

There are some other opportunities open to the Hon. Member and his Party, Her Majesty's Loyal Opposition, to bring this matter before the House. At least for today, however, I must say to the Hon. Member that I am not persuaded that we should proceed with an emergency debate. Having said that, it does not take away anything from the importance of the matter the Hon. Member raises.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—ABORIGINAL PEOPLE'S RIGHTS

Mr. Rod Murphy (Churchill) moved:

That this House condemns the Government for its failure to address the needs of the aboriginal people of Canada, including:

(a) the right to self government

(b) the provision of adequate shelter, health care and educational facilities,

(c) basic water and sewage treatment facilities,

(d) adequate employment and training opportunities, and

(e) the financial resources to fully develop the economic and human resources of aboriginal communities.

He said: Mr. Speaker, I presented this motion on behalf of the New Democratic Party today because I have found in travels around my riding and other parts of the country that we are creating an increased sense of frustration among our aboriginal Canadians. There has been an increased sense of frustration because many of our first people feel that they are being left out of the government process.

Part of their concern arises from the fact that the meetings that were held between native leaders and our First Ministers failed to include any explanation or definition of aboriginal rights and self-government within our Constitution. The decision in the Meech Lake Accord not to place any extra emphasis on the rights and concerns of our aboriginal people also increased the frustration that exists among them. There is also a concern that government priorities do not address the concerns of native people.

As our motion indicates, we talk not only in terms of housing and shelter, but in terms of education, basic water and

sewage facilities, employment, training opportunities, as well as economic and human development.

The Government did all it could to prevent a UN study of the condition of aboriginal peoples. I believe it did so because it is ashamed of the situation that exists in many parts of our country. Unfortunately, unless someone dies in a fire or someone is beaten, raped or murdered, unless there is a tragedy that appeals to a certain sense within the media, the problems of our native people are not addressed on an ongoing basis.

Those of us with large native communities in our constituencies and those of us who have travelled with committees or on other House business into native communities know the dire straits in which those people live.

This is a very affluent country, but it has a large population that is denied even basic services. There are communities in my riding that have no water supply, no sewage treatment, a school that is condemned and 95 per cent unemployment. There is a basic feeling that the Government is ignoring their concerns.

We are not saying that all the problems are new and can be blamed on the present Government. Many of those problems existed for many years and continue to exist because we have a quickly growing native population.

It is also a situation where the traditional way of life, if not dying out, is certainly unable to sustain the increased population. Unfortunately, the Government and previous Governments, in spite of spending billions of dollars on native concerns, have not spent enough to meet the needs of these people.

It is no surprise to many people in this room that there is a backlog on schools for native people. The projections of the Department of Indian Affairs and Northern Development may deal with building a school on a particular reserve in five or ten years. However, they only take into consideration what the population may be in three years as opposed to what may be needed further in the future. That has been the philosophy of the department, not only under this Government, but with the previous Government as well. As a result, by the time the schools are built in these communities, they already need extra classrooms.

The treatment of young people in these communities is one of the most tragic elements of our dealings with native people. They grow up in dilapidated houses with neither water nor sewage. They go to inadequate schools because less money is spent per capita for the operational costs of the schools than would be the case if they were provincial schools.

In spite of all those disadvantages, these young people are told to compete in our society. Their culture is different from that of the majority of our society. While that may be a benefit in many ways, it makes it very difficult for them to compete in a basically white society. They are expected to live in dilapidated houses with no heat, get up in the morning when it may be 40 degrees below zero, and attend an overcrowded school. We expect them to be educated in a school system that has less money per capita even though the cost of living is higher because these are remote communities. We expect them to be educated in schools that do not have enough money to stock books in their libraries. They are then expected to go out and face the future.

I am not suggesting that no money is spent on native education, but that not enough money is committed to native education, native housing and its infrastructure for such things as water and sewage.

• (1130)

I brought this motion to the floor of the House today because I believe it is important that members of all Parties have a chance to address these problems. I do not believe we have instant solutions but I believe the House of Commons, and especially the Government, must put much more emphasis on ensuring that the youth in our native communities have a future.

It is not good enough to say that we have spent the entire budget and will only be able to give them a school five years down the road. Those children are growing up now. Each year we delay putting a school into one of these communities makes it that much more difficult for those native people to compete in the future. While it is difficult for us to deal with the problems that many native young people face today and while it is difficult for us to create jobs for a lot of the young adults in native communities, we are just creating a long-term problem for ourselves if we do not guarantee adequate educational facilities and resources for those people who are growing up at this time.

I am often ashamed to be a Canadian as I travel around the native communities in my constituency, not because the Government has not tried but because the commitment is not high enough. Some people will say that the native people can do more for themselves. That is probably true. However, we make it very difficult for them to do so. Anyone who has dealt with the Department of Indian Affairs and Treasury Board knows how hard it is to get something out of those Departments and knows that the process we have to use to have major projects approved is a very difficult and tedious process. A project can be in place two, three or four years before the Government finally gets around to approving it.

There is a great desire among our new native leadership to take control of their own destiny. They recognize that they have to contribute as much as they can to that future. They recognize they have an obligation to build their own future. But we must recognize that they cannot do it without financial resources and without a commitment from the Government.

I find, like many Members of Parliament, that dealing with the Government at the best of times is frustrating, but dealing with the Department of Indian Affairs is the most frustrating process of all. Dealing with the Department of Indian Affairs

is an almost impossible task for Members of Parliament, so you can imagine, Mr. Speaker, how difficult it is for a young native leader of 22 to 24 years of age when he or she tries to deal with that bureaucracy. We all know of the political shenanigans that have taken place within the Department of Indian Affairs.

I have often met with Indian leaders who believe they had a commitment from a Minister of Indian Affairs to do something. The Minister of Indian Affairs flies into Winnipeg and meets with some of the native leadership, flies back to Ottawa, and the native leaders believe they have a commitment, only to be told that there is no money in the regional budget or that the programs really do not meet their goals or that some Treasury Board regulation would have to be changed or that this is not what the Minister really meant. We are building more and more frustration. We have made the process so difficult because we do not recognize that these needs have to be met at this time.

Members of all three Parties have spoken in this House in the past about the need to take the decision-making away from Treasury Board and from the Department of Indian Affairs and give it to the bands themselves, the tribal councils and those others who are involved with native economic development within the community. We have had the constitutional conferences on self-government and meetings between the native leadership and government officials in terms of passing over some of those responsibilities. However, the process is taking far too much time. After those First Ministers' meetings with the native leadership, there was still a feeling among native people that there is no commitment in our general society to entrenching aboriginal rights. They went to those meetings, first with former Prime Minister Trudeau chairing and, more recently, with the present Prime Minister (Mr. Mulroney) chairing, and each and every time those conferences broke down because the western Premiers refused to budge. These western Premiers had been saying for years that they did not know what Indian self-government and aboriginal rights were all about.

Those Premiers have been coming to conferences for many years. Obviously, they do not spend their time and resources looking at this problem until national television is focused on them. So we are in the situation where these Premiers are saying: "We do not know what it is all about", but how much energy have they really spent trying to resolve the issue of self-government and aboriginal rights? Not that much.

One of the most bitter things for native people is that after all those years of conferences on aboriginal rights, where people could not come to an agreement, especially the western Premiers, the Meech Lake Accord could be agreed to so quickly and that modifications to the Meech Lake Accord could be agreed to just a few weeks later. There are some very important concepts in the Meech Lake Accord. We have all welcomed the inclusion of Quebec into the constitutional family of this country. However, there was a political will at Meech Lake and at the Langevin Block to deal with the problem. Very difficult concepts were dealt with quickly, but aboriginal rights take years and years and have still not been resolved.

After the Meech Lake Accord was agreed to, many aboriginal people welcomed Quebec. They expressed their belief that that would also help their cause, as the Prime Minister himself has indicated. But look what happened when the native people asked for simple amendments to the Meech Lake Accord. They asked for a simple guarantee that they will be put on the agenda of the first meeting of the First Ministers', meetings that will now been entrenched in their Constitution to take place on an annual basis.

We have guaranteed in the Meech Lake Accord that fish will be discussed at that meeting. We have guaranteed that the Senate will be discussed. Why not at least show some commitment to the aboriginal people of this country? Why not show the commitment and ensure that at that meeting we will also commence our discussions on aboriginal rights? The Prime Minister and the Minister of Justice (Mr. Hnatyshyn) have risen in this House and said, "Yes, we will meet sometime on aboriginal rights", but there has been no commitment. I do not believe there is a Premier across this country, or the Prime Minister, for that matter, who would dare say no to the inclusion of the topic of aboriginal rights, along with those other topics of fish and the Senate reform in the next meeting on the Constitution. The failure of the Prime Minister to take the lead, as was suggested by my leader, the Hon. Member for Oshawa (Mr. Broadbent), and at least canvass the Premiers to see if they would agree to have aboriginal rights included at the first conference is a signal that there is no political will involved.

• (1140)

If I can become partisan for a few seconds, I would say that they are also not impressed when they see that the Conservative leader in Manitoba, who was elected leader of that Party for a number of years, now says that he does not know what self-government is all about. Before he was leader of the Party he was a cabinet Minister in the Conservative Government of Manitoba. Yet he does not know what self-government is all about. The last thing the aboriginal people of the country need is another ally of Premier Vander Zalm, Premier Getty, and Premier Devine. Those three by themselves have effectively prevented aboriginal rights from being included in the Constitution.

We are told that if we accept Meech Lake we will have Quebec on side as an ally with respect to some improvements to the definition of aboriginal rights. We do not need a fourth western Premier saying, "No, I do not understand it. It is something that is too complex and I do not want to have it in the Constitution at this time". The failure of the Government to take the political lead when it was possible this spring, when there was a mood in the country to try to resolve a great many problems that existed with our Constitution, may haunt us through 1989 and in the future.

In the few seconds that I have remaining there is one area in the motion with which I would like to deal. I would like to see some commitment from the Government. I have already talked about the problems with general education. However, I have not seen an adequate program for the post-secondary training of native people. There is some training done at the present time, but it is not nearly as comprehensive as it has to be. The number of native people being trained in apprenticeship programs is almost nil. The amount of affirmative action training for native people so that they can enter trades training and apprenticeship training is simply inadequate. In areas in which the provinces try to develop these programs there is a resistance from the Department of Indian Affairs to help pay for them. There is a growing lack of interest on the part of the Department of Employment and Immigration to fund pre-trades training and upgrading training for native people.

I spoke earlier about the fact that the educational system guarantees failure for many young native people. Yet later on in their lives when they decide they want to go back to school or want to go to a community college in order to qualify to build their own homes, their own sewer systems, their own water facilities or their own construction programs in their own communities, they are told, "I am sorry, we do not have a program for you". It is time that in all these areas the Government put in place a real program for our native people.

Mr. Speaker: Are there questions or comments? The Chair recognizes the Hon. Member for Broadview—Greenwood (Ms. McDonald).

Ms. McDonald: Mr. Speaker, I have a question for the Hon. Member. He made reference in his motion to water and sewage problems. He talked very briefly about these matters and the need for programs in these areas. Can the Hon. Member comment on the federal Government's federal water policy, which also refers to guidelines regarding water quality? These are merely guidelines, they are not legislated. In the water policy it states that the federal Government will continue to consider legislation to ensure the safety of drinking water within areas of federal jurisdiction. Of course, areas of federal jurisdiction include Indian reserves.

Does the Hon. Member see this as a helpful way for Government to stop considering the question but actually proceed to legislation so that we would have some real pressure to clean this matter up?

Has the Hon. Member heard the rumours within the federal Government that the reason we have not proceeded to legislation is that the Minister of Indian Affairs (Mr. McKnight) is afraid of being shown up? Knowing how bad water quality is on Indian reserves and how much money would be required to rectify the situation if there were real legislation with standards and not merely guidelines the federal Government would be required to act. Yet the Minister of Indian Affairs is holding up good legislation because he knows that the consequences would be very severe.

Mr. Murphy: Mr. Speaker, the Hon. Member for Broadview—Greenwood (Ms. McDonald) brings up a very good point. I wish that I had more time when making my speech to deal with water and sewage, because they are real problems in our communities. Each spring as native people go out to get their water, quite often from the nearest lake, there is salmonella poisoning and other bacterial problems which they face.

The Hon. Member is correct when she says that if we were to apply the laws of the land with regard to common safety and with regard to construction codes concerning our reserves, then there would be court case after court case in which the federal Government would be found in contempt of its own laws.

That is why I suspect the Minister of Indian Affairs as well as the Minister of National Health and Welfare (Mr. Epp) have always taken the attitude not to legislate what is required in terms of buildings, water and sewage on our reserves. It is not a matter of cruelty by the Government. It is not a matter of neglect. It is just that it does not know that the standards in which our native people are made to live are far beneath those that would be accepted in any other part of our population. It is amazing that the native population has stood it for so long.

If the same situation existed in our towns and cities one could bet that there would be a national outcry. *The Journal* would have a feature on it. One could bet that the appropriate Minister at the federal or provincial level would promise immediate legislation to solve the problems. However, there is the feeling that if this happens on a reserve then, well, it cannot be helped. It is true that it is very difficult to provide some of those facilities in remote communities. But some reserves are not that remote. Some are next door to white urban communities or right across the river from such communities and they are not receiving these services.

It is true that once provincial Governments are involved quite often services in terms of water, sewage, housing and protection of the law are in existence. There can be a Métis community under provincial jurisdiction, and not just in the Province of Manitoba, such as there is at Cross Lake, which has water and sewage and better housing, and across an imaginary line called the reserve line one finds that there are none of those things.

Mr. Heap: Mr. Speaker, I have listened with interest to the Hon. Member for Churchill (Mr. Murphy) who of course has a great background of experience in this matter of the condition of the native people of Canada and the manner in which they are neglected. I would like to ask him if he would say a little bit more about the matter of housing.

A few weeks ago at a committee meeting I heard that there has been no increase in the amount of money budgeted for native housing for four years. I understand that the same dollar amount is all that is available now as was available four years ago. Further, mortgages often run for 25 years, whereas

the house, because of construction faults under Canada Mortgage and Housing Corporation, often lasts only 15 years.

• (1150)

I was wondering if the Hon. Member could comment on the administration of the money provided or meant to be provided for housing as it falls between the Department of Indian Affairs and Canada Mortgage and Housing?

Mr. Murphy: I realize that I do not have time for a long reply on this answer, which is unfortunate. I would like to thank the Member who attended the Standing Committee on Government Operations to hear from the chiefs from Manitoba, including Patsy Turner, the head of the MKO, and also the Chief of the Grand Rapids Band.

At that meeting, the native leadership themselves spoke much more eloquently than I could about the problem. There is not enough money for native housing. There is also a strategy by the Government to take away responsibility for housing from the Department of Indian Affairs and to attempt to make CMHC pick up some of the backlog. This forces people on the reserves to throw up their hands with regard to the housing provided by the Department of Indian Affairs and state that they cannot live in those places because they are terrible. That forces those people, often who do not have an adequate income, to take housing from CMHC.

One of the major problems is that CMHC does not feel that it has a responsibility to provide reserve housing. Many of its rules, regulations, and rent requirements are designed for the cities of Toronto or Winnipeg and are quite appropriate in those communities. The 25-year mortgage is a good indication of this. A 25-year mortgage on a house that will last 40, 50, or 60 years in the City of Toronto is a fairly good investment for many people. But it is not a very good investment for someone who knows that, because of the other problems in the community, the nature of where the houses are built, and the lack of other infrastructure facilities, those houses will disappear or be run down in 10 or 15 years. There are no carpenters available, there are no federal government programs for maintenance, and as a result there is a built-in failure into the system that is in place.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, if I did not know better, I would almost think that, in bringing forward this motion today, the NDP is co-operating with the Liberal Party of Canada.

Mr. Speaker: That accusation has been made before.

Mr. Penner: I say that because this evening the Liberal Party opens a policy forum respecting aboriginal peoples and First Nations. I want to say to the Hon. Member for Churchill (Mr. Murphy) that in bringing forward this motion the timing is perfect. It fits in very well with the forum which begins this evening. I begin my remarks by thanking the Hon. Member most heartily for using one of the NDP Opposition Days on this important motion.

I also wish to say, Sir, that we will want to have another Opposition Day on the same subject next week after we have heard from aboriginal leaders and groups respecting current concerns, problems, issues, and the agenda for future action.

To a very significant extent the issue of aboriginal rights, of aboriginal title, questions of justice and equity for Canada's indigenous peoples is a question of human rights. In fact, I would consider it to be the oldest yet unresolved question of human rights in the world today.

I always listen with interest and concern in the House of Commons when Hon. Members raise matters of human rights violations around the world, and I always sympathize with them. For example, violations of rights in the Soviet Union, the massive violations against a majority by a vicious white minority in South Africa, violations in Chile, East Timor, Sri Lanka, and those violations against the Palestinians in the occupied West Bank and Gaza Strip of the Middle East. All of those are reprehensible and deserve our condemnation and our outrage. But right here on our very own doorstep is one of the major human rights issues in the world today. Yet we in Canada regularly in one way or another attempt to cover it up, disguise it, or gloss over it.

For example, not too long ago the Secretary of State for External Affairs (Mr. Clark) circulated to all Canadian embassies around the world the document which tried to give the impression that all is well with the Lubicon Lake Indian people. Yet we know that a way of life there has been destroyed. Disease, poverty, despair, and alcoholism haunt the community. Why would we have the world believe it to be otherwise? The Secretary of State for External Affairs said in the House that he is not responsible for everything that his officials write. But he refused to withdraw the document and he refused to issue an apology to the aboriginal people of Canada.

As well, when the northern Quebec Cree worked hard day and night to get through the Human Rights Commission of the United Nations certain resolutions that were important to the indigenous people of Canada and to the indigenous peoples of the world, Canadian officials were active in lobbying against those resolutions. I have information that they hinted to certain African nations that Canada's aid programs may be reduced; that they hinted to other African nations that our position on apartheid may be less firm if they supported the resolutions as they were drafted.

Here in the House of Commons the Secretary of State for External Affairs would have had us believe that what Canada wanted to do was to broaden and expand those resolutions. In fact, all of the evidence is to the contrary. What was attempted was to water down, postpone, and to soften the resolutions. Why? Because we fear that Canada's record regarding its native peoples may become revealed to the whole world.

When our aboriginal people needed strong support for the maintenance of the fur industry, the trapping of fur being a very important part of the subsistence economy for many

aboriginal people, support from the Canadian Government was, at best, gentle. Embassies and high commissions did not want to get mixed up with the animal rights activists, and they feared facing this lunatic fringe in British and European society. The British Government and the British Parliament have insulted Canada and its indigenous peoples by the act of imposing a labelling regulation on all garments that have been made from furs from trapped animals.

When it comes to foreign aid, which I support of course, we accept the notion that a percentage of the gross national product is the way to go. We never quite reached the United Nations goal, but we always talk about striving for it and aiming to reach it. Yet in Canada the concept of an economic rent to aboriginal people and First Nations, a percentage of the gross national product for housing, education, economic development, community infrastructure, and health, with all of those matters and the policy formulation related to them and the control of those matters being in the hands of aboriginal peoples themselves, all of this is considered to be far out. It is considered to be unacceptable, unworkable, and unachievable.

• (1200)

We continue with the present system of not many changes from year to year. The backlog of Indian housing persists. The program for funding Indian young people in post-secondary institutions is capped. This year, at least 1,000 have been denied access to higher education. Poverty, disease, and a high suicide rate continue to be issues in Indian communities.

Here is the message which the Grand Council of the Cree of northern Quebec delivered to the United Nations Human Rights Commission:

> As a group of all the inhabitants of Canada the indigenous peoples are the poorest, have the worst health, the least education, the highest unemployment, the most insufficient and dilapidated housing, the highest infant mortality, the lowest expectation of life.

Of all cabinet portfolios of government, probably the one considered to be the least desirable is that of Indian Affairs. Even National Revenue is preferable. Just imagine, Mr. Speaker, having to go home to your constituency and telling your supporters that the Government of the Prime Minister has just made you the nation's chief tax collector; I think that is one weekend you might want to stay here in Ottawa.

Indian Affairs is still at the bottom, and for very good reasons. Sam Rayburn, a past Speaker of the United States Congress, used to say to new Members of Congress: "If you want to get along here, you had better go along".

If a Minister of Indian Affairs wants to survive, he or she must go along, go along with departmental bureaucrats who basically dislike their clientele. He must go along with his cabinet colleagues who consider the Indian vote to be insignificant and, therefore, why bother putting money or new programs in that direction.

Occasionally in Canada we get a Minister who seems ready to listen, to learn, to understand. When the signal is given, the Indian people sigh another deep sigh and begin instructing the new Minister all over again. The patience of Canada's aboriginal peoples is simply enormous. When this Minister becomes sympathetic, or better still when he achieves a certain degree of empathy and wants to translate it into concrete action to produce positive results, he is quickly replaced.

The mandate of the most recent Minister of Indian Affairs (Mr. McKnight), as a way of illustration, is to dampen down the expectations, to follow a policy of containment, to control the situation as much as possible, to introduce expenditure reductions wherever they can be done, and to implement the so-called Buffalo Jump report from the Nielsen task force.

The same Minister is given another assignment, as if being Minister of Indian Affairs were not enough in itself. At the same time he is given another assignment which clearly conflicts with his constitutional obligations as Minister of Indian Affairs, his trust responsibilities. He is made Minister of the Western Diversification Program, which, by the way, has within it no component for the assistance of Indian people. This is the Minister who hands out $9.5 million to a Japanese pulp company and, when asked about it in the House of Commons, expresses surprise that the timber to be cut by this pulp company is on land claimed by the Lubicon Indian people. He says he does not know anything about that. It seems to be a rather careless way to handle taxpayers' money.

To help the Minister in the House of Commons, the Government appoints a junior Minister of Indian Affairs. He has not been able to describe even what his duties are. However, I think it is quite obvious that he is expected to be a mouthpiece for the Indian Affairs bureaucracy which, as I said earlier, deeply dislikes its clientele. If one wants to go beyond dislike to outright hostility, then one might become a senior bureaucrat in that Department.

Recently I spoke with a young man who had worked briefly in the Department of Indian Affairs. He said to me, with some puzzlement on his face: "You know, the Indian people actually believe that the Government owes them something". Well, if someone were to come into my house and shove me out into the backyard where I would end up living somewhere between the doghouse and the garbage tins, I too might feel that there was a debt obligation to me.

I know of Indian communities which are located in swamps, where the people have to move from house to house on boardwalks, and if a child were to fall off a boardwalk in the spring of the year, he would disappear forever in the swamp. I know of Indian communities located on flood plains, on the most infertile land imaginable—barren, isolated camps on the fringes of Canadian society. Yet, when these people hunt, when they fish, when they shoot game for their own survival, they are harassed by police and provincial game wardens. Often these people are surrounded by hundreds of thousands of unoccupied square miles of land, yet their land base can never be expanded.

The present Government has a policy—no new bands, no new reserves, unless there is a clear obligation imposed upon us. No new bands and no new reserves if the spending of any money is involved. I have a letter before me at the moment concerning the Blackwater Indian Band in northern Ontario. It has been told in a letter signed by the Minister that under current policy for new bands and new reserves the Department can only consider requests for band status where it can be clearly demonstrated that such action will not result in additional funding requirements.

There are Indian people who dwell in very beautiful valleys like the Stein Valley of British Columbia. Even there the exploiters of timber cannot be kept at bay. They must have it all.

What we have today in Canada regarding our aboriginal peoples is a crying shame. They have rights on paper in the Constitution, but it is impossible to get those rights off the paper and into the lives of the people where they are needed, where they live.

Four First Ministers' conferences have failed to give the aboriginal people the rights they are seeking. However, on just one weekend we were able to accommodate the constitutional goals of Quebec. I can never judge a society by deals made among the powerbrokers, by the trade-offs between a monarch and his barons. The way we judge society is how we treat the least powerful elements. I think the whole world ought to realize that this benevolent, this welfare state of Canada, where words like justice, equity and fairness drip off our tongues like hot honey, is among the worst violators of any code of human rights in existence in the world today. The sooner we face up to it, the sooner we cease the cover-up, the excuses, and the better off this nation will be.

• (1210)

The aboriginal people of Canada must have a fair share of our resources, a reasonable percentage of the gross national product, an adequate land base and genuine control of their own lives, real self-determination and not that nonsense being advocated by the Department of Indian Affairs called community-based government, which is nothing more than passing over a few administrative responsibilities to these people with all kinds of strings attached, holding back funds and replacing the old colonial Indian agent with a new yuppie bureaucrat called a monitor.

I support wholeheartedly the motion before the House today. I support any others like it from any source. I would like to end on a note of hope or optimism, but I cannot. I feel nothing but depression, despair and dismay over the entire situation. I do have one brief message for the Government, for this House of Commons and for the nation, that is, until justice is achieved in Canada for aboriginal peoples, this nation cannot and will not be whole. We can never escape our own sorry past, and never would I defend one day of that sorry past. Surely we can all try to fashion a better future for the first citizens of this country.

Mrs. Killens: Mr. Speaker, I want to congratulate my colleague, the Hon. Member for Cochrane—Superior (Mr. Penner). It is evident to all of us present in the House, and I am sure to everyone at home looking at television, that the Hon. Member spoke from his heart and from his head. I sometimes wonder how a person like this Member, so dedicated to the cause, can even sleep at night and stay to fight more and more. I can assure Members of this House that this fight is not only when the Member is in the House of Commons, but it goes on in caucus. He is heard loud and clear by all of us.

I want to congratulate him on behalf of the members of the Liberal Party and to thank him. I would like to give him some time to add more because I know he has a lot more to tell us.

Mr. Penner: Mr. Speaker, that is a marvellously open-ended question and I thank my colleague for it.

I would add one note which has to do with the concept of aboriginal title. My hon. friend, the Hon. Member from Skeena (Mr. Fulton) is in the House and deeply involved with the subject of aboriginal title. For the Government of Canada and for the Department of Justice to suggest that aboriginal title is no more than a lien, no more than encumbrance or a shadow on the Crown right, is not only insulting but downright stupid. Such a notion from my point of view is based on the outdated concept of the divine right of monarchs. If I read my history correctly, that concept was battled down during the so-called Liberal revolutions of 19th century Europe. It was swept aside then with utter disdain. For some reason, in Canada the concept lives on. It lives on here as a weapon that we continue to use against indigenous peoples to limit the extent of their claims.

In the Province of British Columbia they even consider that aboriginal title has been extinguished, and yet no one can say precisely when this happened or how, nor can they bring forward one single document that would indicate that at any point in history the extinguishment of that title took place. The Nisga people who are visiting Ottawa this week are even unable in that province to get a fishing agreement, although they have accepted, in general, terms proposed by the Government of Canada. The Government backed off on its own terms, because, as best I can conclude, it fears the powerful non-native fishing lobby in British Columbia.

When the Calder case was before the Supreme Court of Canada, the justices divided equally three for and three against whether extinguishment had taken place in British Columbia. All six of them admitted that aboriginal title under our understanding of British law had existed. Three said it was extinguished and three said it still exists today. I want to say that the Government of Canada and this House of Commons ought to insist that that matter go back to the Supreme Court for final decision. We cannot go on in this deadlocked situation

and leave the aboriginal people of British Columbia bearing the consequences of that deadlock.

Mr. Speaker: At the disposition of the House, I would hear the Hon. Member for a few comments. We are a little bit over time. If the House is prepared to agree?

Some Hon. Members: Agreed.

Mr. MacLellan: Mr. Speaker, I want to congratulate my colleague, the Hon. Member for Cochrane—Superior (Mr. Penner) on one of the finest speeches I have heard in this House in a long time. Too often we hear nothing but rhetoric and posturing. It is so nice to hear a speech that is meaningful, very much needed and, as my colleague before me said, the Member's comments came from both the heart and the head.

I was distressed by a great deal of what he had to say and unfortunately it is a sad commentary on the Government. I think the problem was exemplified when the Member spoke about the department not really appreciating its clientele and the Government not even being considerate enough to want the support of the native people, just purely writing them off. As Members of this House realize, the Government has again in its budget set up a slush fund this year as it did last year.

Does the Hon. Member for Cochrane—Superior have any idea of the utter urgency of the need that exists among the native people and the treatment they are getting in this country? They should expect so much more. This so-called emergency fund set up last year and again this year under the Budget, how much of that fund has been designated to the native people?

Mr. Penner: Mr. Speaker, as best we have been able to determine, that is those of us who sit on the Standing Committee on Aboriginal Affairs, the budget for Indian Affairs has remained constant, whereas government expenditures have gone up. Almost all departments have received increases in excess of the rate of inflation. The Indian Affairs portfolio has remained flat. It is my impression that the Government has determined that this is one area where effective expenditure control can be successful. I think they have come to this conclusion because we are dealing with a small minority. The cost of meeting the needs outlined in the speech by the Hon. Member for Churchill is enormous. It seems to me that this is an area where there ought to be increases. This is where we ought to be considering more expenditures.

• (1220)

I cannot help but be bothered when the Government talks about wanting to build nuclear-powered submarines to maintain our sovereignty in the North when that sovereignty has been well established by the Inuit people. Why would we want to spend billions on these war toys when we should be investing our money in the first citizens of this country, who delivered so much and made the present prosperity of Canada really possible, if you want to analyse the facts objectively and fairly?

Mr. Stan Schellenberger (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I am pleased to rise and comment on this motion. Before I begin, I cannot let the Hon. Member for Cochrane—Superior's (Mr. Penner) last words stand on the record. The facts are entirely the opposite. The budget for Indian and Inuit affairs this year has increased by some 9.7 per cent, almost double the average increase for other departments across the board. That amounts to $181 million more, and the federal budget is now over $2 billion in this field. I am not saying that it is totally adequate, but to say that it has remained the same is just not the way I read the Department's Estimates for the year.

The Hon. Member also said that employees of the Department of Indian and Northern Affairs are not sympathetic to their clientele. I know that each of the Departments concerned can probably find some individuals who fit that category. However, by and large that is just not the case. I would use Mr. Dennis Wallace, the Regional Director in Alberta, as an example. Unfortunately, he just accepted a position in another department. The bands in that province are very unhappy about his leaving. They have called me in great numbers over the last couple of days quite concerned about his move. They came to know him well and realized that he has worked diligently and hard on their problems.

The Hon. Member for Cochrane—Superior and I go back a long way in our fight for better conditions for the aboriginal people of Canada. We have worked together for over 16 years on the Standing Committee on Indian and Northern Affairs as it was called, now the Standing Committee on Aboriginal Affairs and Northern Development. When we began, what he said in his speech today was certainly the case. However, to say that after all those years of hard work nothing has really changed surprises me a great deal.

As Chairman of the committee and as a member of the Liberal Government he had successes in making changes in policy and conditions. For example, when we noticed the manner in which European countries were dealing with our fur industry, particularly our aboriginal peoples, we worked together and produced a report that changed the attitude of the departments, the Government, and produced funding to allow the aboriginal people to go to Europe to defend their rights. As well, we have an excellent position in the British Museum, where people can see the manner in which our aboriginal people trap fur. There is much more to do. Hopefully this policy which resulted from the report we produced will continue.

I have made speeches in this House, in opposition and in government, with respect to the conditions of aboriginal people in Canada compared to ordinary Canadians. I can find examples similar to those brought forward by the Hon. Member for Churchill (Mr. Murphy) and the Hon. Member for Cochrane—Superior. I had intended to talk a little bit about that. However, because of the gloomy picture painted here today I want to take a different tack. It is important for

us to show that Indian leaders in this country have not been sitting back anticipating that Government is going to solve all their problems. I know for a fact that I have not. By looking at the picture over the last 10 or even 20 years we can see substantial changes in the political and cultural direction in the native community as well as in Canadian society at large.

Canadians are now far more willing to open their hearts to the problems faced by aboriginal Canadians. Budgets have changed to the point that the fastest growing budget in the Government is the Indian and Northern Affairs budget. I will go through these case by case because I think it is important.

Dramatic changes have taken place in housing conditions, education, and in the manner in which the Indian culture is preserved. What I found a little disturbing in the previous two speeches is the lack of balance. I say that not because I am speaking on behalf of the Government but because I believe there is a more balanced picture that can be put before the Canadian people.

I do not believe that the Indian or aboriginal people of this country feel that Government is going to provide them with all their wants, needs and desires. We now have leaders who are going to tell us what they think is important for them in the next decade or into the next century. They do not believe they are totally dependent upon the federal Government. They do not believe the Government is going to provide their shelter and the manner in which it is built. They do not believe the Government is going to provide employment, develop the human and native communities and resources in this country, or provide them with self-government. Absolutely not.

That became very evident when we went through the four national conferences where Indian, Métis and Inuit people communicated directly with the federal and provincial Governments on what they think ought to be in the Constitution with respect to native self-government and native rights. Anyone who knows native people in this country knows that they are not sitting back and waiting for the Government to provide the answers. Indians, Inuit and Métis are more and more taking their future into their own hands. Indian political leaders and ordinary community members are building self-government. The right to self-government is every Canadian's birthright. Unfortunately, it is going to take a little longer for that to be put in place by the Indian people, but they are no exception. It will come and it will be satisfactory to the aboriginal people. I am convinced of that.

Indian entrepreneurs are building businesses and creating employment across this country. We all know that self-government has to have an economic base. You cannot be dependent upon others. That is happening now. Recently I spoke in Alberta as the federal Government assisted new native ventures in that province, contributing upwards of $9 million to the Indian Association of Alberta. They put before us that night numerous examples of successful ventures which have already taken place. They look forward to a great number more as this assistance is being made available. We see examples of this across the country from the Sumas Clay Products in Vancouver, which has just opened, to Econobois in Huron Village. We are also seeing native elders taking a larger role again in society as the youth look to them to rebuild the culture, pride and dignity which was so evident in so many communities. The loss of that has been the greatest problem for the youth, resulting in alcoholism, higher death rates, and so on.

• (1230)

Health is more than pills and hospitals. We talked about drinking water. I have not heard that in any way any of our Ministers are holding up legislation with regard to safe drinking water, but we all know that the problem will not be solved by legislation. The important part of health, as I see it, is sound lifestyles.

As an example, in Alkali Lake in British Columbia the chief, council, and elders, viewing a tremendous alcohol problem, took upon themselves the responsibility to solve the problem in their own community. It was not Government or a federal nurse that came in and solved the problem. The community itself said that it had a problem and took the decisions and had the courage to deal with the problem. The results are significant and have been shown to us by the CBC.

Let us not insult aboriginal Canadians by portraying them as passive wards of the state, because they are not. That era of total dependence is behind us. It has taken a long time and there is much more to be done, but I believe and am thankful that it is passing into history.

Nevertheless, the fact remains that Government does have an important role to play in native development. As I have said, the social indicators are still there as enunciated by the two previous speakers. Indians generally do face worse living conditions than other Canadians. As an example, life expectancy for male and female Indians is about 10 years shorter than the Canadian average. Death by suicide is about three times more common among Indians than it is in the general Canadian population. Death from injury and poisoning is four times more common. The employment rate of on-reserve Indians, that is, the percentage of the population 15 years and older which is employed, is around 50 per cent of that of other Canadians. Those facts are undeniable. They represent unfinished business, as all of us in this House acknowledge.

However, we cannot continue to put before the House a litany of negativism. We should take heart in the stunning progress that has occurred over the past generation, and particularly in the last 10 years. I have lived through and witnessed that. The historical perspective is there, as we all know. We have heard it in this House and it bears repeating. However, there has been progress.

Since 1960, Canadian society has opened up to Indian people politically, economically, and socially. Indian leaders have acted with initiative and determination. All Canadians saw that when they viewed the constitutional conferences.

Although they failed actually to write something into the Constitution, their greatest success was in showing all in Canada the capacity and capability of our aboriginal leaders.

Federal government programs and budgets which have benefited aboriginal people have been expanding rapidly and the result has been a generation of advance. The Member for Churchill said that it is frustrating to deal with the Department of Indian Affairs, and it is. As we all go through our ridings, particularly those in the northern parts of the country, we can see the need for change. We come to Ottawa and ask that the changes be made. However, we all recognize that Parliament only votes so much money. Even though the budget of the Department of Indian Affairs is the most rapidly increasing of all budgets, it is still not adequate for all the conditions which we can point out.

Even so, this year we opened six new schools in Manitoba at a construction cost of $55 million. There is a submission before the Treasury Board for $88 million to provide water and sewage programs for five northern flood bands in Manitoba. In 1986-87 the Department of Indian Affairs spent $300 million in actual expenditures in Manitoba. That will increase by $8.3 million this year.

Even with all of those expenditures we will not meet all the needs. However, that does not mean that no advances are taking place. Communities are in fact finally getting the schools and the sewers and water for which they have waited so long.

Until 1961 Indians in Canada did not even have the right to vote in federal elections. Today, only a little over 20 years later, they participate in Canadian political life at all levels. They have served in this House of Commons and in the Senate. They are appointed as our representatives and are, by and large, running their own programs. They have participated directly in four constitutional conferences, as we pointed out ought to be the case in our report on Indian self-government.

In 1960, most Indian communities were still directed by Indian agents. It is hard to believe that it was such a short time ago. These were officials appointed by the federal Government. Today those agents are long gone, they have disappeared. Today band councils chosen directly by their communities administer more than 64 per cent of the funding provided by the federal Government, and that percentage is increasing as rapidly as is possible, as rapidly as the chiefs and councils are willing to accept new responsibilities.

Some bands, including the Cree and Naskapi in northern Quebec and the Sechelt in British Columbia, have sustained their own self-government structures, they are outside the Indian Act. I hope that many others come forward with similar demands to the federal Government. Several more are in the final stages of negotiation.

In the 1960s, Indians had little role in their education. Many students were sent to church-run schools. They were taken away from their homes, and their language and culture were discouraged. They were cut off from their families and communities. Today there are 243 band-managed schools. The best examples of Indian people taking control of their education are in Manitoba.

There was criticism by the Member for Churchill (Mr. Murphy) about Government not responding to the demands of Indian students. Although until recent times less than a few hundred made it to post-secondary schools, today some 13,000 Indian students are attending post-secondary schools. Many others are being assisted by training programs of the Government to go to the technical schools. Enrollment since 1981 has increased by over 225 per cent. We are now spending $110 million to assist, in non-returnable grants, Indian students wishing to go to post secondary school. Even with that amount of money some 500 have to wait a year before they can get assistance.

• (1240)

Some 30 per cent of the current housing stock has been built in the last five years alone, and some 35 per cent of that renovated.

The health conditions which we discussed earlier have improved. The situation is much better. I could go on and deal with economic development, but you are pointing out that my time has expired, Mr. Speaker. I just want to conclude by saying that while we can all make the kinds of speeches like those before mine, I believe there has been significant change on the part of Government, aboriginal leadership and Canadians as a whole. I look forward to this increasing in the future.

Mr. Murphy: Mr. Speaker, the Parliamentary Secretary indicated that the speeches which preceded him lacked balance. We did not lack balance in our speeches, we only shared the frustration of native constituents and others across the country.

An example of the cause of that frustration was the speech given by the Parliamentary Secretary. It is the same type of speech we heard from the Liberals and their Parliamentary Secretaries when they were in government.

I regret that with two Ministers responsible for Indian Affairs, neither could rearrange his schedule in such a way as to address this issue. I recognize that they have busy schedules, but this is an important matter. Opposition Members made arrangements to speak. The Government received proper notice, and I think an arrangement could have been made.

Today, the Parliamentary Secretary gave us the example of a water and sewage project for five communities in my riding that are affected by a flood agreement. I heard that same commitment in 1984 by the then Liberal Government. It is another example of the frustration that we experience. We are hearing the same promise for the same communities in 1988. They are tired of waiting and tired of hearing politicians make that same promise.

The Parliamentary Secretary said that natives want to control their own future and not just rely on Government. I think the speeches from the Opposition made it clear that we understand that.

One way for that to happen in Manitoba is for the federal Government to agree finally to sign the land entitlement treaty. It is an agreement to which the native chiefs have agreed, to which the Province of Manitoba has agreed, and one that the federal Government was negotiating and had agreed to until March, last year. As the Parliamentary Secretary knows, after the tripartite negotiations had taken place and the parties had come to an agreement, the Minister of Indian Affairs and Northern Development (Mr. McKnight) raised many new questions. I have a copy of that letter from the Minister. It essentially scraps the whole agreement and challenges each and every premise of it.

Land entitlement is fundamental to economic development of the reserves in northern Manitoba. If they do not have that resource they cannot develop their communities as they want. For one year the bands in Manitoba have been trying to get the federal Government to sign this agreement. It has refused to do so. It has refused meetings. There has been no action by the federal Government, other than to say it might discuss it again.

It is that type of unacceptable behaviour which explains the frustration and the type of problem that native people in Manitoba are facing at this time. I want the Parliamentary Secretary to get up and tell me what change took place between January, 1986, and March, 1986, that resulted in the federal Government refusing to sign that land entitlement agreement.

Mr. Schellenberger: Mr. Speaker, the Hon. Member for Churchill knows that $18.9 million has already been advanced for system design construction of water systems in that area of this province. He is not correct in saying that there has been no action, because that money has already gone out. Let us make sure we have those facts straight.

The same is true for the Member who commented on the Lubicon situation. He said that the Government is basically not doing everything that is being asked by the Lubicon people. I should note that this is the first Government that has decided their claim is valid and has been trying to settle it. It has been negotiating in an attempt to have a reserve delineated in the province. The Government has taken action on long-standing problems.

The Hon. Member stated that the Ministers should be in the House. I know that they wanted to be here and they will be speaking in the debate. We heard of this motion last night at six o'clock. They must attend cabinet meetings that are also important for the aboriginal people of Canada. Today there are on the docket for Cabinet some very important decisions that will deal with aboriginal people. It was impossible for those Ministers to extract themselves from those important meetings, after waiting several weeks to get those items on the schedule. I do not think we should leave the impression that they feel this debate is not important enough for them to be here.

I know that I am supposed to be fully briefed on all subjects, but as far as land entitlement is concerned I do not feel adequately briefed about the reasons that there has not been movement in that area. I know that further negotiations have been requested, but it would not be fair to ask me for details at this time because I do not have the full information on that area.

Mr. Penner: Mr. Speaker, I certainly agree with the Hon. Member for Churchill (Mr. Murphy) that past administrations do not have much to be proud of when it comes to achievements towards aboriginal rights or solving problems for aboriginal people. I would only expand the list to include the Barrett administration in British Columbia and the Schreyer administration in Manitoba.

Let me return to the Parliamentary Secretary and ask him why he took time in his speech to erect this strawman of passive recipients. I do not remember anything that the Hon. Member for Churchill or I said that suggested that aboriginal people wanted to be passive recipients or wards of the Government. It is quite the contrary.

Does the Parliamentary Secretary not agree that the concept of economic rent and all that is entailed in that involves a direct transfer of payments to be controlled by First Nation Governments themselves, that they become the policy setters and become those who establish their own priorities?

• (1250)

Specifically, I have four questions I want to ask the Parliamentary Secretary. First, does he believe that the capping on post-secondary education assistance will be dropped? Can he tell us that by the time this Parliament comes to an end the current housing backlog will be reduced by even one house? He made reference to the Lubicon Band. Is he convinced that the Lubicon Band will be granted additional land beyond the 25 square miles agreed to in the 1940s when the population was much smaller? Finally, does the Parliamentary Secretary believe that the freeze on the creation of new bands and reserves will be lifted?

Mr. Schellenberger: Mr. Speaker, that is a long list of questions and I will deal with them one by one. I believe $110 million is now being spent for post-secondary education. Some 500 students who applied last year were unable to go to university directly in the year they applied. They will be added to the list this year as first in line. It would be nice in a budget, as I say, that is increasing at the most rapid rate of any budget in the Parliament of Canada, to add additional funds so that everyone can go to school on a grant, non-repayable. That would be nice. I know everyone here would like to see that. However, we have all these other demands which are being put

forward by Members today. The Minister has to make decisions on how he will split the budget up.

There is no decision to make on some of these items, for example, welfare assistance for Indian people. While the amount of money will increase for post-secondary education this year, I do not believe at this time that the "cap", so called, will be removed. Many Canadians cannot go to university in exactly the same year they wish. Many must go out and work for a few years to get sufficient funds to go school. In this case, a very small number of aboriginal people were not able to get funding this year, but they are put first in line on the list for the following year.

With respect to the current housing backlog, we all know that the birth rate in reserves across this country is the highest in the land. Because of Section 31, there are people asking to go back on the reserves and are asking for houses as well, increasing even more the demand for housing. In fact, the budget for Section 31 will be increasing by 116 per cent this year in order to try to meet that need.

I cannot say to the Hon. Member that we will reduce the backlog. What I did point out in my speech is that since 1981, I believe, some 30 per cent of the housing on reserves is new housing, and some 35 per cent of the housing since 1981 has been reconditioned. Budgets have increased. I think two or three years ago we increased the budget by some $50 million. That has remained in the budget in the last number of years. Again, work has been done to attempt to deal with this very serious problem.

As far as the Lubicon band is concerned, the Member himself mentioned the difficulties we have with the Constitution and provincial lands being set aside. The Government, as I understand its process, is asking for, without prejudice, a reserve to be set aside. Then negotiations will take place for additional land, or services, depending on how the negotiations go. I think that is a reasonable position to put forward. The federal Government is taking the lead finally in this area.

While discussions do not always go in the manner we wish between the band, the province and the federal Government, at least progress is being made. People are talking and negotiating. In the last month or so an advancement has been put forward and it looks as though it might be a fruitful advance.

Mr. Deputy Speaker: The Hon. Member's time has expired. Does the Hon. Member have unanimous consent for one more minute to complete his answer?

Some Hon. Members: Agreed.

Mr. Schellenberger: The policy of the Government will not change on new bands. I am not speaking for the Minister but on my own behalf. This question can be put to him as well. However, given the restraints of the Indian Affairs budget, a budget which is growing very rapidly, the Minister felt that a policy had to be put forward regarding the creation of new bands. It is not fair to aboriginal society and to Canada as a whole to say that these bands can be created without any financial basis. So the policy, as I understand it, will remain as it is.

Mr. Deputy Speaker: It is now three minutes to one o'clock. The Chair intends to recognize the Hon. Member for Skeena (Mr. Fulton), but the Chair would leave the option to the Hon. Member to start his speech after Question Period.

Mr. Fulton: I will begin, Mr. Speaker.

Mr. Deputy Speaker: Very well.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to participate in this debate on the motion of the Hon. Member for Churchill (Mr. Murphy) seconded by the Hon. Member for the Yukon (Ms. McLaughlin). I think it only appropriate to begin by reading Part II, Section 35(1) of Canada's Constitution with respect to the rights of the aboriginal peoples of Canada. It reads:

> The existing aboriginal and treaty rights of the aboriginal peoples of Canada are hereby recognized and affirmed.

I think I can demonstrate in the moments provided to me that the Government of Canada is not living up to the Constitution of this country.

If one is to take the opportunity, as I have, to look at the budget of aboriginal affairs over the last 10 years, or even over the last four years, one can see the essential increase in the elements. The Parliamentary Secretary talked about an increase greater than that of other departments in the Government. The reason there is any increase at all is in relation to a ruling of the United Nations not by any sudden burst of interest by the Prime Minister (Mr. Mulroney) or by his Cabinet. It was the Lovelace ruling on Section 12(1)(b) with respect to sexual discrimination that has brought about the essential increase in the budget.

One can go through the essential elements of the budget and demonstrate that, which I intend to do this afternoon. It is clear beyond reasonable doubt that the Government of Canada is intentionally implementing Buffalo Jump in the 1980s, the famous document by the former Deputy Prime Minister, the Hon. Erik Nielsen from the Yukon. He and Mr. Collison developed a document on how to bring about the forced assimilation of the aboriginal people of Canada. The constitutional route has been closed off. Funding has been closed off for resource development impact studies. Funding for litigation has been closed off, except at the appeal level.

I intend to demonstrate this afternoon when I carry on with my remarks why all the people of Canada should be concerned regardless of their political persuasion. I think we can demonstrate, as the Hon. Member for Churchill and the Hon. Member for Cochrane—Superior (Mr. Penner) have done, and the Hon. Member for the Yukon will do this afternoon, and adequately and properly sustain an argument, that the Government of Canada is presently launched on a process of forced assimilation. Certainly, if one speaks to the aboriginal

leaders, it can only be described as bare-faced cultural genocide. I intend, with your agreement, Mr. Speaker, to carry on the bulk of my remarks immediately following Question Period at three o'clock.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

THE ARMENIAN GENOCIDE

ATTEMPT TO REMOVE SUBJECT FROM SCHOOL CURRICULUM

Mr. Sergio Marchi (York West): Mr. Speaker, while the Conservative Government is busy tarnishing the reputation of the Canadian Sikh community thanks to the Secretary of State for External Affairs (Mr. Clark), the Minister's Department is now extending this dangerous game to Canadians of Armenian descent.

An Assistant Deputy Minister from the Minister's Department has written to the Ottawa Board of Education requesting that the subject of the Armenian genocide not be part of the school curriculum because, in the Government's eyes, the genocide did not occur, and the course would impact negatively on the Government of Turkey. Not only did the Government break its campaign promise of July 23, 1984, of recognizing and condemning the Armenian genocide before the United Nations, but the Conservatives are attempting to rewrite history as well.

In addition, like the Sikh issue, the Government will go to the ends of the earth to please foreign Governments, even if that means hurting and demeaning Canadian citizens here at home.

I call upon the Minister and the Government to retract and immediately to recall this letter to the Ottawa Board of Education, to refrain from attempting to hide certain human rights violations while championing others, and immediately to stop being coerced into writing foreign policy which may please the world and foreign Governments but which is completely unacceptable for domestic consumption here at home.

This is no longer an isolated incident, it is a—

Mr. Speaker: I am sorry, the Hon. Member's time has expired.

[*Translation*]

SOCIAL SECURITY

CONCERNS OF PERSONS AGED BETWEEN 40 AND 55 YEARS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I had a meeting with people in the 40-55-year age group who are very disappointed in the Conservative Government because they would have liked the Government to start thinking about their needs and concerns.

They would have liked the Government to introduce genuine pension reforms, provide for broader participation in private pension plans, establish a form of indexation for private pension plans, enable three million women working in the home in Canada to contribute to the Quebec Pension Plan and the Canada Pension Plan, provide for increased portability of private pension plans, maintain early retirement programs, and eliminate the discrimination against early retirees that consists in cutting off their unemployment insurance benefits.

I have almost finished, Mr. Speaker. I want to give these people the assurance that on April 15 and 16, at the Liberal Party's convention in Quebec City, we intend to discuss these issues, and on March 26 as well, at the Montreal East Seminar.

* * *

[*English*]

ARCTIC WINTER GAMES

PARTICIPATION OF ATHLETES—GOVERNMENT SUPPORT

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the Biannual Arctic Winter Games this year are being successfully held in Fairbanks, Alaska. A thousand young athletes from the Northwest Territories, the Yukon, Alaska, and a contingent from northern Alberta are competing for the Golden Ulus. In the past northern Quebec has participated. We look forward to Greenland joining in to give the Games an even more international flavour.

This showcase of northern sport, culture, and international friendship touches on nearly everyone who lives in the North. It is a continuing success and fully worthy of the $250,000 contribution by the Government of Canada.

* * *

HIGHWAYS

ALASKA HIGHWAY—NEED FOR IMPROVED MAINTENANCE

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I would like to alert the House to a tragedy that may be taking place as we speak. This week there are several Conservative Members of Parliament in the Yukon trying to sell the trade deal. If that

is not tragedy enough, I certainly hope that they are not travelling by car or we may hear that some of our esteemed colleagues are languishing in a three-foot pothole on the Alaska Highway.

The Alaska Highway, a federal highway, is the only transportation link to the south. Since 1982 there has been a 42 per cent cut in maintenance and operating expenditures. Staff has been cut by half.

The Minister of Northern Development (Mr. McKnight) said that the North must become more self-sufficient if we are to gain constitutional development. At the same time the Government is cutting back on major essential services such as this highway.

The pleas of the Yukon Government, local municipalities, local business, and hundreds of residents who live along this highway have gone unheeded by the Government.

I call on the Minister of Public Works (Mr. McInnes), the Minister of Transportation (Mr. Crosbie), and the Minister of Northern Development to restore funding now before new meaning is given to the term "spring breakup".

* * *

CRIMINAL CODE

WILFUL SPREAD OF AIDS DISEASE—CALL FOR AMENDMENT

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, I would like to offer my congratulations to the Ottawa Police Force on its decision to release the photograph of a man who donated AIDS contaminated blood.

AIDS is a terrible disease which must be dealt with by harsh measures, if we are to protect all Canadians. Any individual who would knowingly put others at risk loses the right to privacy.

Photographs should be released, nation-wide if necessary. Photographs will act as a warning to the public that these individuals are a health hazard.

I do not propose to invade the privacy of those carrying the AIDS antibody. Only those individuals who knowingly spread this disease, lacking thought for the innocent, should be subject to this kind of scrutiny.

In addition, I would like to urge the Government to amend the Criminal Code to deal with the wilful spread of AIDS. The common nuisance charge currently being used does not adequately address this issue.

• (1405)

THE ARMENIAN GENOCIDE

ATTEMPT TO REMOVE SUBJECT FROM SCHOOL CURRICULUM

Hon. Bob Kaplan (York Centre): Mr. Speaker, I wish to speak out against the new policy of the Department of External Affairs of denying the Armenian genocide, and requesting the Ottawa Board of Education to deny it also. It is reported that the Board of Education is being asked to withdraw student course materials about the Armenian genocide. The reasons given by the Department of External Affairs are because of a request from Turkey that it gives Turkey a bad image, and because of millions of dollars of possible Canadian trade with Turkey.

This is a despicable Canadian policy which is beneath contempt in a free and democratic country like ours. The Armenian genocide is a tragic historical fact, whether or not the Governments of Turkey and Canada like it. Our Government should be protecting Canadians and Canadian institutions like the Ottawa Board of Education from the pressures of foreign Governments. Lately, our Government has made itself the enforcer of foreign Governments like Turkey, and India which wants to constrain the Sikh community groups and is getting help from the Department of External Affairs to do so.

I urge the Prime Minister (Mr. Mulroney) to get a Secretary of State for External Affairs who values free speech in Canada and who respects multiculturalism.

* * *

[*Translation*]

SOCIAL CONSCIENCE

AWARENESS OF ACCESS FOR THE HANDICAPPED WEEK

Mr. Guy St. Julien (Abitibi): Mr. Speaker, the Secretary of State (Mr. Crombie) is involved in preparations for the National Access Awareness Week for disabled persons, from May 29 to June 4, 1988, which is intended to draw the public's attention to the needs of the disabled.

The objective is to create "Five Star" communities where five basic services, namely, accommodation, employment, transportation, recreation and education will be accessible to everyone.

Each community will assess its ability to provide all members of the community with access to these services and will be encouraged to make improvements before next year's Week in order to get a better score.

During the same Week, the Secretary of State will sponsor a seminar on the concerns of disabled women.

Mr. Speaker, municipal authorities must be properly prepared for this event.

[*English*]

CONSUMER AFFAIRS

IRRADIATION OF FOOD—PRACTICE BANNED BY UNITED KINGDOM

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, the House will recall that the Government rejected the recommendations of the Standing Committee on Consumer and Corporate Affairs to stop the irradiation of food in Canada. The committee feared abuse of this technology since there is no way of identifying whether or not food has or has not been irradiated, or to know the dosage.

Recently the United Kingdom decided it is necessary to ban irradiated foods. What stirred British politicians to action? Freshwater shrimp which had been imported to the United Kingdom and cold stored for two months was sent to the Netherlands to be irradiated to freshen it for reintroduction to the British market.

Such activities are illegal and against the guidelines established by WHO, FAO, and IAEA, but there is no way of monitoring or testing to see if the guidelines have been met or breached. Surely the safest route is to refrain from the use of irradiation for food processing until the questions raised by the Standing Committee on Consumer and Corporate Affairs are answered.

* * *

CORRECTIONS CANADA

PEPINO REPORT ON HALF-WAY HOUSES

Mr. Jim Jepson (London East): Mr. Speaker, in light of the current controversy over half-way houses in this country, I wish to commend the Solicitor General (Mr. Kelleher) for his response to the Pepino Report. The Minister has already taken action, and has also accepted the 32 recommendations made by the inquiry board, but still much has to be done to ensure the protection of society as well as proper transition for half-way house residents.

This type of leadership is what Canadians desire, especially in the area of corrections. The Solicitor General is acting with justice and compassion on an issue that is very sensitive today. I encourage the Minister to make sure that public safety will continue to be foremost in his actions.

As we continue to search for right answers and just solutions, we must pursue action that is beneficial to all Canadians. The Solicitor General has heard the pleas of Canadians and is responding.

[*Translation*]

THE LATE YVETTE ROUSSEAU

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, it was with great sorrow that we learned of the decease of Senator Yvette Rousseau last night. I would like to recall, for the benefit of all Members, the considerable accomplishments of Mrs. Rousseau, not only as a Senator, but also in her family and professional life. She raised eight children. She focussed all her energies on defending women's rights, especially within the labour confederations. She chaired the Canadian Advisory Council on the Status of Women and published a book on the circumstances of women who worked the night shift in factories. She was dedicated to defending the status of women in Canada and to the emancipation of her sex.

Speaking on behalf of my colleagues in Quebec and of all Members of this House, I wish to extend our sincere condolences to Mrs. Rousseau's family, to her children.

* * *

• (1410)

[*English*]

FEDERAL-PROVINCIAL RELATIONS

FEDERAL ACTIONS TO ASSIST BRITISH COLUMBIA

Mrs. Mary Collins (Capilano): Mr. Speaker, it is not unusual in Canada for provincial Governments to grumble about how much money or how many contracts they receive from the federal Government. It has become kind of a national sport and, as we have seen this week, British Columbia is no exception.

However, I would ask the people of British Columbia to consider that the good news this Government has brought for B.C. cannot be measured in grants or contracts alone, although those have been ample, but in actions such as keeping our West Coast ports open, eliminating the container clause, promoting an international banking centre, free trade, increased foreign investment, and record lumber and paper exports.

Perhaps upon reflection Premier Vander Zalm might like to reconfirm what he said to our Prime Minister (Mr. Mulroney) last fall at the First Ministers' meeting: "You have shown a greater desire to strive for fairness and equality than any of your predecessors".

That is the hallmark of this Government—to treat all regions with fairness and all Canadians as first-class.

S. O. 21

MERCHANT MARINE

DEEP-SEA FLEET PROPOSAL

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, as another federal election draws near, the Bobbsey Twins of Bay Street can be seen at play again. Their latest game concerns encouragement of a Canadian deep-sea fleet.

This is actually a very old game. When successive Liberal Governments had failed to take action on a Canadian deep-sea fleet, the last Liberal Minister of Transport decided to appoint a task force to give it another kick. He took care, however, to load the task force with people concerned about cheap shipping rates.

The last Liberal Minister also appointed the task force in April, 1984, more than four years after the previous election. The task force, quite naturally, did not report until June, 1985.

The present Conservative Minister of Transport (Mr. Crosbie) has not waited quite as long. His Government is only 3.5 years old. He is excited about the possibility of tax exemptions for those owning and working Canadian-owned and crewed vessels. However, shipping is a service industry and he seeks the reaction of the shippers.

The Minister of Transport has called for a report from the industry and the government Department within six months. Do you think, Mr. Speaker, that a general election will occur before the report is released? Truly, *plus ça change, plus c'est la même chose!*

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

AGRICULTURE—ACCEPTANCE OF CAIRNS GROUP FORMULA URGED

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, I was pleased to accompany Canada's Grains Minister to the recent meeting of the Cairns Group in Argentina.

Canada is a leader in this group of countries which has placed agriculture at the top of the agenda in the latest GATT round. It is crucial to maintain the momentum to end trade distorting behaviour in farming. The European Economic Community, the United States, and Japan must be persuaded to accept the Cairns Group formula for restoring order to agricultural trade.

Over the past seven years world-wide agricultural subsidies have increased from $100 billion to approximately $300 billion. As subsidies rise, more of Canada's farm families are placed in jeopardy.

The Government will continue to pursue the agricultural trade issue in the present multilateral trade negotiations. We believe that the future of prairie farmers is too important for us ever to stop pushing.

* * *

CANADA POST CORPORATION

PRIVATIZATION OF POST OFFICE IN MORRIN, ALTA.

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, today I should like to read to the House a letter which I received from a concerned citizen of Morrin, Alberta. It reads:

> At a recent public meeting held in the Morrin Community Hall on February 11, Canada Post officials advised us that our local post office is going to be privatized because of the upcoming retirement of our postmaster.
>
> We were led to believe from the Canada Post officials at our meeting that it costs more for door to door service in the city than it does—to have our rural post office.

Not only is Canada Post closing rural post offices but it is also not delivering the mail door to door. The people in rural Canada believed that it was closing the rural post offices because it was delivering mail in the cities, but it is not.

• (1415)

Why is Canada Post pitting Canadians against each other, rural Canadians against urban Canadians?

Canada Post is not living up to its mandate of delivering mail, giving good service. With labour management relations the way they are, how can Canada Post deliver the mail? Is the Minister going to do something once and for all?

* * *

AGRICULTURE

PRINCE EDWARD ISLAND—POTATO STABILIZATION PROGRAM

Mr. George Henderson (Egmont): Mr. Speaker, when the Minister of Agriculture (Mr. Wise) made his calculations on the provincial share of stabilization payments for the 1985 potato crop for Prince Edward Islanders, he excluded the 104,703 metric tonnes of potatoes put through the diversion program for Prince Edward Island and New Brunswick potatoes. This is wrong.

These calculations should have been made on the total amount of potato production from Prince Edward Island, which would have been 613,502 metric tonnes. The Minister, by using those figures, has shortchanged the farmers of Prince Edward Island $800,000. In other words, the per acre payment under the stabilization program for the 1985 crop year will now be paid out at $56.13 an acre. If the proper calculations had been made, Prince Edward Island farmers should receive something in the order of $70 an acre. I do not think the situation is fair, and I hope that the Minister of Agriculture

will reconsider the stabilization program for 1985 and get on with the job of getting the cheques out and correcting the inequity.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

CENTRAL AMERICA—HOSTILITIES ON NICARAGUA-HONDURAS BORDER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question today for the Secretary of State for External Affairs.

In recent days and weeks we have had news of trouble all over the world. We have had the senseless tragic slaying at the funeral in Belfast, the problem of the control of Panama, the conflict in the Middle East, and the oppression in South Africa.

I want to ask the Minister specifically today about the situation as he sees it in Central America. I know that the Minister met last evening with members of the special House committee who desire to advance, as they can, the peace process in Central America. Does the Minister have any further information that he feels he can share today with Members of the House? Would he give us the Government's current information about the state of hostilities on the Nicaragua-Honduras border? What action has the Government of Canada taken to help reduce the level of those hostilities?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I appreciate particularly the very careful tone in which that question was put, and I will provide all of the information that is available to me.

I think it would be agreed by all in this House that developments recently in Central America are regrettable and are not at all helpful to the peace process that Canada supports and which an all-Party committee of the House will be visiting the region to help advance.

It is not clear what has happened on the border between Honduras and Nicaragua. It is not clear whether there were troop incursions of the kind that had first been reported or whether there had been the equally serious threat of significant shelling. What is clear is that those events and the response to them are moving us back into a military situation and away from the peace process.

Our very able Ambassador, Stan Gooch, was in Managua yesterday. He was in Tegucigalpa, Honduras, today. We are seeking information from him, and I will certainly report to the Right Hon. Leader of the Opposition and to other interested Members of the House as soon as we have it.

REPORTED DEPLOYMENT OF UNITED STATES TROOPS TO HONDURAS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I thank the Secretary of State for External Affairs for that answer, and I would like to pursue it a bit.

Has the Canadian Government been in touch with the Government of Nicaragua, the Government of Honduras and, indeed, the Government of the United States? What position does our Government take with respect to the deployment today of American troops to Honduras? Would the Minister advise us whether he or the Prime Minister have been in touch with President Arias of Costa Rica or any other of the leading advocates of the Central American peace plan? Would he advise us—he mentioned his Ambassador—what instructions he has given to his special Ambassador to Central America as to what action he should undertake?

• (1420)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we have been in touch with the three Governments mentioned, those of Nicaragua, Honduras, and the U.S., seeking information on this matter. We do not have the kind of information that could lead us to make a representation at this stage or indeed give instructions to Ambassador Gorham, who has special responsibilities in Latin America. We are seeking that information and certainly intend to use again all of Canada's influence to encourage the peace process.

We have not been in touch recently with President Arias, although that is a very useful suggestion and may well be a contact that would be quite helpful to the process for Canada to make quickly.

[*Translation*]

ARRIVAL OF AMERICAN MILITARY FORCES IN HONDURAS—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister did not mention the reaction of the Canadian Government to the arrival of American troops in Honduras.

Does the Minister intend to raise the matter at the United Nations in a constructive attempt to support a reduction in military operations between Honduras and Nicaragua, and in Central America? Does the Minister agree that we would be well advised to ask for international monitoring, in no way related to the various charges and counter-charges with respect to the situation along the border between Honduras and Nicaragua, and could Canada play a leading and constructive role as member of the international monitoring team?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we need more accurate information on the current situation before I can respond to the specific questions of the Right Hon. the Leader of the Opposition. We might be well advised to raise the matter at the United Nations.

As to the reaction of the American Government, all I can say for the time being is that the situation in Central America is not encouraging. I think this is a step backward, a step towards military confrontation, something which might undermine the peace process. Right now I am not in a position to point a finger at anyone because we are not aware of the latest developments in the Honduras-Nicaragua border zone.

With respect to monitoring and a possible role for Canada, this is a suggestion we are entertaining. The potential problem is the strength of the Arias plan, and that is rooted in the region. It has been proposed by the five countries . . .

Mr. Turner (Vancouver Quadra): If we are invited?

Mr. Clark (Yellowhead): If we are invited Canada will be ready to respond. But under the circumstances I would suggest that the best thing we can do is refrain from taking any kind of action which might make the situation even more complicated than it is already.

* * *

[*English*]

THE ARMENIAN GENOCIDE

ATTEMPT TO EXCLUDE SUBJECT FROM SCHOOL CURRICULUM

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is also directed to the Secretary of State for External Affairs. A few weeks ago the Minister wrote a letter condemning Canadian Sikh organizations in order to preserve the Government's good relations with India. Yesterday a senior official in the Department of External Affairs stated in a letter to the Ottawa Board of Education that the Board is wrong to call the documented massacre of hundreds of thousands of Armenians by the Ottoman Empire genocide. The extraordinary reason given was that this would have "a negative impact on Canada-Turkish relations", and that it would "jeopardize millions of dollars" in trade contracts."

I ask the Minister on behalf of Canadians of Armenian origin, is it the policy of the Government to ignore the documented historical reality of the Armenian genocide in order to preserve good trading relations with Turkey?

• (1425)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the short and direct answer to that question is no. The Hon. Member, inadvertently I am sure, misconstrued and misrepresented the letter which I sent to various Premiers with regard to the activities of three organizations representing a tiny minority of the Sikh population of Canada.

With regard to the letter to which he referred, I first saw this letter shortly after noon today after my attention had been drawn to news reports in *The Ottawa Citizen*. The letter should not have been sent. This is a world in which people make mistakes, and it was a mistake to send this letter.

If there are to be representations on behalf of an embassy in Canada regarding its particular interests to a Canadian body, those representations should be made directly by the embassy. The Department of External Affairs should not have been involved.

[*Translation*]

ASSISTANT DEPUTY MINISTER'S GAFFE

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I am not going to question the Minister's statement that he heard about the letter only a few moments ago.

However, I would like to ask the Minister, since we are not talking about some third secretary but about an assistant-deputy minister responsible for the Common Market, if I am not mistaken, is the Minister prepared to rise in his seat and apologize on behalf of the Government to the Armenian community in Canada for the kind of treatment it received from a senior official, especially when we realize that in 1985, Canada voted on and supported a resolution to recognize the Armenian genocide as such, and when we realized that the Conservative Party promised in its election platform to give public recognition of this fact—

Is the Minister prepared, here and now, to apologize to the Armenian community in Canada for the action taken by a senior official in his Government?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as far as the basic issue is concerned, the position of the Government of Canada is well known and it has been stated in this House.

As for the letter, I understand the concern of the Armenian community in Canada. I regret the letter was sent. It was a mistake. Now, officials and Members can make mistakes, but this is something I deeply regret.

* * *

[*English*]

EXTERNAL AFFAIRS

CENTRAL AMERICA—NICARAGUA—UNITED STATES SUPPORT FOR CONTRA FORCES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Secretary of State for External Affairs which follows up on questions which the Minister was answering earlier.

As the Secretary of State for External Affairs will know, Nobel Peace Prize winner President Arias said recently, with regard to American military support for the Contras, that this is "the main problem and not the solution" to the problems in the area.

Today an American politician said that recent action by the Reagan administration is "an irresponsible involvement of American troops in the conflict in Central America and an unwise escalation of tension in that region".

Does the Secretary of State for External Affairs agree with both of those opinions?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, part of the strength of the Arias plan has been the very significant personal leadership that has been shown by President Arias and his determination to be even-handed and frank in his references to the activities not only of the United States but also the influence of the Soviet Union in that region.

It is the policy and the practice of the Government, and I believe this is a matter on which there is all-Party agreement, actively to encourage President Arias and his Government.

With regard to the American action, as I indicated earlier, we do not have available to us sufficient information as to what is happening along the border between Nicaragua and Honduras to be able to cast a judgment of the kind apparently made by a public figure in the United States.

ACTION TAKEN BY UNITED STATES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I commend the Secretary of State for External Affairs in general for his approach to the problems which have emerged in the region. However, with respect, I would ask him to be a little more specific in the present circumstance.

Whatever the precise nature of the border problem, there have been attacks and violation of international law by Honduras from Contras coming into Nicaragua. There has, in turn, been reciprocal, if you like, chasing of Contra troops back over the border. There have been a number of incidents.

However, what we are now talking about is superpower involvement, whether by the Soviet Union in this region at times in the past, or elsewhere. Today we are talking about an escalation of superpower involvement by the United States.

• (1430)

Will the Minister be clear with the House about that? Does he think that this recent action by the United States is counterproductive and a step toward further military approaches to a solution rather than peaceful ones? If he does believe that, as I am inclined to think he does, will he say so publicly?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, to be as clear as I can on the basis of information I have available to me now, what is and has been happening in recent days in Central America is highly counterproductive. It runs against the success of the Arias Plan which is the best possibility for peace in the region.

I cannot judge, on the basis of the information available to me at this stage, the nature or the motivation of the action by the United States Government. I do not think anyone in this country can do so on the basis of the information we have available now.

There has been a change in the information coming to us regarding what has been occurring on the border. If we have information which would lead us to be specifically critical of anyone, including the United States, I will certainly be specifically critical of any Government that is taking an unusual role in creating problems for the Arias Peace Plan in that region.

Mr. Broadbent: Regrettably, one has to say that the usual role of the Reagan administration, to make a distinction between that and the administrations of others in the region, has been to support military action. The whole world knows that President Reagan recently lost an important vote in the U.S. Congress where the American Congress made it clear that it does not favour military intervention.

NICARAGUA—CALL FOR ON-SITE INSPECTION OF EVENTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, earlier today I was in contact with the Costa Rican Embassy and the Nicaraguan Embassy. The Nicaraguans have categorically denied the American description of what has taken place at the border. Furthermore, the President of Nicaragua today called for an on-site inspection under the auspices of the Secretary General of the United Nations and the President of the OAS. Will the Secretary of State for External Affairs join with the President of Nicaragua in an appeal for this impartial, independent assessment of what is actually taking place there?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, all I can say at this stage is that I will certainly seriously consider that.

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CLOTHING INDUSTRY

DUTY REMISSION ASSISTANCE—GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Minister of Finance. Yesterday, in response to a question I raised concerning the position taken by the clothing industry of Canada that they had been given an offer of a $200 million relief package to compensate for the damage that would be done by the proposed trade agreement with the United States, the Minister denied that any such discussions had taken place.

I have a copy of minutes which include as participants at the meeting, the Deputy Minister of Trade, senior officials from the Department of Finance and the Department of Regional Industrial Expansion, and in which the industrial leaders point

out that the industry would suffer job losses from 35,000 to 50,000 unless remedial action is taken.

The minutes go on to say that the duty remission program commitment from Ministers has been $100 million for the apparel industry, $50 million to the apparel industry for garments, and $50 million to the textile industry. I suggest that is fairly strong evidence that the Government has been making a specific offer to the industry to provide for compensation for the major losses it will suffer as a result of the trade agreement. Why is the Government reneging on this commitment?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there has been no reneging on any commitment. What we have indicated to the industries, both the clothing and textile industries, is that we are prepared to discuss with them a package of initiatives that will help them adjust to the free trade environment. The Hon. Member should know that a substantial duty remission scheme for the clothing industry has the effect of bringing in low cost products to Canada which are competitive with the Canadian textile industry. It is for that reason that there has to be a balance between the various sectors of the apparel industry and the textile industry so that an action that might help one segment of the industry does not undermine the competitive position of another segment of the industry.

That is the balance we have been trying to find in the consultations that we have been having with the various segments of the industry. As I have indicated in the past, we are coming close to a resolution of this and I believe we should be able to make an announcement on it shortly.

EFFECT OF CANADA-UNITED STATES FREE TRADE AGREEMENT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, it is the Government of Canada that has put both the textile and clothing industries in the dilemma they face by signing an agreement with the United States that puts them at a disadvantage. It is up to the Government to find a solution based upon a minimum commitment.

Yesterday two garment manufacturers in the city of Winnipeg, Gemini and Tan Jay, both said they would be forced to close their plants and move south to the United States because of the trade agreement unless they get the minimum assistance of the $200 million package that was originally offered, as these minutes clearly prove. Will the Government stick to its compensation package that will amount to a minimum of $200 million so that those plants in the city of Winnipeg will not have to close down and the workers be without jobs?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, first, I think there are some great opportunities for both those companies as a result of the free trade agreement. I believe those two gentlemen would acknowledge that they have some very good opportunities to take advantage of as that market opens up into the United States.

They are businessmen and obviously are speaking from a certain degree of self interest because a very high duty remission scheme can help their as two companies. At the same time as we help them we do not want to undermine the textile industry which is represented by a number of colleagues in this House. There are textile manufacturers in Winnipeg as well. There are textile manufacturers in Montreal, Toronto, and Vancouver. The Right Hon. Leader of the Opposition should be concerned about this.

We do not want to undermine the textile industry of this country.

Mr. Axworthy: You signed the agreement. You caused the problem.

Mr. Wilson (Etobicoke Centre): The Hon. Member says that I signed the agreement. I did sign the agreement. Not only did I not cause a problem, I created great opportunities. This Government has created great opportunities for that industry.

* * *

TRADE

SUBSIDIZATION OF AMERICAN WHEAT EXPORTS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, we learned today that the United States Department of Agriculture forecasts that soon 60 per cent of American wheat exports will be subsidized and that the American share of the world market will have gone from 30 per cent to 41 per cent. Much of this will have been accomplished by big sales to the Soviet Union and China, traditional Canadian markets, through the use of the Export Enhancement Subsidy Program.

My question is directed to the Secretary of State for External Affairs, who told me and other Members of the House in October, 1987, that in his view the American use of this Export Enhancement Subsidy Program was inconsistent with the spirit of the free trade agreement. What is the Government prepared to do, given the increasingly effective use of this program by the Americans to undermine Canadian sales in traditional Canadian markets? What is it prepared to do about this for the sake of Canadian farmers?

Mr. Lee Clark (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, let me make two or three points in responding to the question. First, the figures to which the Hon. Member referred are a recommendation which was made by the subcommittee, not a decision by American officials. Second, the implications for Canada are very clear, and demonstrate the continuing importance of moving toward freer liberal trade agreements amongst all nations of the world, including Canada and the United States.

Third, and most important, the Hon. Member should recognize the tremendous success of the Canadian Wheat Board which, in the face of the Export Enhancement Program, has succeeded in increasing Canadian exports from 19 per cent to 23 per cent during the course of the last year.

• (1440)

REQUEST FOR GOVERNMENT ACTION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I would hope the Secretary of State for External Affairs would see his way clear to respond on behalf of the Government of Canada. After all, it was he who said in this House that it was inconsistent with the trade agreement.

The Canadian Wheat Board may well be doing the good job the Member says it is, but the Canadian Wheat Board should not have to work in spite of efforts by Americans to do what they are doing with the Export Enhancement Subsidy Program. How long is the Canadian Government going to put up with this kind of action by the Americans? Are we just going to continue to roll over and play dead? Or is the Secretary of State for External Affairs going to get up and say something on behalf of Canada and Canadian farmers?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I could not be more eloquent or more effective than my colleague, the Hon. Member for Brandon—Souris, who has put on the record the context in which these matters have to be seen.

The Member knows the complexity of the problem. He also knows, because we have discussed it, that senior Ministers in the United States administration are as unhappy about this program as we are. He will know that it was mounted in the context of a conflict between the European Community and the United States, in which Canada is a potential principal victim. He will also know that, as a result of representations made by this Government and others, most recently by the Prime Minister when he met with Jacques Delors, the President of the European Commission, there has at last been some movement back in some of the subsidy programs of the European Community.

That does not provide us with the immediate relief we need now, but, as my colleague, the Member for Brandon—Souris, (Mr. Clark), has just indicated, the actions and effectiveness of the Canadian Wheat Board mean that Canada is continuing to sell effectively and aggressively abroad while we are making progress in trying to lessen the consequences of the conflict between the European Community and the United States on agriculture.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF BRITISH MINISTER OF AGRICULTURE, FISHERIES AND FOOD

Mr. Speaker: I wish to bring to Members' attention the presence in the gallery of the Right Honourable John MacGregor, Member of Parliament, British Minister of Agriculture, Fisheries and Food.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF BRITISH COLUMBIA MINISTER OF ADVANCED EDUCATION AND JOB TRAINING

Mr. Speaker: I wish to draw to Members' attention and, of course, to the attention of members of the Government, the presence in the gallery of the Honourable Stanley Hagen, the Minister of Advanced Education and Job Training of the Province of British Columbia.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Algoma.

Mr. Foster: Perhaps, Mr. Speaker, we could get better answers from the Minister of Agriculture of the United Kingdom than we are getting from this Government opposite.

Some Hon. Members: Oh, oh!

Some Hon. Members: Bring him down.

Mr. Speaker: Perhaps I may advise the visiting right honourable gentleman that he will not be asked any questions. Will the Hon. Member put his question?

Mr. Foster: We are going to invite the gentleman to our committee on agriculture later this afternoon.

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TRADE

UNITED STATES SUBSIDIZED WHEAT EXPORTS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The report out of Washington clearly says that the United States is going to use the Export Enhancement Program for 60 per cent of its sales to countries such as Russia, China, Algeria and other countries which are our traditional customers.

The most disturbing part of this whole report is that 40 per cent of all the export enhancement increase has taken place since last October, since the free trade deal was initialled.

Does the Minister believe that this action by the United States, and the plan for the upcoming year, are a clear violation of the free trade agreement, the standstill provision, and the provision which says that Canada's interests will be taken into account in using the enhancement program?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think that is in effect the same question that was asked earlier. My answer to that question, replying to it as it was precisely put, is no. But we very much regret the use of the Export Enhancement Program. We share that regret with American officials and we believe that it is going to be important for us to make progress in the GATT, progress in bilateral negotiations and elsewhere to solve this problem.

I should take the opportunity to say, since his presence has been drawn to our attention, that among the people who have been most effective in trying to work for a more rational approach to these questions is the Right Hon. Secretary of State for Agriculture of the United Kingdom.

Some Hon. Members: Hear, hear!

EFFECT ON CANADIAN FARMERS

Mr. Maurice Foster (Algoma): Mr. Speaker, I just wonder how the Minister expects Canadian farmers to survive. Last year our grain prices were reduced by 25 per cent and this crop year they are reduced by 19 per cent. We now see the United States breaking the agreement, providing massive subsidies. It increased its share of the world grain market by 10 per cent this year. How does the Minister believe Canadian farmers can survive with these continuous decreases in prices, with the United States pouring billions of dollars into subsidies for its exports and that kind of program not available to our farmers?

Mr. Lee Clark (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, it is a well known fact in Canada that the which Canadian grain farmers, particularly western grain farmers, have faced these last two or three years is the worst since the 1930s. What is fortunate is that Canadian grain farmers have been governed at the same time they faced this crisis by a Government which has done more for Canadian agriculture than any other Government in Canadian history.

As the Hon. Member knows, even though he may shake his head to the contrary, our financial assistance to Canadian farmers increased by some 400 per cent during the four years we were in power. As a result of that, and because of some of the good things that are happening elsewhere in the world, I think we have a good future.

* * *

[*Translation*]

CULTURE

MINISTER'S POSITION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is directed to the Minister of Communications who is responsible for culture. The problems at the National Arts Centre and at Telefilm Canada indicate that there are at least two consequences of patronage in cultural agencies: first, the cultural agencies are not properly managed and, second, nobody springs to the defence of the artists. I want to ask the Minister what she intends to do to correct this situation.

[*English*]

Hon. Flora MacDonald (Minister of Communications): First, Mr. Speaker, I should tell the Hon. Member that I do not expect the cultural agencies to take an example from his appointment as critic for the New Democratic Party because, first he was in as a critic, then he was out as a critic; then he was in as a critic, and then he was out again as a critic.

Some Hon. Members: Oh, oh!

Miss MacDonald: Now he is back in again.

Mr. Broadbent: That is your Government, Flora. You were in and out and in, and you will be out again.

An Hon. Member: You will never be in.

Mr. Broadbent: What do you want to bet?

Mr. Speaker: The Hon. Member for Vancouver—Kingsway.

Mr. Waddell: At least it's better than Jean Sirois.

GOVERNMENT SUPPORT FOR ARTISTS

Mr. Ian Waddell (Vancouver—Kingsway): I want to ask the Minister a supplementary question and I would ask her to take the question seriously. I know she has been kissing the Blarney Stone a bit today but I want her to take my question seriously.

Will she not agree with me that the cultural agencies have to do two things, first to manage themselves well and, second, to act as an advocate for the Canadian artists *vis-à-vis* the Government of Canada? Would she agree with that? And would she say to Canadian artists that we are going to put an end to these outrageous patronage appointments to the cultural agencies in Canada?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I absolutely agree with the need for representation of artists and their interests in the cultural agencies. I am sure the Hon. Member would want to acknowledge that in the last number of months, there have been several such appointments. Fifty-four per cent of them have gone to women. They have included such people as Shirley Thompson, who is now the Director of the National Gallery of Canada, Mary Pratt from Newfoundland, Edith Butler from the Maritimes, Martha Henry to the Canada Council. I can give the Member any number of these examples and can also assure him that future appointments will be of that calibre.

• (1450)

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DELEGATION FROM THAILAND LED BY DEPUTY INDUSTRY MINISTER

Mr. Speaker: I wish to bring to the attention of Hon. Members the presence in the gallery of a Thai delegation led by the Deputy Industry Minister, Korn Dabbaransi.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

TARIFFS

DUTY REMISSION—SEARCH FOR COMPROMISE—GOVERNMENT POSITION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister of Finance. In connection with the Canada-U.S. Free Trade Agreement, manufacturers in the textile and apparel industry and Government officials have been meeting and consulting regularly for over two months to find an acceptable solution for duty remission on imported fabrics.

Could the Minister find a reasonable compromise, especially since in on a trip in September 1985, a group consisting of Members from both sides of the House observed that nine manufacturers out of ten already exported very substantial amounts to the U.S.? Such a compromise would enable the industry to continue to prosper and not lose 1,500 jobs annually as it did under the Liberals.

Hon. Michael Wilson (Minister of Finance): Yes, Mr. Speaker, officials from my Department and I have had meetings with representatives of the textile and apparel industries to try and reach a compromise on the subject of duty remission and other aspects, as part of a package to strengthen the competitive position of both industries. I said it was very important to have a balance between the parties to the compromise, in order to encourage both the textile and the apparel industries and help them enter the new world of free trade with the United States.

[*English*]

Mr. Speaker: I would remind Hon. Members that there is not that much time left in Question Period. I would ask that questions and answers be shorter.

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

REQUEST THAT GOVERNMENT HELP SOUTH-WEST AREA OF MONTREAL

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, Montreal's economic situation has come to a standstill under this Conservative Goverment. After the Government's failure to act on the situation in Montreal East, its failure to set up a genuine banking centre as it promised, it failed to act on the space agency, the development of the Vieux-Port in Montreal, the Soligaz project and the shipyards, now Montreal's southwest area is in trouble.

My question to the Minister of State (Immigration) is as follows: The Emergency Committee for Southwest Montreal wants the federal Government to become financially and actively involved in a committee to revive the economy of Southwest Montreal. Is the Minister prepared to give a positive answer to this request, and when does he intend to make an announcement in this respect?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, I see quite clearly that the renewal process has already started. When we look at the unemployment rate in Montreal in February 1988, it was 8.8 per cent, a drop of over 4 per cent. The number of jobs created in February 1988 in Montreal was 132,000.

Mr. Speaker: The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart), on a supplementary, but a very short one, please.

DISTRIBUTION OF CONTRACTS—REQUEST THAT CRITERIA BE MADE KNOWN

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my supplementary concerns another issue: the space agency. Yesterday, Mayor Doré of Montreal said he would not budge and that he could not accept . . . if the Minister of State (Science and Technology) could sit down?

Yesterday, the Mayor of Montreal said he would not budge and that it was unacceptable that Montreal should be penalized on the issue of the space agency. The Mayor of Montreal would like to know what criteria the Minister decided to apply to the division of contracts connected with the space agency's programs, since he allocated only 35 per cent to the province of Quebec, when he knows perfectly well that 80 per cent of the research is done in Quebec? What were the criteria for making this decision?

[*English*]

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, nothing is carved in stone. The industrial consortia that will be acting as the contractors for the space program has been given targets that are designed to develop some national distribution for some of the research and development work associated with the space program.

What we have taken is the traditional work that has gone to the various regions such as Ontario and Québec. We have asked that any incremental or new funding go to these regions in the same proportion, but that some new work be used to develop some critical mass in the Atlantic provinces and in western Canada as well.

* * *

ENERGY

PRINCE EDWARD ISLAND—PRICE OF ELECTRICITY

Mr. Mel Gass (Malpeque): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Last month Maritime Electric included in its monthly electrical bills to customers from one end of P.E.I. to the other a notice advising them that because of proposed deregulation of the electrical energy industry the price of electricity to P.E.I. may go up substantially. As a result of this notice and the added convenience of a mail-in card to Members of Parliament, I have received thousands of cards informing me that Islanders do not want their electric rates to go up. I do not want electric rates to go up either.

My question to the Minister is this. What are the plans for deregulation? Can the Minister assure myself and all Islanders that deregulation will not unfairly affect electrical rates to Prince Edward Islanders?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member's information is correct. The Government is reviewing its policy on electric power in Canada, and a few weeks from now, I will be in a position to submit a proposal to Cabinet.

The Government is well aware of the problems encountered by the people of Prince Edward Island, and my Government colleagues have kept me very well informed.

We are very sympathetic to their plight and are seeking solutions that would enable the people of Prince Edward Island to have rates comparable to those prevailing elsewhere.

I firmly believe that co-operation between the provinces and the people responsible for the various power systems would be very helpful to both the Government and the people of Prince Edward Island in their search for appropriate solutions.

[*English*]

LABOUR RELATIONS

CANADIAN PACIFIC EMPLOYEES—APPLICATION OF BILL C-85

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Deputy Prime Minister. He knows that in August of last year we passed Bill C-85, an Act to order people back to work on the railways. In that legislation in order to ensure that people went back to work the Government incorporated very stiff fines for those people. Those people went back to work.

Now Canadian Pacific is saying that if the people honour any other picket lines with regard to other railway unions they will take the workers to court and use Bill C-85 as a bludgeon against them. These people are being doubly jeopardized by Bill C-85. They obeyed the law when it was passed and now Canadian Pacific is using it against them again. I would like the Minister to explain why they are put in this position.

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, as the Hon. Member is aware, the Minister of Labour is consulting with provincial colleagues at this time. The question he puts forward is an important one, and I will take it as notice.

I also suggest to the Hon. Member that what Canadian Pacific says, as he is well aware, sometimes is not totally accurate when it comes to being enforced.

Mr. Speaker: The Hon. Member for Churchill on a short supplementary question, please.

REQUEST FOR GOVERNMENT STATEMENT

Mr. Rod Murphy (Churchill): Mr. Speaker, I am encouraged by the Minister's thoughts on Canadian Pacific. However, the Minister has been away all week and I want to ask this question.

The point is that at this time the workers are being threatened. I would like a definite government statement, and I would like to know when we can have it.

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Government cannot give a specific statement at this time. The Minister of Labour has been away this week, as the Hon. Member is aware, consulting with provincial colleagues on a program for older worker adjustment, something which I know the Hon. Member and his Party support.

[*Translation*]

CANADA POST CORPORATION

REQUEST THAT COMMUNITIES OF 2,000 OR MORE RECEIVE HOME MAIL DELIVERY

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, in June 1985, the Government and Canada Post decided to stop home mail delivery to communities of 2,000 households or more. A group of 174 communities has been affected by this unfortunate decision which is costing $360 million not $1.3 billion as the Minister keeps repeating daily.

My question is directed to whomever would like to answer, since the Minister responsible for Canada Post is not in the House. Is the Government prepared to examine other prospects for increasing the revenue of Canada Post without increasing the price of stamps, so as to provide home mail delivery to communities of 2,000 households or more?

• (1500)

[*English*]

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Minister responsible for Canada Post has previously replied to the Hon. Member and other colleagues on that very same question. I do question the economics that the Hon. Member is using to come to this conclusion.

Mr. Speaker: I regret this but given the time I will stay with single questions. The Hon. Member for Vancouver East.

* * *

ABORTION

ALBERTA—RETENTION OF THERAPEUTIC ABORTION COMMITTEES IN RURAL HOSPITALS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of Health. The Alberta Minister of Health is allowing rural hospitals to retain therapeutic abortion committees, despite the Supreme Court ruling that these are unconstitutional. Since to continue federal funding under those circumstances is to share in the violation of the Charter, what does the Minister intend to do to require compliance?

Would he also look into the matter of preventive programs that Alberta has taken off the medicare plan, such as IUDs, tubal ligations, and vasectomies, and see what can be done about having those available in order to reduce the need for abortions?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I believe that I have previously answered the second half of that question in the House. It goes back to the scope of the Canada Health Act and the function of the province to conduct and manage its health care system. That is the first point that I wish to make.

The second point is that the delivery of health care services is a provincial responsibility. The manner in which provinces will deliver abortion services in regard to the Supreme Court decision, I think all of us recognize is still evolving.

On the matter of the Supreme Court decision, as I have said on other issues, the Government of Canada obviously expects the provinces to obey the law. As has been stated before, I think that is only as far as I can go until the federal Government comes in with other legislation.

Mr. Speaker: This will be the last question. The Hon. Member for Etobicoke North.

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NATIONAL ARTS CENTRE

RESIGNATION OF CHAIRMAN

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, my question is for the Minister of Communications. The Minister knows that the National Arts Centre has been seeking a new director unsuccessfully now for two years. With yesterday's resignation of the chairman of the board, Mr. Boutin, the problem has been compounded. It is important that the new director and the chairman of the board work effectively together.

I know the Minister shares this concern with myself and other Members of the House, and I wonder if the Minister can tell us the timeframe under which she is operating to put a new chairperson in place?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I would like to acknowledge publicly the work and the commitment of Pierre Boutin to the National Arts Centre and to the performing arts in general during his term as chairperson of the National Arts Centre.

I would like to assure the Hon. Member and all Hon. Members that the announcement of a new chairperson for the National Arts Centre will be made very shortly. The first priority of that person will be to see that an executive director is put in place. I am sure that the Member recognizes that, by law, that responsibility rests with the board itself. It is not a Governor in Council appointment.

Business of the House

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask the Deputy Government House Leader to give the usual statement on government business.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, tomorrow will be an allotted day, as will Monday, March 21. On Tuesday, March 22, we intend to call for second reading resumption of debate on Bill C-93. I am going to ask in an informal manner whether the other Parties would consider an extension of hours that evening to allow us to complete debate on that very important Bill. I am saying that because we have arranged Wednesday as a day in which we would consider certain legislation respecting Indian affairs. Thursday will be the last allotted day in this trimester. On Friday, there is assorted legislation that we would like to put through. If it is not possible to finish Bill C-93 on Tuesday, we would call it again on Friday.

Mr. Rod Murphy (Churchill): Mr. Speaker, this is the first I have heard of the Government's offer of extended hours on Tuesday for consideration of Bill C-93. Obviously, I will have to consult with our critics to see what the status of the Bill is. I will get back to the Deputy Government House Leader.

Hon. Herb Gray (Windsor West): Mr. Speaker, I will also have to take counsel with respect to the Government's proposal on Bill C-93, and I will get back to the Deputy Government House Leader.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—ABORIGINAL PEOPLE'S RIGHTS

The House resumed consideration of the motion of Mr. Murphy:

That this House condemns the Government for its failure to address the needs of the aboriginal people of Canada, including:

(a) the right to self-government,

(b) the provision of adequate shelter, health care and educational facilities,

(c) basic water and sewage treatment facilities,

(d) adequate employment and training opportunities, and

(e) the financial resources to fully develop the economic and human resources of aboriginal communities.

Mr. Speaker: When the House rose at one o'clock p.m. the Hon. Member for Skeena had the floor.

Mr. Jim Fulton (Skeena): Mr. Speaker, we are fortunate in today's debate to have with us in the gallery a very notorious Canadian and British Columbian, Mr. Frank Calder, who served with distinction as the first Indian to be elected to a legislature in Canada. He was elected in 1949 and served with distinction for more than 30 years.

Some Hon. Members: Hear, hear!

Mr. Fulton: Many Canadians will know that Mr. Calder brought before the Supreme Court of Canada the first major landmark decision on aboriginal title, which resulted in a tie decision before the Supreme Court of Canada in 1972.

I wish to spend a moment talking about part of the history of British Columbia which brought about the remarkable Calder case and a reversal of federal government movement in terms of comprehensive claims.

As some Members of the House will know, the first contact between the Nisga people, most aboriginal people in British Columbia, and the non-native global population was when Captain Vancouver came with his expedition to Observatory Inlet and Salmon Cove and contacted the Nisga at that time.

In looking back, it is interesting to note that in 1858 the Hudson's Bay Company conducted for the colony of British Columbia what could be described as a census of some sort. They could very easily come up with the number of non-native people in British Columbia; there were 400 whites in Victoria at the time. They estimated that there were 63,000 Indians in British Columbia. Recently historians have pointed out that there may well have been in the neighbourhood of 400,000 Indian people living on the coast of British Columbia and in the Pacific northwest prior to contact. Many people who are here today will know that it was as a result of smallpox that more than 90 per cent of the aboriginal people in British Columbia were decimated during the 1860s and 1870s.

In British Columbia the aboriginal population enormously outnumbered the non-native population according to Hudson's Bay Company records, of 63,000 to 400 only one century ago, and we found that that was the case throughout most of Canada. It was through very important alliances that were formed that this country came into being and successfully fought the War of 1812 and other major sovereign battles in which this nation was involved over the last several centuries.

The shoe is now on the other foot. There are now 25 million Canadians. One need only look at the documents tabled by the Minister of Indian Affairs and Northern Development (Mr. McKnight) to see how things have changed from an enormous native population and important military and economic alliances for the fur trade and for the forest and mining industries. We now find the non-native population enormously outnumbering the native population.

According to government records, as of December, 1986, there were 387,829 status Indian and Inuit in Canada. During 1986, 10,844 more were reinstated as a result of pressure brought on Canada by the United Nations via the Lovelace case to change Section 12(1)(b) of the Indian Act, which had sexually discriminated against Indian women for a better part of the century. Between June, 1985 and May, 1987, 24,708

individuals were reinstated, but only $25 million was provided, about $1,000 per person, to assist those who were returning to their home communities. The Government estimated that some 56,000 would be reinstated, but we know that more than 100,000 have applied so far and only half have been properly reinstated.

Earlier today we heard the Minister's Parliamentary Secretary say that if one looks at the social indicators of the plight of the aboriginal people of Canada, every Canadian must shudder to realize that aboriginal people face the highest infant mortality rate in Canada; the lowest life expectancy in Canada, some 10 years less than any other minority; the highest rate of unemployment, the highest rate of suicide, and the lowest standard of living, to name but a few of the social indicators.

There are 592 bands in Canada ranging from populations as small as 2 to an excess of 11,000 members. There are 2,263 separate parcels of land with a burgeoning population of whom a full two-thirds are under the age of 25 years.

• (1510)

The Government of Canada has launched an attack which we have not seen since the White Paper of Jean Chrétien back in 1971. This Government has gone further, as we learned with the Buffalo Jump of the 1980s, the document prepared by Erik Nielsen in his task force study on how to assimilate and eliminate aboriginal people in Canada.

We have now seen the Prime Minister close off the constitutional route. In my view he intentionally failed. We can discover how far the Government is prepared to go in blocking constitutional evolution and devolution by simply looking at the Estimates which were tabled just a few weeks ago by the Minister. If one looks under policy and the Constitution, we find a cut of 30 per cent in funds under Section 2-31 of the Estimates. Staff has been cut in that area by two-thirds since 1986. On self-government negotiations there has been a cut of 25 per cent, and the staff has been cut by 50 per cent since last year.

These kinds of cuts are absolutely indefensible. When I started speaking just before one o'clock I tried to remind Hon. Members and Canadians generally what was in Canada's Constitution Act, 1982, a very recent document which indicated: "The existing aboriginal and treaty rights of the aboriginal peoples of Canada are hereby recognized and affirmed". "Recognition" means that Parliament and legislatures must recognize what aboriginal rights are, whether they be aboriginal rights to land, to fish, to hunt, to trap, or to carry on cultural activities.

We have had a miserable track record for more than a century in banning the Potlatch, a traditional Parliament which I am honoured to attend often in my own constituency where enormously important legal and constitutional matters take place. "Affirmation" means that the comprehensive claims process, the specific claims process, must be accelerated to meet the constitutional objectives put before the people of Canada a short six years ago.

If one looks at some of the other cuts, one gets an idea of where the Government is going on what has been described by many, if not most, of the aboriginal leaders in Canada as a path leading to cultural genocide. Loans on comprehensive claims have been cut by over 20 per cent or by $10 million. One finds that in the Estimates under Section 2-36. Human resource development has been cut by over 50 per cent since 1986, according to Section 2-42 of the Estimates which were just tabled. There has been a cut of $24 million and a staff cut of 60 per cent. If we are not to be involved in the development of human resources, where is the Government intending to go? Renewable resource development was cut from $30 million in 1986 to $4 million. This is a cut of $26 million, as well as a cut from a staff of 28 to a staff of 4.

As I said earlier this morning, the only realizable increase in the budget of the Minister responsible for aboriginal affairs is a result of the intervention of the United Nations on the Lovelace case. We find paltry sums attached to new housing, post-secondary education, and some additional medical costs.

Let us take a look at some of the other cuts—a cut to self-government from $13 million to $11 million; on comprehensive claims, from $78 million to $73 million; on economic development, from $82 million to $66 million; and on lands, reserves, and trusts, from $48 million to $41 million. In all key areas of development we find the Government cutting back enormously on the amount of funds available.

Let us take a look at the example of one part of a department, litigation funding and support for environmental protection, lands, funds, estates, and so on. We find that of the $41 million allocated—and I am quoting from the Minister's own Estimates—51.3 per cent relates to personnel costs. Over half is eaten up by the department itself. Some 22.9 per cent relates to other operating costs, so it is eaten up by the Department or by consultants to the department. Therefore, only 25.8 per cent is actually transferred on environmental protection, litigation support, specific claims, membership in band Governments, lands, funds, and estates. We find that only a quarter of the funds actually voted by Parliament reaches aboriginal peoples in their home communities.

I ask Hon. Members to reflect upon the following. While we found that the federal Budget has effectively tripled in the past decade, funding to aboriginal affairs in 1981 fixed dollars has remained effectively frozen. I asked the Parliamentary Library to go through all the documents—the Estimates, the actual expenditures, Treasury Board documents, and so on. Therefore, I realize that the funding to aboriginal people has effectively remained flat for a decade, whereas in almost all other areas of government expenditure it has doubled, tripled, or better.

We are finding aboriginal people frozen out of the constitutional process, frozen out of resource development impact funding, frozen out of litigation funding unless it is at the

appeal level, frozen out of funding for housing, and frozen out of economic development. It is a very sad state. I do not think any Canadian who has taken a close look at the reality of what is happening to aboriginal Canadians could in any way support a Government which continues to pursue that.

Over the past few months I had an opportunity to attend a meeting with Miles Richardson, President of the Council of the Haida Nation along with the Minister responsible for Indian Affairs. After an hour Miles Richardson finally put perhaps the most poignant question that has ever been put to the Minister in his political career. He asked him point blank: "What is your responsibility as the Minister of Indian Affairs to the Haida people?" The Minister responsible for aboriginal affairs, with me present, said nothing. He did not speak, indicating that his responsibility to aboriginal people such as those of the Haida Nation was nothing. It does not exist, yet he has a $2 billion budget, a huge Department over which he governs, and he rides around in a limousine.

The Nisga are here. Frank Calder is here. He has attempted to meet with the Minister of Fisheries and Oceans (Mr. Siddon) and with the Minister responsible for aboriginal affairs for more than a year by letter, by telephone, and by telex. They have arrived here and have spent five days waiting for even five minutes to meet with either Minister. They were categorically refused meetings with the two Ministers who have the most direct responsibility to them.

In the area in which I live I represent the Haida, the Nisga, the Tsimshian, the Haisla, the Gitksan-Wet'suwet'en, the Tahltan, and the Tlingits, probably the most dense and most significant aboriginal populations south of the 60th parallel, amounting to well in excess of 25,000 aboriginal people in northwestern British Columbia.

I should like to spend a moment referring to the motion before the House. It condemns the Government for its failure to address the needs of the aboriginal people of Canada on self-government, shelter, health care, educational facilities, and so on. One need only look at the remarks of the Minister of Indian Affairs a couple of weeks ago in the House when I put a question to the Prime Minister about comprehensive claims. I asked where the Government was going and why the Prime Minister had never taken the opportunity to come to British Columbia and say: "Yes, it is the constitutional and legal responsibility of the Government of Canada to negotiate treaty settlements in British Columbia". There is only Treaty 8 and the Governor Douglas treaties of which there are 14. The rest of British Columbia must be involved in comprehensive negotiations with the first citizens of the area.

We have records in my own area in northwestern British Columbia on the Skeena, written records going back 10,000 years regarding trade on the Skeena, the Nass, and other systems in that area. Too many Canadians are unaware of the enormous, refreshing, and beautiful cultural and individual histories of the aboriginal people of this continent.

We can look internationally and find Convention 107 of the International Labour Organization. The Government, under the direction of the Secretary of State for External Affairs (Mr. Clark), the Minister of Labour (Mr. Cadieux), and the Minister of Indian Affairs and Northern Development is arguing for assimilation of aboriginal people rather than standing up for them as persons and individual identifiable indigenous groups within Canada. It prefers to talk about them as minority populations in Canada. Fighting against that is the largest coalition of aboriginal groups in Canadian history, the Indigenous Working Group, which has fought long and hard.

• (1520)

More recently, before the United Nations subcommittee on human rights we found the Secretary of State for External Affairs and his officials in Geneva arguing against a study to look into treaties in Canada and for other indigenous populations around the world, well known, well identified, as the people on this planet the most at risk. Why would Canada be on the forefront of fighting against a study of treaties? One need only look at Mr. Nielsen's Buffalo Jump of the 1980s, the budget cuts, the refusal to move on comprehensive and specific claims, to see why. On specific claims, Mr. Speaker, 32 have been dealt with so far out of 428. We see specific claims funding cut from $30 million to $1 million between 1986 and this year. No government Member can travel around this country and tell any aboriginal person that there will be movement under Brian Mulroney—

Some Hon. Members: Order.

Mr. Fulton: —on comprehensive or specific claims if one looks at the funds voted before this House.

Let us look at another example in which the Minister has been involved in Alberta with the Lubicon. The committee, composed of a majority of government Members, voted to have E. Davie Fulton brought before the committee, voted to have E. Davie Fulton attached to the Lubicon negotiations as a mediator. The Minister categorically refused even though it was a majority vote that reported to this House. The Minister has refused to take the views of all Members of this House into consideration in appointing who, I might add, was John Diefenbaker's Minister of Justice, a renowned and respected Supreme Court Justice of British Columbia who was appointed by the same Government to look into the Lubicon situation. Instead, what does the Minister do? He provides $9.5 million to the Daishowa Paper Corporation, and the Alberta Government gives over 11,000 square miles of Alberta untendered, without an initial environmental evaluation, contrary to the Cabinet's own order. The Cabinet required an initial environmental evaluation for a pulp mill that will be immediately outside of the Wood Buffalo National Park. This is a pulp mill that will affect federal lands, not only a national park, and that will affect the aboriginal people who live within Wood Buffalo National Park, to say nothing of the impact that it has had on the Lubicon people.

I could go on at even greater length but I think the figures and the facts that I have placed on the record today sustain the argument that this Government is hell-bent on the cultural genocide of the aboriginal Inuit and Métis people of Canada, and it should be ashamed of it.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am pleased to engage in this debate, especially in following the lead of our colleague, the Hon. Member for Wetaskiwin (Mr. Schellenberger), and his contribution to the debate. He has distinguished himself over the years that he has been here with his knowledge of Indian affairs and the future of Canada's native people. It is a special pleasure to be following him in this debate.

My purpose this afternoon is to set the record straight on the question of the health of Canada's original people and to bring Members up to date on the services which the federal Government provides through the medical services branch in my Department, a purpose which is to improve and maintain the health of Inuit and Indian people.

May I say at the outset that the Indian and northern health services work closely with the Department of Indian Affairs and Northern Development and that consultation with Indian leaders and Indian communities on issues affecting their health and health services is fundamental to the process of program development and implementation. I want to remind the House that in 1979, the Conservative Government restructured the federal Indian health policy. That short period of time we were in office resulted in that work.

This document, which was drafted by the now Secretary of State (Mr. Crombie) for this Government, cast aside what we thought at that time were the restrictive and penny-pinching policies which the former Liberal Government has pursued. The Indian health policy recognizes for the first time the traditional relationship of the native people to the federal Government. Anyone who has studied constitutional law and that relationship comes naturally and inexorably to that conclusion. It also recognizes that there is but one system of health care in Canada consisting of federal, provincial and community or local elements as well as acknowledging that the health services provided for a native people are inseparable from the development of the community. In discussions with the AFN as recently as the last seven to ten days ago, that point has been made very clear again. I have been pleased to see how those discussions have been taking place and how a transfer of health policy is very much being seen as a model by the leadership with respect to a further move toward taking control of their lives and self-government.

The Indian health policy establishes the absolute need for increased active participation of Indian and Inuit communities in issues and programs affecting their health and well-being.

As a sign of good faith, in 1979 the Conservative Government withdrew the restrictive 1978 guidelines which had governed the provision of non-insured health benefits and made medical transportation, prescription drugs, glasses, dental care and other items not covered by our national health insurance program available to all Indians and Inuits who required them. I find it, and I know this is not usually done in this House, passing strange that the Auditor General would have remarked in one of his reports that the expansion of those programs should be examined, namely, that expenditures are higher than normal expenditure increases in other departments. The reason was a large gap having to be filled, and that is what has been taking place. Perhaps the most important aspect of this policy is the Government's recognition of the special health needs of the native people. It is this recognition that has provided this Government with the incentive to increase funds for Indian and northern health services and to strengthen the programs needed to ensure that the health of our native people does not suffer unduly.

What about the health of the Inuit and Indian people? In the few moments I have I would like to quote statistics on the status of their health but before so doing, let me give you, Mr. Speaker, a few facts taken from Statistics Canada publication entitled *Canada's Native People*, published in 1979. I think it demonstrates how the Indian people suffered from years of Liberal neglect.

For example, at that time, when changes were made on those policies, over half of the status Indian population living on reserve had never gone to high school. Only about 42 per cent of Indian men and 22 per cent of Indian women living on reserve were employed. Almost one-quarter of on-reserve houses were in need of repair. Over 50 per cent did not have central heat, 32 per cent were overcrowded and 30 per cent lacked bathroom facilities.

All of us who represent native people and see what is happening on the reserves know that we still have a long distance to go, but I am pleased, at least in the 15 years I have been here, to see the changes that have taken place on some of those reserves. Local leadership has been taking control and by the use of government and private programs to my mind have made the progress that we see to date. We should commend those advances to other members of Canadian society rather than commending the stereotype we see so often which then colours, in my mind, a picture which is not true to the reality taking place. Data for the Inuit, I would think, would tell a similar story, so for lack of time I will not go into that at this stage.

The Hon. Member for Wetaskiwin has already advised this place of the steps that are being taken by the Department of Indian and Northern Affairs to improve conditions on reserves, improvements, may I say, that are long overdue. It is, however, this legacy which my Department must strive to provide or arrange for the provision of health to almost 600 Inuit reserves located in the 10 provinces and two territories as well as more than 50 Inuit communities across the land.

Let us look as a House what the status of health is of our native people. There are positive indications that health status

is improving, but the Indian and Inuit people still—I have said this in the document *Achieving Health for All*—have a long way to catch up to the level of health enjoyed by the majority of Canadians. We could also relate this to economic status. I think Members who represent native people also understand that.

In the more than 40 years which the medical services branch of the Department has provided health services to the native people there has been a marked decline in the rate of many infectious diseases, improvement in maternal, infant and child mortality rates. Remote and isolated communities have better access to hospital and medical services and to arrange preventive health programs. I think as well it should be stated that many people who have served in those communities, often very isolated, have been performing services as members of those communities in a manner which all of us should commend. From time to time we forget about that. When I visit the health stations, especially seeing the nurses in those stations and the community health representatives, the CHRs, I am always impressed with their dedication. It should also be said to Members of the House that some CHRs and native people have had service to their community and the department extending well beyond 10 and 15 years. That service has been given at the local level as well.

• (1530)

However, to my mind, the health status of Inuit and Indians still remains unacceptably low when compared with that of other Canadians. For example, from 1982 to 1985 the post neo-natal mortality rate of Canadian Indians was 10.9 per cent per 1,000 live births. That compares very unfavourably with a rate of only three per thousand for non-Indian infants. Life expectancy for Indian males is 62.4 years compared to 71.9 years for the Canadian male population as a whole. Indian women have a life expectancy of 68.9 years compared to 78.9 years for the Canadian female population as a whole.

The leading causes of Inuit and Indian death are accidents, violence and poisonings. Deaths from injuries and poisonings are at least three times higher than the corresponding rate for the general Canadian population. Infant mortality, and I think all of us would be pleased at this, has declined, but from a rate of 39.6 per 1,000 live births in 1974 to about 17 per thousand today. While this is commendable, I would point out that the infant mortality rate for Indians and Inuit is still almost twice the national rate and, therefore, unacceptable.

Suicide in all circumstances is tragic, but for the Indian people of Canada it is catastrophic. In the 15 to 19 age group, the rate is almost seven and a half times higher than national rates for young people. Between the ages of 20 and 24 the rate is almost five and a half times higher. For the Inuit in 1985, of a total of 224 deaths from all causes, nine were suicides. They were all people under the age of 34. The causes of suicide are broken homes, lack of employment opportunities, alienation, and inability to achieve expectations. While never fully addressed, I believe people in the community, Canadians who are serving in various departments, are trying to address these most complex and difficult issues. However, it will take time to undo the years of suffering and neglect which have characterized the way of life of Canada's aboriginal people.

These major health problems are related to social and environmental conditions. Improvement in health status cannot be achieved by medical technology alone. In fact, sometimes the easiest thing to deliver is medical technology. However, it is the social, psychological and economic foundations that are so difficult to change. More emphasis must be placed on health promotion and disease prevention strategies which respond to the social, economic and environmental realities of Indian communities and which give those communities control over the planning and delivery of relevant health programs.

I think I have been very forthright in stating the issues. I have not tried to colour them in any way. However, the Government does recognize the disparities that exist between the health and well-being of the Inuit and Indian people with that of Canadians as a whole. I would like to take just a few minutes to inform my colleagues in this place of a few of the initiatives under way to ameliorate conditions and reduce these disparities.

The 1988-89 Estimates recently tabled in this House include almost $46 million for the National Native Alcohol and Drug Abuse Program, or NNADAP. It supports Indian and Inuit community alcohol and drug prevention programs, including community awareness, alcohol and drug abuse counselling services, in-patient and out-patient facilities for detoxification, and rehabilitation. That includes monitoring and continuing treatment. Of course, NNADAP provides training for counsellors and others working in the field of alcohol and drug abuse.

I have a NNADAP facility on one of the reserves in my riding. I asked an elder in that community why are there so few people from the reserve attending the program. It is not that the program is not full, but it is not full of members of that community. I thought he put it in a very practical way, and we have a lesson to learn here. So often we like to bring in programs for Indian and Inuit people which are different from the norm in the rest of Canada. He said if you built an alcohol and drug rehabilitation centre on the main street of any one of your towns, would the local townspeople come to the front door for treatment? I think he pointed out in a very practical and succinct way the kinds of problems we face. I opened a NNADAP centre not long ago in Qu'Appelle, Saskatchewan. They are trying to unite the very best techniques we know of in alcohol and drug abuse rehabilitation with native workers and the spiritual history of native people.

The NNADAP program has been working well, but I am concerned that some of the beds, for example, cost almost as much as hospital care and we are not getting enough rehabilitation. However, those are the administrative realities of these programs and something we have to be vigilant about. We have to bring it back to the goal of rehabilitation rather than

looking at it, as some like to do, as economic development for a given region.

I spoke earlier of the Government's commitment to consultation with the native people. I should also bring to your attention some of the steps being taken to involve Indians and Inuit more thoroughly in the control and provision of their own health care. A modest but important program is the Indian-Inuit Professional Health Careers Development Program. This is part of a more comprehensive strategy designed to co-ordinate the education and training in health needs of the native people so that they can acquire the education and skills to become health providers to their own people. Over $2 million and 28 person-years have been allocated to that important thrust.

Through the Non-insured Health Benefits Program, qualified native people now receive prescription drugs, we think good dental care, and eyeglasses to correct visual defects. Transportation to medical care is also an important feature of the program and many Indian bands and Inuit settlements now run their own transportation programs to take their people to hospitals or medical clinics. Just to show you the scope of the program, in 1987-88 over $200 million was spent on these benefits. Native people living in isolation in northern parts of the provinces or territories are evacuated by air to hospitals in the larger cities or in the south. There is no question of their being denied access to the best of health services and care that Canada can provide.

I know there is criticism from time to time that the evacuation should not take place and we should have more health facilities in the regions. We are building a hospital at Yellowknife right now, for example. I see the Hon. Member for Yukon (Ms. McLaughlin) here and she will probably want to talk about the Whitehorse General as well. Those are the kinds of initiatives taking place. However, we always have to keep distances and isolation in mind when we try to address some of these questions.

Where, in earlier days, mothers had their babies at home or at nursing stations, today over 95 per cent of native births occur in hospital. Maternity mortality has been virtually eliminated. Mortality in the one to four age group continues to decline and I am confident the rate will be no greater than the national rate within a short period of time. However, as you may have learned from my remarks, the health of Canada's aboriginal people is a major concern of the Government. We are attempting, with the co-operation and participation of native people and their leaders, to implement new initiatives for Indian and Inuit health. One area of the utmost priority to my department is the transfer of health services to Indian management and control. For example, responsibility for the delivery of health services in the Northwest Territories will be transferred from Health and Welfare to the territorial Government in April of this year.

Mr. Nickerson: Hear, hear!

Mr. Epp (Provencher): We would also like to do this in the Yukon and are ready to do so any time the Yukon Government wants to enter into and finalize negotiations.

In North Battleford, The Battlefords Indian Health Centre runs the Indian Health Program for reserves in that district. The Nisga's Tribal Council in the Nass Valley of northern British Columbia has established a health board that will be responsible for providing for the health of all residents in that area. I hope we can move in some of those south of sixty as well.

• (1540)

These examples are merely the tip of the iceberg. In the 1988-89 fiscal year the federal Government expects to spend some $90 million on grants and contributions to Indian and Inuit communities and associations to provide for programs which they themselves will run.

Finally, we recently transferred the Baffin from the department to a local hospital board representing the entire region of the Baffin. We put forward a proposal to the people of the Baffin, centred in Iqaluit to demonstrate that this could work. I cannot put it in any better bureaucratise than that. It was my argument that it would work. As a former member of a local hospital board, I have always been a great believer that you deliver services best at the local level.

It did work, Mr. Speaker. People in the area were deeply concerned about their health care system. We have transferred the Baffin and are now going to transfer the entire Northwest Territories. In 1979 I thought that the Yukon would be first, but the NWT will be first. We are also negotiating south of sixty.

Why is health important? I am sure that my colleague who reports to this House for the Post Office might not like this, but all polling indicates that of all the services which Canadians receive from various levels of government health care rates nearest the top in every survey, even higher than services regarding the Post Office.

However, in all seriousness, in the 15 years that I have dealt with health care as a former Minister of Indian Affairs and now as Minister of Health, there has been tremendous progress made. We have some distance to go yet, and I fully recognize that, keeping in mind the isolation of Indian and Inuit communities.

However, let us celebrate the things that are working well. Let us work at changing those things about which none of us are happy. I still have not addressed, for instance, the matter of health with regard to status people off the reserve. That is an entire area for which I have not time today.

I believe sincerely that the progress which we have seen has been largely due to two things; one, local community leaders taking control of the health situation in their communities, cajoling government and others to move forward on agendas which they have put forward for so many years and, second,

dedicated workers. I will stand on any platform and commend the people whom I have seen in these communities delivering health care, native people and non-native people. If the system is working, it is largely due to them.

I thank you, Mr. Speaker, for the time you have given me in the House to put some of these matters on the record.

Mr. Murphy: Mr. Speaker, I have a few comments and a question or two for the Minister. I would like to start by thanking him for joining the debate which I, on behalf of our caucus started earlier today. I agree with him in some of his concluding remarks. I believe that local leadership has made a vast difference in the last 10 to 15 years. I also believe that the facilities offered by the federal Government indicate a vast improvement over the last 10 to 15 years. I will credit both of the two previous Governments for that. I also agree with the Minister that there is a long way to go.

However, one area in which there has been a constant, chronic shortage is in the supply of nurses to the remote areas. The Minister himself has spoken about that in the past. The concern that I have raised in this House with the Government and previous Governments is that we never have a large enough pool of nurses available. That means that when there are one or two nurses in St. Theresa, or other parts of the Provencher riding which will soon be part of the Churchill riding, they are overworked. The stress and various other problems result in a high turnover. Many of those people are very dedicated and would love to stay in the North for a longer time. I spoke only a month ago with the last nurse who left. She just could not handle it anymore. She was not getting relief. She was not allowed to go out when she was scheduled to go out. She was on call on an almost continuous basis.

I hope that in replying to me the Minister will indicate that there will be some increase in the pool of nurses in order that the situation of the last eight years, in which there is always a shortage of nurses in northern Manitoba, and I am sure elsewhere across the country, will not continue.

I also hope that in the Minister's reply he will deal with the need for nursing homes. A number of the larger reserves would like to have nursing homes. There are no facilities for seniors in the communities. Oxford House is one community which is concerned about this. This is especially important because there are not proper water, sewage, and other facilities in these communities for individuals 75 or 80 years old. To live in houses heated by wood which have no other facilities is very difficult. I am also concerned about developing a better home care program for people who would like to stay in the communities.

As a final point, I believe that there should be some minimal legislation with regard to water and sewage in these communities. Any other municipality would fall under provincial or some other regulation and I believe it is necessary to have, not only guidelines but a legal requirement for the federal Government to maintain minimum standards.

Mr. Epp (Provencher): Mr. Speaker, I am sure that Members of the House will be surprised that I agree with many of the things which the Hon. Member has raised. We have worked on some of them together. With regard to nurses, the Hon. Member is correct about the shortages. There is a turnover in all places but there does not seem to be as much turnover in the Northwest Territories as there is on some of the reserves south of sixty which, in some ways, are more difficult to get in and out of than are areas further north. That does not apply in all cases but does apply in some.

I was given a very good reception in Thompson not long ago. I talked to my staff there about the nursing shortage, the turnover, and relief help. I would like to build up a pool as well. We are advertising for nurses, not only in the Canadian context but abroad as well. Some people argue that that is not the best way, that we should be training more native nurses. I agree with that but, on the other hand, many areas have been served very faithfully by people who came to Canada, went into some of the remote communities, and became very valued members of those communities. Therefore, it is a balancing. I would indeed like to have a pool of nurses, as suggested by the Hon. Member, in order that we can administer the provision of services better than we are at the present time.

With regard to nursing homes, extended care, and home care, I mentioned in my speech that there are gaps and that we have some distance to go in order to catch up with the rest of Canadian society. We have done some of that work. Through CMHC we now have some housing for seniors on reserves. It is still a matter of how much personal care we can provide. The argument is that the elders of a community must leave their community and live their last years outside of the community of which they have been members all their lives.

With regard to water and sewer, I have a list of projects. I will not use the time of the House to discuss them other than to say that the Roseau River Reserve in my riding is now getting a water and sewer project which I am sure the Hon. Member and others would like to commend.

• (1550)

Mr. Baker: Mr. Speaker, the Minister outlined the education programs of his department as far as the consumption of alcoholic beverages is concerned. He probably knows what I am about to ask him.

What is his opinion of the daily television advertisements encouraging people to drink beer? For instance, there are sports advertisements suggesting that if one wants to become a race car driver one should drink a particular type of beer, and if one wants to become a great ski jumper, drink a Blue Light or something like that. The Minister knows that you do not learn any of these things by drinking beer. Of course, people, including children, are influenced by these outrageous commercials. Not only are they lies, they have an incredible impact upon people.

Two provinces in Canada have provincial legislation with respect to the advertisement of alcoholic beverages. One can see a beer commercial on one side of the border, while it is blacked out on the other side. When will the Minister take similar action with respect to those commercials as he is trying to take with regard to cigarettes? When will he take concrete action to ban the advertising of alcoholic beverages on television? That will do more than all the education programs he talked about.

Mr. Jake Epp (Provencher): Mr. Speaker, I thank the Hon. Member for the question. I am sure he had it cleared through the Liberal caucus first, and that there is full agreement from the Liberal Party on the proposition he makes. But I do not want to be facetious in an area like this.

My position with respect to cigarette advertising is that cigarettes used exactly as directed create illness and death. The Hon. Member may be surprised at my comment, but in respect of alcoholic beverages that is not the case. When they are used in moderation and under proper conditions, there is not the same result as there is with cigarettes.

I, as Minister of National Health and Welfare, appeared before the CRTC when it was considering the removal of pre-clearance of ads. The Hon. Member is correct when he states, for example, that there are certain laws in respect of the advertising of beer products in certain jurisdictions. I asked at that time that the advertising be reduced and that the CRTC seriously consider that. Second, I asked that it retain its work of pre-clearance of ads and, third, that a certain amount of money be directed to alternative advertising.

I have been meeting with the beverage industry and, while one can always improve over what is happening, I want also to be fair. The industry has begun some alternative advertising. Let me give some examples to the House. I think the Labatt's advertisement about the taxi and the homing device is good. General Motors' advertisement concerning drinking and driving during the holiday period was good. The Distillers of Canada promotion in terms of moderation and responsible drinking has been a good response. I would like to see more, but I think it is the way to go.

Finally, we have a drug and alcohol program. We have changed the Criminal Code. Education must continue because the reality is that there will always be new drinkers. I believe the advancement of those programs is the better route to take than the one suggested by the Hon. Member.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Ottawa—Vanier (Mr. Gauthier)—Official languages—Acquired rights of Saskatchewan francophones—Request for assistance in translating laws/Translation of Saskatchewan statutes—Request for federal assistance; the Hon. Member for Hamilton Mountain (Mrs. Dewar)—Canada Health Act—Equal access—Minister's position/Administration of Act; the Hon. Member for Spadina (Mr. Heap)—Immigration—Appeal Board hearings—Federal Court of Canada ruling/Request that Bill C-55 be amended.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTED DAY, S. O. 82—RIGHTS OF ABORIGINAL PEOPLE

The House resumed consideration of the motion of Mr. Murphy:

That this House condemns the government for its failure to address the needs of the aboriginal people of Canada, including:

(a) the right to self-government,

(b) the provision of adequate shelter, health care and educational facilities,

(c) basic water and sewage treatment facilities,

(d) adequate employment and training opportunities, and

(e) the financial resources to fully develop the economic and human resources of aboriginal communities.

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Saint-Michel—Ahuntsic (Mrs. Killens).

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, I am pleased to rise to deal with the opposition motion moved by the Hon. Member for Churchill (Mr. Murphy) condemning the Government for its failure to address the needs of the aboriginal people of Canada. The subject which interests me most is item *b*) dealing with shelter and health care.

First of all, Mr. Speaker, I wish to commend my colleague the Hon. Member for Cochrane—Superior (Mr. Penner) for his tireless interest in the Indian Affair issue, the excellent speech he made in the House this morning, and especially for his dedication to the Liberal Party caucus. As a result of his efforts and interest, the future of our native poeple seems a little brighter.

In his wisdom, the United Nations General Assembly proclaimed 1987 as the International Year of the Homeless and an important conference was held here in Ottawa, from September 13 to 16 of that year. During this conference, we learned that in 1987, 100,000 people were homeless in Canada, many of them are natives and the majority come down to the cities of Winnipeg and Vancouver.

In 1988 the homeless are different from those of the 1930s. Their faces have changed. These are no longer older men. These are no longer tramps. These are young people, some of them women, and we can see entire families sleeping in parks, tents or trucks.

• (1600)

Last year, in 1987, the average age of homeless men and women was 34 and 33, respectively. Six months after the international conference the Government has yet to make arrangements to solve the problem. The consequences are serious, particularly among native people where cases of tubeculosis are increasing alarmingly, even among children. Most native people live in small overcrowded accommodations—sometimes four, five to a room—in unhealthy and cold tenements.

So what are the results, Mr. Speaker? The results are problems of mental health, alcoholism or drug abuse which, as we all know, lead to emotional, physical or sexual abuse. Young Indians living in such conditions become school dropouts, they grow careless and irresponsible, and they are a burden to society.

I recall that when I sat on the special committee on the handicapped we went up north to listen to testimony, and all chairs in the front rows were occupied by young people, most of them between the ages of 15 and 20. My curiosity was aroused and I asked for an explanation. The native spokesman explained that these young people took their skidoos, their radio-cassette players and large quantities of alcohol, and organized parties. As they were too drunk to drive their skidoos safely back, they often had accidents. What is even worse, is that, while the dog teams always brought them back home, skidoos are prone to mechanical problems and the young people do not have the knowledge or the means to repair them. They sometimes wake up the next morning with frozen hands and feet. Whose fault is it? I believe that the Canadian Government has a very large part of the responsibility in that.

The first solution would be to ensure that Canadian native people have decent and adequate housing. What does decent housing mean? To help Hon. Members understand better what I mean, I shall describe the house of a native family which I saw with my own eyes in Goose Bay, Labrador. The streets were winding and in bad repair. Garbage was stored on scaffolding to prevent the animals from getting at it. Shingles were missing from the roof. There was electricity, but no running water. There was a bed in the kitchen, which shows how cramped the living quarters were.

I was a member of the Committee on the Handicapped, and after this visit, we were driven over a bridge. We found ourselves in another world. The streets were clean and well maintained. There was no garbage and the whole atmosphere spoke of success. This is where the white people lived. Just imagine the child who comes back from school to a house like the one I have just described in Goose Bay, Labrador. This child has no chance in life. His whole environment is negative, without mentioning the emotional problems related to such an environment.

Mr. Speaker, to break out of this never-ending vicious circle we have to begin at square one, and that is to make sure that all our native people have a solid and decent roof over their heads. But what are the conditions? There are conditions, if we are to solve the problem. As housing critic for the Official Opposition I learned that 80 per cent of all housing units on Indian reserves have been built since 1961. Given the fact that Indian homes are not expected to last much more than 16 to 20 years, no wonder many of them have become woefully inadequate and in need of major repairs. Be that as it may, independent government surveys have shown that 73 per cent of all housing units on Indian reserves are inadequate. In addition, these units are rapidly deteriorating because of overcrowding: 7.5 per cent of all native single-family housing units are home to more than one family, whereas the corresponding figure for non-native families is 1.4 per cent.

It has been estimated that only 3 per cent of non-natives exceed the average of one person per room, while the comparable figure for Indian on reserves is 35 per cent, which means that slightly more than one third are over that average. The incidence of overcrowding is particularly acute among Western Canadian natives. To put it in a nutshell, I would say that native housing units are 21 times more likely to be overcrowded than non-native units.

[*English*]

Statistics from a study conducted during the International Year of the Shelter for the Homeless demonstrates further the poor living conditions in Indian housing. The proportion of dwellings on reserves requiring major repairs is 23 per cent, with 37 per cent having inadequate bathroom facilities and 37 per cent having no bathroom at all. The number of dwellings lacking central heating is estimated to be more than 50 per cent of all reserve dwellings.

About 34 per cent of Indian dwellings lack a piped waste disposal system or septic tank and 18 per cent have no kitchen sink. Can you imagine, Mr. Speaker, living in a house with no kitchen sink? If we were talking about non-Indian housing, we would be describing a slum.

We must also take into consideration the fact that the average personal income for Indians is only 50 per cent of the non-Indian population. Personal income among the young and elderly is below the Statistics Canada poverty line. One can imagine the situation for Indians with no income at all. Eighty-three per cent of the Indian population have an annual income which is less than $10,000 per year. Only 4 per cent of the Indian population earn more than $20,000.

I am especially saddened by the effect of this situation on Indians. The average death rate for Indians from infections and parasite diseases is higher per 100,000 than the Canadian

average. Bad sanitary installations, when there are any, are partly responsible for this situation.

Bill C-31 adds to the overcrowding on reserves. Although this Bill is very positive and necessary, it has its drawbacks. More people are returning to the reserves, and funds needed to meet this influx are not sufficient. This adds to the already existing backlog in housing units. Ninety-five thousand people have filed claims to return to the reserves of Canada and most of these claims have come from women. Further, Indian women and their children who are trying to return to the reserves are having a lot of problems. They cannot have access to housing on reserves until the existing backlog of houses has been dealt with. Once again, the women of Canada are paying the price. Indians are among the very worst served and most needy of all Canadians.

• (1610)

[*Translation*]

At a recent meeting of the Committee on Government Operations dealing with Native housing, officials from the Canadian Mortgage and Housing Corporation and the Department of Indian and Northern Affairs told us that funds earmarked for Native housing have not increased in four years. Indeed, taking inflation into account, there has been a reduction in the amounts allocated for the construction of houses on Indian reserves.

Natives who appeared before the Committee have confirmed their extremely serious situation. Management criteria for those programs and obligations imposed on Indian bands are too complex.

I should point out to Honourable Members of this House the nightmare lived by the Fairford Indian band. Beside all the money problems with various government authorities, they experienced right from the start humidity condensation problems in their "new" houses.

The chief of the Fairford band told us that the clothes of the children and grown-ups living in these houses smelled damp and that the smell was pervasive inside their homes, rain or shine.

This morning I heard the first Conservative speaker say that the aboriginal people were going ahead without waiting for the Government to act. What the Hon. Member fails to understand is that we have erected barriers that prevent aboriginal people from becoming full-fledged citizens. The most striking example as far as housing is concerned, is the fact that aboriginal people on the reserve do not have access to mortgages. This means they cannot own their own homes. The Crown owns the land on which their homes are built. This causes problems, not just for the aboriginal people but also for construction contractors, because if there are any money problems as a result of bureaucratic red-tape, they often do not get paid because the band does not have enough money or for any number of bureaucratic reasons.

I agree that the circumstances of aboriginal people have improved, but not enough to make them entirely satisfactory. I pointed out earlier that the aboriginal people are the neediest in our society, and much remains to be done before I could consider their situation a thing of the past.

Mr. Speaker, there are a number of success stories, but these are the typical result of political will on the part of aboriginal and non-aboriginal governments.

In Quebec, for instance, we have examples of aboriginal companies such as Air Creebec, Cree Yamaha, the Wemindji hydro-electric dam, Cree Construction, the New-Quebec co-operatives, Air Inuit, and of course various businesses set up by the Mohawks of Kahnawake and the Hurons of Lorette-ville. Similar examples may be found in other parts of the country. However, this does not mean all problems have been solved. These groups still have to put up with conditional subsidies and with the complexities and delay caused by bureaucratic tape, and so forth.

The experiment initiated by the CEGEP in Sept-Îles which set up a curriculum adapted to the needs of Native people is unique. But how many of these programs do we have in this country? Unfortunately, Mr. Speaker, there are far too many obstacles to be overcome before any more projects like the ones I just mentioned can be considered.

What seems to be lacking is the political will. There is also not enough co-operation between Ministers and the various departments involved in seeking solutions. I asked the parliamentary committee how many times a year the Ministers and senior officials of Indian Affairs and Northern Development, National Health and Welfare, CMHC, Employment and Immigration and Treasury Board actually met? There are problems with all these departments, which keep passing the buck, and meanwhile, the aboriginal people have to wait.

Mr. Speaker, in concluding I want to say that I hope the Government will have the political will to take action very shortly.

[*English*]

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, it is a pleasure and, indeed, an honour to take part in this debate today on the question of addressing the needs of native people in Canada. I speak as a Member of Parliament for a north and western Saskatchewan constituency which has 19 Indian reserves and many other so-called non-status Indian communities. The most recent census shows that over one in five of my constituents are identified as being of native ancestry.

The issue of native rights, native housing, economic development and the right of native people to pursue determination for themselves are some of the most compelling issues that face many western Canadian communities today. It is therefore a real pleasure for me to take part in this discussion this afternoon in the House of Commons and to address a few

thoughts on the motion that has been put on this very important question of the status of the Indian person in Canada today.

I begin by cautioning not only the opposition critics who have spoken, but many of the viewers of this debate either in the gallery or at home through television, that we should examine the place of the native person in Canada today by way of a general overview. Every one of us who lives in a native community recognizes all too clearly the difficult plight facing Canada's native people. They have higher than the national average infant mortality rates, lower life expectancy than non-native Canadians and problems with alcohol, drugs and substance abuse that are indeed endemic in many native populations. These are all too clearly chronicled.

I wish to attempt in this debate to take a more constructive bent on the discussion by asking the following questions. Where are we moving? From where have we come in the past few years?

The problems facing many native communities have been present, at least in my area of the country, since the very day that many of the treaties were signed. In our area many of those treaties were signed in the period between 1875 and 1878. Thus we are not dealing with simply the modern urban contemporary problems, we are dealing with the problems of often dispossessed people that have vexed Canadian Governments for the past 110 years.

I have the sense that like all communities, the native population of Canada is in many respects in a time of transition. There are now native communities that are indeed far ahead of the planners, the developers and the bureaucrats and those in the Department of Indian Affairs and those so-called experts on native issues who examine the way that they would like to see native communities develop. Indeed, there are some of these communities that are as advanced in our area of Saskatchewan as many non-native communities. However, unfortunately, there are a greater number of communities that are still struggling with many of the basic questions of community organization.

I wish to say that it is not all as gloomy, as dark and as hopeless as certain people throughout the debate today have described the whole question of native life in Canada as being. In fact, I often invite critics from other Parties who perhaps do not live and work in native communities to come to a large area of western Canada in Saskatchewan, Alberta, or Manitoba to see those communities that are the success stories. We know as well that there are many communities which are indeed sad failures to date.

As fundamental to the development of a people as any desire or goal is the question of pursuing the ability, the right and determination to govern oneself. I wish to address my remarks this afternoon to the subject of native self-government. It is all too infrequent that we have the opportunity as Members of Parliament to address this important issue. I take considerable consolation that all three Parties in the House of Commons have agreed with the basic direction being taken by the Government on the policy of Indian self-government.

It was in 1983 that an all-Party committee of the House of Commons, well chaired by the Hon. Member for Cochrane—Superior (Mr. Penner), the Liberal Member of Parliament who spoke earlier today, highlighted self-government as an appropriate goal and a valid response to the political aspirations of the Indian people. Self-government was recognized as the element of a unique relationship between Indian people and the Government of Canada, a relationship that would enable Indian people to take charge of the decisions that affect their lives. It would also help break the cycle of dependency that has for too long characterized the relationship between Indian communities and the federal Government.

It has only been in the past 20 years that Governments have begun to abandon the old paternalistic policy which was used when they dealt with native people. It was during the 1970s that the Government's initial response was to transfer the administration of various programs and services directly to Indian bands. Unfortunately, there have been some unsuccessful efforts to enact comprehensive or framework legislation that would be related to self-government.

• (1620)

I should note that significant promising developments in structural change did not begin to happen until only three years ago when this Government established as a priority the changing way in which we should deal with the relationship between native people and the federal Government. Early on in the mandate it became very clear to our Government that the top down, single, monolithic approach does not work. Aboriginal communities are far too diversified to be squeezed into one model of self-government. Since the start of our mandate in 1984 we have taken significant measures to support the development of initiatives for self-government. Our policies recognize the vital role that Canada's aboriginal communities play in the development of this Canada. Our actions express our commitment to further developing a relationship with Indian people which is built on mutual trust and confidence.

I would like Hon. Members to consider for a moment the different routes that the Government has taken to support the development of self-government for Indian people. The federal Government remains committed to the objective of self-government for aboriginal people entrenched in the Constitution of Canada. This is the surest way that we can achieve permanent and fundamental change in the relationship between Indian people and the federal Government.

The federal proposal which was presented to the First Ministers in March, 1987 is still on the table. This amendment would recognize an explicit right to self-government to be implemented through a series of negotiated agreements. There has not been an agreement on this amendment, but as a Government we are not deterred by the failure of consensus. We are still open to the possibility of renewed constitutional

talks when the chances of an agreement look reasonably promising. In the meantime, we are determined to support the development of self-government to the greatest extent possible within the existing constitutional framework.

This Government has established a process for negotiating self-government agreements with Indian communities which provide the chance for those communities to move beyond the present limits of the Indian Act. The response to this policy has been very encouraging. We have received 60 proposals from more than 225 Indian bands, and are actively working on approximately 40 proposals at the present time. These proposals represent a wide geographical, historical, social, and cultural set of economic circumstances. In addition, the Government has implemented some new financial relationships with a number of Indian bands under self-government legislation and under what are known as alternative funding arrangements.

At this point, I wish to relate a story that is moving and encouraging. It involves one tribal council in the area in which I live in Saskatchewan. It involves the Meadow Lake Tribal Council which is a group of 10 bands that work together in a tribal council area and are presently negotiating a self-government agreement with the Government of Canada. The Meadow Lake Tribal Council is a testament to what ingenuity, conviction and hard work will do for Indian communities. Some of the reserves in the Meadow Lake Tribal Council have suffered great economic difficulties and are still struggling to find their sense of identity and development.

Conversely, there are several bands in this tribal council area that are indeed the anchors to making this system work. For some time this tribal council has entirely managed its own education system. It is now moving into full health care administration. The entire infrastructure of local government is under control of the tribal council. This group, under the direction of its executive director, Ray Ahenakew, and Chief Percy Derocher, Chief Richard Gladue, Chief Fred Martell, and other chiefs within this vast area of northern Saskatchewan, is showing what working in a unified way can do to bring full development to native communities. I am exceedingly proud of the Meadow Lake Tribal Council and what it has done to work with the Government in planning a self-government agreement. I am confident that in the coming months we will be able to effect some type of workable long term solution to the question of self-government. It is only a matter of time for this tribal council, because it is an organization that is working to develop a very promising future for economic and political self-government.

Across Canada the path to self-government and self-sufficiency is not without some tough challenges. I believe that those challenges can be met. The cycle of poverty and dependence faced by many native communities can be broken. The federal Government, and where appropriate the provincial Governments, must work together with native communities at the local level. For Indian communities it means dedicating the energy, the ideas, and the initiatives to establish local institutions that reflect local circumstances. For Government, it means that our policies, legislation, and resources, should enable the Indian communities to develop the types of structures and economic base which satisfies the needs of the community, and we hope that ultimately it will fit in with the Canadian constitutional framework.

The self-government policy of this Government is guided by the following basic principles which I wish to enunciate at this point. The policy must substantially increase local control and decision-making capability. It must be flexible enough to recognize the diverse needs, culture, and tradition of Indian people. The policy must lead to greater accountability of Indian leadership to their own electors rather than to a federal bureaucracy.

The process that we are striving for and indeed succeeding with native communities must be community based and supported by native communities. Self-government must be conducted at a measured pace. It must have a practical focus. In all cases, it must be tailored to the specific circumstances of the Indian community involved. Thus far, our policy has responded to specific needs. It can take into account circumstances such as the geographic location of the community, the availability of services, and the strength of the resource base in the area.

For a moment, I wish to consider Bill C-93, the Sechelt Indian Band Self-Government Act which this Parliament passed into law last year. Hon. Members will know that this Act is an enabling piece of legislation which has established the Sechelt community in British Columbia as the legal entity with a power to borrow money and hold property. The community received fee simple title to its land and it is now able to manage those lands according to the band's constitution. In short, the Sechelt people now have a Government which is accountable to the electors of the area and not to a remote bureaucracy in Ottawa.

If there is one part of the Mulroney Government's community self-government policy in which I can take particular pride, it is the consultative nature of the process. I recall well our Prime Minister (Mr. Mulroney) saying during the 1984 election a very simple statement: "First you listen, then you act". That is a truism to most of us. Unfortunately, all too often in the process of government that does not become evident. I am pleased that our Government in this self-government policy believes that individual native Canadians know best and can define best what they need and indeed what they must have.

We did not sit down in Ottawa and draft our views on what natives should do next. We asked Indian people, and we did it by saying: "We are open to you. Come to us with your ideas of what you want to do". That is what we have done, that is what native people have done, and I submit, in a large part, it is now beginning to work.

I would like to emphasize that we are supporting the development of Indian Governments based on a relationship with native people. In our community self-government policies there is no intent to force any Indian community out of the federal jurisdiction for which we are responsible for Indian people under Section 91 of the Indian Act.

• (1630)

As Indian communities move toward self-government, they will remain in a special relationship with the Government of Canada representing its interests on behalf of the Crown. I should like to assure the House that we have no one model of Indian government in mind. The Sechelt, the Cree, and the Naskapi of northern Quebec can have justifiable pride in how they have worked with the Government of Canada. They always point out that what works well for them may not be the right path for others. We share this view and are willing to accommodate the diversity of local communities in all circumstances.

The second point I should like to make is that no one will be forced into the self-government process. We recognize that moving toward self-government raises some very serious issues for many Indian communities. We do not want to underestimate the difficulties which these communities may face along the way. I think of my area of northwestern Saskatchewan where I meet regularly with the 19 chiefs and band councils and hear regularly from what is called the Shellbrook Indian Agency.

It is a unique area carved out of two large districts and has four reserves which have often made clear that they want, at least for the time being, to work in a close trust relationship with the Government of Canada. They have expressed less than full enthusiasm for self-government models advanced by other bands and other tribal councils. I want to assure those bands that as long as they believe there should be a closer relationship with the Government of Canada, they have that assurance, at least from this Government.

I commend native communities which have made a commitment to self-government and have worked so hard to accomplish the task. The process requires careful and sometimes painful deliberations at every level of the community. They must provide themselves with answers to questions such as the following ones. Which powers should be exercised? How should the Government itself be structured? How can the local Government best reflect the aspirations, traditions, and needs of the community? These are not easy questions. I should like to salute communities like the Meadow Lake Tribal Council in my area which are addressing these questions head on.

Earlier today a Liberal Member spoke of the despair, depression, and dismay at which he views the question of the place of the native person in Canada. I do not want to cast aspersions on any Member of the House. However, sometimes when we get into this type of debate, while we all acknowledge the very real and very painful problems, there might be an overdose of hyperbole in the minds and mouths of some Members.

I want to look at native self-government as something by which I can be encouraged as a Member of Parliament for a large number of native communities and in fact be an integral part of the Government working toward a contemporary policy of self-government in coming years.

In conclusion, I want to touch briefly upon the evolving progress of self-government, not by itself but in terms of its linkage to economic development. We can deal with questions such as the comprehensive land claims policy on which the Government has been working for the past year and a half. Our policy, which was introduced in late 1986, replaces the policy of the former Government in respect of land claims that saw only three settlements in 10 years. Our new comprehensive land claims policy is designed to reflect the basic priorities of the Government, that is, that we must enhance self-government by economic development and by looking after land claims where necessary.

Our policy also outlines provisions aimed at enhancing native decision making over the resource and environmental management of Indian lands. Our Government is prepared to assign to aboriginal groups a percentage of Crown royalties derived from the extraction of resources in the entire settlement area, not just onshore resources, but also non-renewable resources extracted in offshore areas which are part of the over-all claims settlement. I want the type of arrangement with native people that enhances the process of self-government with due and proper regard to the need for a land base and with regard to the economic development of which native people are indeed deserving.

It is not responsible, nor is it particularly right-minded, within the native community to argue that a single issue can be dealt with as an isolated issue without regarding all others.

I had the opportunity as a new Member of Parliament to spend a great deal of time with my colleague from Saskatchewan whose riding borders the entire southern portion of my area, the Hon. Member for Kindersley—Lloydminster (Mr. McKnight), who is also the Minister of Indian Affairs and Northern Development. I want to salute the Minister, in closing, for the dedication, commitment, and open-mindedness which he exhibited in dealing with the multiple questions of self-government, economic development, and enhancement of a land base.

I remember well the first week that the Minister was in his new portfolio. He and I were in a hall at the Little Pine Indian Reserve just south of The Battlefords. He stood and said to the chiefs: "I want to assure you of two things. If I can't do it, I will say no. If I can do it, I will tell you it will be done". That sounds rather like a truism, but people were surprised to hear that from an Indian Affairs Minister who, unlike those of past Governments, is able to deal in a direct, open, and honest way with Indian people.

I salute the Minister for his untiring efforts and his dedication to ensuring for the families and children of Canadian native communities a potential future which will see them into the mainstream of Canadian society with all the rights, privileges, and ability to raise their families secure in the knowledge that a bright future awaits them.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I am pleased to speak today on the motion before us. It is certainly an extremely important matter in the Yukon and in other areas of the Northwest Territories and across Canada. It is an issue in which I have been very much involved for a number of years. I feel very strongly and passionately that it requires much more debate in the House of Commons.

We clearly have a sad history in terms of the treatment of our aboriginal people. Neither the Liberal Government nor the current Tory Government has addressed the issue in a way which fundamentally facilitates the self-sufficiency and independence of Canada's first nations. We have a responsibility as politicians to deal with the mistakes of the past and to plan for the future. I suggest that this issue of all issues in Canada stands out as a shameful failure on the part of Canadian politicians and Canadian people.

In my view, much of the problem stems from the fact that we have taken a very colonialist attitude in coming to Canada and taking over the lands of aboriginal people. Aboriginal people, as some Canadians may not remember, were not a conquered people. This is why there have been many treaties with our aboriginal people. We did not win a war with them. We came. Treaties were made, sometimes under rather dubious circumstances so that we could use their land.

The basis of many of today's discussions and of the discussion of the previous speaker on the issue of self-government—and I will expand on it later for a few minutes—is the principle of aboriginal rights. It is something that many Canadian citizens have some trouble understanding and, in some instances, accepting. I think it is important to begin this discussion by establishing that this is a right which has been accepted in Canada by all political Parties. It is an established right based on a claim of first priority, that aboriginal people were the first citizens here. They were not a conquered people. From that flow a number of rights to them which take the form of certain programs, perhaps the self government question and a number of other treaty rights.

• (1640)

The problem has been that no government, as I said earlier, has taken these rights seriously by honoring them in a way in which a government should. This is not, I suggest, a result of some malevolent plan. It is not a result of people being unfair or mean spirited. It is a result of fundamentally not understanding both the historical reality of aboriginal rights and the reality of a different culture. Certainly as the adage goes, whoever defines the problem defines the solution. We as non-aboriginal people have been defining solutions for far too many years. We see by the programs that they are very inadequate solutions.

There are a number of examples of how historically we have begun to look at the question of aboriginal issues in Canada. First, when we as colonists came to this country—and historians I am sure will agree with this—we thought the Indian and the aboriginal people would simply die out. But they did not. In fact, despite disease and many other factors, they have continued to flourish in our society and have a very high birth rate.

Then there was the hope that the aboriginal people would assimilate into the greater society. Then there was the traumatic establishment of residential schools where children, without parental permission, were taken where they would learn English and learn to be useful citizens, as it was defined at that time. They were punished for speaking their own language. Most of their schools were closed only in the late 1960s, but we still see the extremely traumatic results of attempting to eradicate a culture. That policy did not work.

From 1969 up to the famous Chrétien White Paper and the strong reaction of the aboriginal people to that, there began to be some funding of aboriginal organizations. They became much stronger and much more forceful advocates for their own distinct interests. Part of the policy that I referred to in changing views of aboriginal people, within the context of Canadian society, was how people could lose their status. It is hard for most tourists to imagine a situation where you could be one day an Indian and the next day, if you had gone to war to fight for this country or you had become a doctor, a lawyer or, if you were a woman and had married a non-Indian, you were not an Indian. Most of us would find that rather difficult to accept. Of course, it was patently unfair and we are now dealing with the results of that kind of policy.

Bill C-31 referred to by other speakers is an example of where we have tried to redress some of this discrimination by restoring status to Indian women and their children who married non-aboriginal people and lost their status. We have seen some of the problems emanating from that. Mopping up history, Mr. Speaker, is an expensive business. We have done it as a society with decided reluctance rather than with a sense of fairness and justice, as should have been the case in a democratic society.

I would like to give a few examples relating to the motion before us in the House today. Sections in the motion around the housing and education programs and so on are examples of the failure to take seriously the commitment of addressing historical realities. For instance, funding of aboriginal programs. If you look closely at the funding, you will see what we have done is predicate it on a welfare basis so that people, groups or organizations receive just enough to keep alive, but rarely enough on which to flourish and develop. I could give many, many examples.

There are very few programs that have permanent funding. Often it is annual funding, sometimes five year funding but

rarely permanent funding so that a plan can be made and security for staff for a fundamental change. This is the point about the lack of serious commitment to aboriginal issues. You ask about examples of the kinds of programs of which I am speaking, Mr. Speaker. There are the friendship centres, about 99 across Canada, which offer many programs and employment for aboriginal people. They have just finished a five year funding cycle. We do not know what is going to happen. They do not know what is going to happen, yet they provide a useful service.

Communication societies across this country include native newspapers, broadcasting and so on. Native newspapers have not received any increase in funding in the last six years in order to hire staff and get the ordinary cost of living that all of us, including all of us in this House, expect every year. What about funding to band councils and band governments? Then there is education and training. My colleague from Skeena talked earlier today about the decrease in funding for land claims, economic development, housing and the devolving of programs.

The Minister of National Health and Welfare (Mr. Epp) this afternoon spoke about the devolution of programs to native peoples. I believe this Minister sincerely has tried very hard to work on that issue. However, sincerity is not enough. The money has to go with it. What has happened, if you look closely at the record, Mr. Speaker, is that what the Government and the previous Government did was say:, "Fine, we will let you run the program. We will give you the rule book. It will be our rules, not your rules. We will not give you any administration money but we will give you the program dollars and you can run it". That is characteristic of the way we have dealt with aboriginal people. We have said: "You play by our rules, do it our way or else we will not help you in your community".

I think the issue of land claims is where we must clearly see the philosophies and attitudes prevailing. In my view, particularly in my own riding of the Yukon where there have been ongoing land claim negotiations for 15 years which have not been resolved, for a two year period from about 1984 to 1986 the Government withdrew from negotiations and said that we had to come up with policy. So we are working on the policy. We now have a policy with extremely narrow guidelines and negotiations are under way again. Everyone has heard of the Lubicon situation where in order to get justice the Lubicon Indians had to take advantage of an international event, the Olympics, in Calgary. This surely is not the way to give justice to aboriginal people.

As I mentioned, in the Yukon with the ongoing negotiations, we are beginning to see that less funding is available for research by native bands into land claims negotiations. This is not just in the Yukon, but elsewhere, and they cannot be expected to do the kind of research necessary in order to take their negotiating positions in a meaningful way with decreased funding. That is happening over and over again.

The Minister of Indian Affairs and Northern Development (Mr. McKnight) has not been actively involved in these negotiations. He has not taken the interest to see that they are settled. It is crucial that these claims be settled. It is detrimental to the aboriginal communities and to the non-aboriginal communities to see, as in the Yukon, land ownership tied up until we can settle what land quantum will be given to Indian peoples or will be negotiated by Indian peoples. I believe strongly, and we have some examples such as the Inuvialuit agreement, that with political will land claims can be settled. Negotiators need to have a mandate which means that they can negotiate at the local level, not run back to Ottawa every five minutes to get some agreement on it. A politician in the Yukon once said that much of governing in the North is like driving a team of horses with reins 3,000 miles long. It does not work and is not working in land claims, which is an extremely important example of a lack of commitment to seriously deal with aboriginal issues.

• (1650)

I would like to now talk about self-government to which the previous speaker referred. Self-government is an essential part of land claims. Land claims is not just about land, it is about economic development and control over one's life. The history of the treatment of aboriginal peoples has been one of someone else defining how things will be done. It has not worked.

It was interesting to hear the previous speaker talk about self-government and government policy. It was instructive to hear him outline how the Government had listened to aboriginal people and is interested in listening. I will tell you that probably no other people have been listened to as much as the aboriginal people. We have had numerous task forces, the Penner report on self-government, the Cooligan report, as well as many others with many recommendations which have never been implemented. Aboriginal people are probably the most over-listened-to people in Canada. They probably come next to the poor, I guess, with all the poverty studies. What has not happened is action resulting from all that listening.

The previous speaker referred to individual definitions of self-government and how the Government had listened to what aboriginal people had to say. Why have they not listened to aboriginal people who have said entrench self-government in the Constitution? That is what aboriginal people are asking for. We have First Ministers' Conferences that go on for four or five years and the issue cannot be resolved. Yet in one day or one night the First Ministers sit down and change the character of this country through the Meech Lake Accord.

What we have is not, as is often referred to, an Indian problem. We have a problem with non-aboriginal people who refuse to look at the situation in its cultural context. They refuse to give up a shred of power to Canada's first nations and implement the kind of fairness that should be a hallmark of this country.

In that same vein I would like to talk about the lack of recognition of the traditional life-styles of aboriginal people. Yes, we like moccasins and handicrafts and feel that is pretty neat when we come to define Canada. Look at our travel brochures. We show moccasins and Indian handicrafts. However, when it comes down to things like the Constitution, whether there will be low-level flights which disrupt the Inuit in northern Quebec or Labrador, or whether we will protect trapping, hunting and sealing areas, then we are not so cute. Then we say that is just tradition, not a real economy.

There is a real aboriginal economy that has never been recognized. That fact reflects the kind of disregard and lack of respect we have shown for aboriginal people. We are missing a tremendous resource of scientific knowledge on the part of aboriginal people, whether it be the Inuit in the high Arctic or Indian peoples across Canada. They have a knowledge of the land, of our renewable resources, of patterns of climate and environment which we disregard because somehow it is not seen as scientific. Again it is because we choose to look only at aboriginal people from our cultural bias. We have decided what is right and we will tell them what is right.

Arctic sovereignty is in the news a lot. What we need to do is get more submarines up there! Maybe we should have military bases. More troops. Sure, we will put a military base in Nanisivik and to the Inuit we say: You can be the janitors. That is not good enough. We have had a presence in the North for thousands of years. We have a legitimacy in the North through the occupation of the Inuit and aboriginal peoples.

Then we have native economic development programs. We have a four-year program involving $345 million, but just as it is nearly over, they can spend only 40 per cent of the funds. Yet look at the statistics on unemployment and training.

I would like to close with one other very important issue, that of justice and things like the Marshall case and the killing of J. J. Harper in Manitoba. Many of us have known for years the statistics concerning the over-representation of aboriginal populations in our jails. This really means we must address national problems with national solutions. In both economic development and justice we must have a national focus and an inquiry into these issues and why they remain.

Finally, many statistics have been given here today about high unemployment, mortality rates and so on. I will not repeat them but I will say there is a strength in the aboriginal community from which we can learn and which we have rejected by our cultural blindness through our rejection of Canada's first culture. We can do much better, and I strongly support this motion and say to the people of Canada and this House that with the political will we can have justice for aboriginal people on aboriginal terms that will work for aboriginal people.

Mr. Deputy Speaker: Questions and comments.

Mr. Heap: Mr. Speaker, I thank the Hon. Member for her comments on the life of the aboriginal people, particularly as she knows them in the Yukon. As she pointed out, it is a national question.

She made reference to several things that I would be interested in having her explain a little more fully. She referred to land claims and the policies and procedures worked out for handling them. I think she suggested they were too narrow and that she would like to see them widened.

She also referred to the transfer programs that were part of the move toward so-called self-government and the rules imposed upon the Indian bands. She implied that some of those rules may have been inappropriate.

I would like her to explain further about the land claims guidelines and the rules for the transfer programs.

Ms. McLaughlin: Mr. Speaker, I appreciate the question from my colleague because it is a very complex matter. The question of land claims and transfer of programs relates to the whole question of self-government and control over one's life.

First, the narrow mandate of land claims. Certainly there are basic issues in land claims such as self-government, land quantum, and cash compensation in certain instances. Of course, it is a negotiating process, and I am not suggesting that it should not be, that the aboriginal people tell you what they want and you say that is fine. It is a negotiating process. However, why in 15 years, in the case of the Yukon and many other land claims across Canada, has there not been a resolution of the problem? We have for good or ill, most of us think for ill, a trade agreement with the U.S. That did not go on for 15 years. When there was a will to get a trade agreement, we got a trade agreement. We can do the same thing in land claims. It simply means widening the mandate to some degree to allow the negotiators to negotiate on specific items and simply give them more latitude.

These negotiations require the giving up of some power. Ottawa cannot continue to control Indian peoples. Everyone at every level is simply going to have to realize that. We will be a healthier and stronger country when aboriginal people have control over that.

With respect to the programs, I will just give an example because I referred to it in my speech to some extent. An example is the National Native Alcohol and Drug Abuse Program. This is an extremely important program with a number of teaching, treatment, and counselling programs. In my area, and indeed nationally, native people have been negotiating with the federal Government to have control of this program. However, the Department of National Health and Welfare continues to run the program. It pulls the strings and says: "You will do it our way".

• (1700)

Well, "our way", and in that I include myself and my culture, has not worked. It concerns me that we continue to repeat the mistakes of history, whether in the transfer of child welfare services to aboriginal people or the transfer of other

programs. We insist that doing it our way works. We have heard numerous statistics today that indicate that doing it our way does not work. We must begin to take a more realistic view and accept that there is a cultural dimension.

Mr. George Baker (Gander—Twillingate): Mr. Speaker, I would like to say a few words on the motion before the House and perhaps highlight one of the issues raised in this debate, the problems associated with it, and why it is mentioned by the mover of the motion. If outlining the problem does not get too boring, I would like to give a solution to the people who read *Hansard* and are involved with the federal programs which are referred to in this motion.

First, this is a very fine motion. It involves not only aboriginal people of Canada but all people in Canada. When you point out that the Government has not done enough for the provision of adequate shelter, health and educational facilities, basic water and sewage treatment facilities, adequate employment and training opportunities, and the financial resources to develop fully economic and human resources, that would cover more than half of Canada. It would certainly cover the rural and poorer areas of a country.

I do not want to get into generalizations. I am not very good at the generalizations and philosophical arguments which some may put forward on this motion. I do not have time for philosophical arguments because there is so much to be done with regard to specifics. There are so many requests which come into an MP's office on specific problems.

I want to refer to subsection (c) which refers to basic water and sewage treatment facilities. Only today I read a letter from Chief Calvin Francis, the Chief of the northern part of Gander Bay, Newfoundland, in my riding. He was complaining about this particular aspect of life in his area. This rings true for a great many areas of Newfoundland and other parts of Canada.

The complexity of the problem depends upon which province you are in. In other words, there are provincial laws and federal laws, but the provincial laws differ in practically every province with regard to what you must do to try to solve the problem. I will deal only with the provision of basic water and sewage treatment facilities.

We are talking about Canada in 1988. In Canada today we have thousands of children who drink contaminated water. Whose responsibility is it to try to correct this problem? Whose responsibility is it to make such communities conform with Ottawa where you are able to drink water from a tap or flush a toilet? A great many areas of Canada do not have such privileges and it leads to an incredible number of problems.

The area of Gander Bay to which I referred a moment ago is similar to a great many other areas referred to by this motion. There are many problems involved with this. One is that you are confronted with various provincial guidelines. For example, you must have an engineering study done before you can tackle a water and sewage problem. Number one, who is going to pay for the engineering study? Number two, the engineering study must be passed by the provincial Department of the Environment. Number three, the Department of Health must inspect the water source. Number four, if in examining the engineering study the Department of the Environment and the Department of Health determines that you must have sewage treatment facilities along the water system which is to be installed, you have one big problem because for 15 or 20 homes in a rural area sewage treatment facilities cost perhaps a quarter of a million dollars, and that is a fairly cheap sewage system. The question arises as to who is going to pay for that.

Normally a town or city, through taxes, pays off a loan obtained through a municipal financing system of the provincial government or directly through a bank. That cannot happen in the areas about which we are speaking because there is either a band council, such as in the case of Mr. Calvin Francis, or you must become incorporated in one way or another.

You may be lucky enough to get a grant to pay for the engineering study. There is only one place which I know of that you can get the grant, and that is through some provincial agency. When you do that there is a condition on the grant. If you get a grant from a provincial financing agency in some provinces, you must sign a piece of paper saying that once the system is completed you will impose property taxes. That is the law in most provinces in Canada. If you receive taxpayers' money in the form of grants you must impose property taxes on the homes which will be served by that water and sewage system.

That applies to most provinces of Canada in which you must have an engineering study in order to undertake any sort of water works. In other words, you cannot simply connect 40 or 50 houses to a water system for which you have found the money from a source such as a federal works program. It cannot be done.

A group of people in a small rural area say that they would like to be able to turn on a water tap in their houses in the same way as people in the cities and large towns do. They say: "We want bathrooms in our houses just like those in the towns and cities". The first thing to do is apply for some money because it cannot be done without money. It cannot be done only with volunteers because money is needed to buy pipe, dynamite, other materials to put in the lines.

• (1710)

One used to be able to apply for a normal grant program of the federal or provincial government. There used to be a works program through which people would be put to work to start the water system. I am talking about these programs as they relate to people who live in communities with no water or sewage system as we know it, but a well for a group of two or three houses and septic tanks behind the houses.

A community like that which seeks to install a water system can apply for what is called the job development program of

the federal Government. It is the largest works program of the federal Government, and involves millions of dollars. Advertisements state that communities wishing to make improvements should apply under that program.

The only problem is that the Government has converted it into a training program so that those hired under the program must be trained for a certain skill. How do you train someone to dig a ditch? I believe a person could be trained in one day to dig a ditch and install a water line. Therefore, the federal Government does not fund water and sewer system projects as they used to be funded years ago. It will no longer fund water and sewer systems to completion under its largest direct funding grant program because it stipulates that employees must have classroom experience every day on the job, which simply cannot be done in this case. Let us keep in mind that these communities consist of relatively poor people. Any rural doctor will say that today, children in many of these rural communities have to drink contaminated water every morning.

What is the second largest program under which these communities can apply for grants without having to pay them back? It is a program called Section 38, which provides grants to community groups to help toward useful community improvements. The material costs under that program are higher than the job development program and also have certain restrictions.

In order to get money to put in the water and sewer system under Section 38, only those drawing unemployment insurance can be hired. Some MPs just might be foolish enough to promote this program. The fact is that workers who have been hired under that program of the federal Government must be laid off when their unemployment insurance benefits have run out. The MP will have to explain that the reason his constituent did not get unemployment insurance benefits from all the work he did on this summer project is that it was uninsurable employment. As a result, the MP has intentionally put that man on welfare, since that is his only alternative.

I know of only one direct funding program that is fairly universal in Canada. It is a provincial program that is paid fifty-fifty through a recovery system with the federal Government. It is referred to by various names by provinces across Canada. It is usually called the community development program, but I have seen it referred to as the community action program in Ontario and other places. In my opinion and in the opinion of those who work under these programs, it should be called the welfare program.

We have already determined that we cannot do the project through the job development program because we are not allowed to train people to dig a ditch. We have the second largest program, Section 38, to install the water and sewer system, but those we hire will end up on welfare after receiving uninsurable employment.

Unfortunately, the welfare program is designed simply to take people off welfare and put them on unemployment insurance. In other words, when they qualify for unemployment insurance they lose their jobs under the welfare program, and there is no material cost. Talk about intentionally putting people on unemployment insurance.

• (1720)

Most of the communities covered under this motion deal with people who are what we call "repeaters" of unemployment insurance. If a private employer went out and took someone on social assistance, gave them exactly 10 weeks or 20 weeks, just enough to qualify for unemployment insurance, that employer would be brought into court and charged. It is against the law. Provincial Governments do it all the time. In every single provincial budget that I have ever seen there is always enough money to take 10,000 or 20,000 people off social assistance and put them on unemployment insurance. The grants run just long enough for someone to qualify for unemployment insurance and then they are laid off.

Here we have the only three grant programs, not loans, available to communities in Canada covered by this motion to put in a water and sewer system, for people drinking contaminated water, and the three programs are not useable for putting in those vital services. That is the bottom line with all these organizations since this Government took over. Previously we were able to do that under the largest program, the Canada Works Program.

The bottom line is that this motion deplores the Government for its failure to address the needs of the aboriginal people of Canada, including the provision of adequate shelter, health care, educational facilities, basic water and sewage treatment facilities and so on and so on. There is no way now they can get money through normal government programs to put in water and sewer systems. There is no possible way. However, if they wished to do something else in the community, they can do it. If they can take someone into a classroom and teach him or her a lesson every day before they go out on the job, they can get some money.

In conclusion, let me say, without going into detail, that the other programs operate in approximately the same way. We have rural and native housing programs. I could write a book on rural and native housing problems. We know inside out and upside down every regulation that has been changed over the years. The new program is called the RRAP program. It is not very well known in Ottawa, Toronto or Montreal, but mention it in any of the rural areas and everyone knows what you are talking about. Yet that program has been so restricted under this Government that it is practically non-existent.

Ms. McLaughlin: Mr. Speaker, I would like to thank the previous speaker for pointing out so adequately the bind so many aboriginal communities are in. I think he has delineated one program, the water and sewer program, and, as he said at the conclusion, it certainly affects many other programs. The obstacles that are set up are worthy of an Olympic hurdle race for the people who try to take advantage of them. Usually, if

they could take advantage of any of the programs about which the Hon. Member spoke, they would never be completed because the program would end and they would have half a sewer and half a water system.

The speaker mentioned housing. Certainly those of us who have been involved with the issue of housing for aboriginal communities, especially the joint housing projects between CMHC and DIA, have found it an extremely frustrating process. The intent of the program may have been good initially but it is causing many problems in aboriginal communities. Under the guaranteed loans through CMHC, many of the aboriginal people are paying very exorbitant rents. In my own riding we recently had something like a 25 per cent increase in rents in one year under those jointly funded programs.

Would the Member tell us what his experience has been with the joint housing program of DIA and CMHC? How would he comment on that particular program and its success in dealing with the housing needs of aboriginal people?

Mr. Baker: The one thing that is really frustrating to the person who is in the House—and there are all kinds of problems in actually getting into the property in the beginning—is the amount of rent one has to pay is constantly under revision. It is constantly changing. The real problem, I believe, with all of the funding programs that are in existence for native peoples and non-native peoples, is that there are provincial inputs and federal inputs and there are local inputs. What one would have to do is remove the interference from outside and allow local authorities to change the regulations. A person who made $20,000 last year, living in a subsidized rental unit, but today is on unemployment insurance, is watching the rent double from last year. That is absolutely atrocious. The objections that were placed by Chief Calvin Francis today in his communications to me is that they only qualify for housing under the rural and native programs and the cut-down version of the RRAP program.

There are various elements in the RRAP program. One element is native, another element is handicapped and another is just your normal RRAP program. I still cannot figure it out. If one has a house, they will come in and fix up that house, but they will fix it up in such a way that the inspector says it must do for 15 years. In other words, even if you do not want it, you will get the side replaced or the chimney redone or the roof done. By the time it is all added up, under the new regulations brought in by the Conservative Government two years ago, you are left with receiving $5,000 free at the beginning but then having a mortgage of $10,000 which you could not possibly pay back. I must say I have cases before me, as I am sure do all Members of Parliament, where we have written to the Ministers responsible and asked for Ministerial intervention to get around certain regulations in the Act. I am hoping that the two Ministers in this House, to whom we have written regarding special cases under which the Minister has some discretion, will intervene in those particular cases. I am hoping they will intervene.

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I am pleased to have the opportunity to respond to the motion of the Hon. Member for Churchill (Mr. Murphy). When I look at the motion, I see that he obviously wants to lay on the back of this Government the plight of native people across Canada. When one has listened to what has been said in the House regarding the situation of native people in Canada, one cannot but find it outrageous that some people would try to blame this Government for a situation that has developed over a long time. I do not know why they do this. Perhaps it is to get rid of their own sense of culpability.

• (1730)

I listened to the Hon. Member for Skeena (Mr. Fulton) making his statements. He was outrageous. If I were a native listening to this debate, I would be insulted. I would be insulted because what has been set out here today regarding our native people is not a reflection of the reality. That is not what is happening to our native people. This condemnation of the Government that the socialists have brought forward does not take into account the real situation and what the Government has been doing.

I was listening to the alleged cuts in spending being outlined by Members opposite. Canadians must know what we are talking about here. When we talk about registered Indians under the Indian Act we are talking, in 1986, about 387,000 people living on and off reserves. We are talking about our Inuit population, which is about 30,000 people scattered over all of northern Quebec, Canada and the territories. That is what we are talking about.

When we talk about money and alleged cuts, it just does not hold. I do not know if Hon. Members opposite and I are looking at the same public account books or not. In the books that I have looked at, I saw that in 1983-84 aboriginal expenditures in Canada were $2,461,000,000. At that time that was 2.77 per cent of total government expenditures. Today, in 1987-88 aboriginal expenditures are $3,863,000,000, which is 4 per cent of total government expenditures.

[*Translation*]

One does not have to be a genius to understand that this is not a reduction, but an increase in expenditures.

Mr. Speaker, Hon. Members of the House are well aware of the importance of economic development. Today, my Government colleagues, especially the Minister of National Health and Welfare (Mr. Epp), have mentioned the efforts made by the Government to improve the situation of our native people through various programs.

I take this opportunity to point out that Hon. Members from both sides of the House are well aware of the importance of

economic development in the case of aboriginal Canadians. Aboriginal people want to have more control over their daily activities, the type of control which other Canadians take for granted. That is why their economic development and self-government are really a priority for our Government, something the Minister of Indian Affairs and Northern Development (Mr. McKnight) emphasized on several occasions.

Mr. Speaker, our Government believes that entrepreneurship must be the motor of long term economic growth and job creation. Our small businesses account for 80 per cent of all jobs created in Canada and within our Indian communities. Our best hope remains in the ambition and creativity demonstrated by Indian entrepreneurs. And this Government launched major initiatives in that area.

Mr. Speaker, the Department of Indian and Northern Affairs and the Department of Regional Industrial Expansion have such programs. We offer concrete and tangible support to native entrepreneurs, in the form of training and financial assistance to help them establish new businesses and expand existing ones.

For instance, during this fiscal year alone, expenditures in the area of economic development of native businesses and economic institutions will be in the order of $150 million. According to our files, there are in Canada more than 4,000 businesses owned and operated by Indians. Most of them are reserve-based, and their numbers are increasing rapidly. For instance, during fiscal 1986 alone, we supported the start-up in Canada of more than 300 new Indian businesses. Most of them relied on upfront financial assistance from the Canadian Government, either to supply the capital needed or finance their loans, either directly or through the Indian Economic Development Fund, or again through departmental loan guarantees.

Hon. Members will know that the Indian Economic Development Fund is an important source of support for new businesses. It provides both training and advisory and support services to Indian entrepreneurs. The Fund was established in 1970 to support the development of viable Indian economic initiatives. Last year, the Fund helped some 900 Indian businesses get established and win a place in the market. Moreover, the $200 million invested over the last three years by the Native Economic Development Program and the special agreements on rural and farming development, and the subsidiary agreements on northern development, administered by the Department of Regional Industrial Expansion, have had a significant impact on the development and maintenance of a native private sector in native communities across Canada.

I would like to emphasize more specifically that the Government made significant progress in allowing natives to take control of their own economic development. We have provided more than $100 million of funds to Indian financial institutions from across the country. Those financial institutions will play an important role in the future to finance the growth of Indian businesses through loans or equity financing. Apart from the support provided to native business development corporations by the Indian Affairs Department, we help Native people to establish a system of consulting and financial services, managed by native people, independant and able to answer the needs and hopes of Indians.

[*English*]

Indian Affairs and Northern Development provides ongoing advice and financial assistance to Indian bands for the management of their natural resources. Resource development, forestry, fishing, agriculture and wildlife represent significant potential sources of income and employment for Indians. In forestry, for example, changes being developed to timber regulations and future increased federal investment in Indian forestry management will put Indian forestry back on a solid footing after decades of neglect, notwithstanding what the previous Member who spoke before me was talking about. The Government's strong relationship with the provinces has resulted in Indian management of provincial forest land adjacent to reserves.

Oil and gas is another important base for economic self-reliance in western Canada. Indian bands and government officials are currently reviewing together the existing management and regulatory regime relating to oil and gas. We are confident that ways will be found to improve the benefits accruing to Indians from their own oil and gas resource development.

In the meantime, an oil and gas branch has been formed within the Department of Indian Affairs and Northern Development. The human resources dedicated to this activity alone have been expanded sixfold. Top-notch professionals are being recruited to ensure the best possible return now and over the long term to Indians.

Many Indian reserves have good potential for mineral development. These have been hampered by legal and structural barriers inherent in the Indian Act, but also by a lack of access to private sector capital and by disputes with some provinces regarding control over royalties and other financial benefits. These are being addressed for the first time and progress is being made.

[*Translation*]

As a matter of fact, the federal Government, in co-operation with native people and their economic organizations, is helping isolated native communities to benefit from economic development opportunities. For example, we support the creation of service industries in those communities due to the implementation of construction and infrastructure projects. These projects helped create 3,700 jobs for Indians. We also encourage local hiring in order to maximize the opportunities created at the local level through vesting of existing federal programs.

Mr. Speaker, we have in Canada a wrong idea about native businesses. I was extremely disappointed to hear NDP and Liberal Members speak in today's debate of natives as if all their endeavors always ended in failure, as if they were

incapable of doing something right and as if they had never made any progress.

Contrary to what the NDP and the Liberals would have Canadians believe, many native businesses are successful. Native entrepreneurs are talented and ambitious and their success rate is high. For example, Econobois, a construction material retailer in the Huron village of Quebec, employs 25 people and has annual sales of more than $5.5 million.

• (1740)

[*English*]

Micmac Industries of Big Gove, in my home Province of New Brunswick, employs 14 persons and has sales of $1.6 million; Lasso Contracting Ltd. of Fort McMurray, Alberta, employs 15 people and has sales of $3 million; the Co-op Store in Fort Hope, Ontario, which is owned and managed by Indians, employs six people and has sales of $2 million; Antsanen Enterprises has sales of close to $800,000 and provides eight jobs in the small Northlands Band in northern Manitoba. I could go on and list successful native businesses in this country. That list will become much longer as we remove the legal and structural impediments to native economic development, as we help more native people to develop good management and occupational skills, as we work to increase funding from private sector sources, and as we improve education levels.

In speaking of removing impediments and barriers to economic development, for a few moments I wish to dwell on how the Government has responded to a call by 115 band councils to amend the Indian Act. Following a two year process of full consultation with Indian communities across Canada, on March 9, 1988, the Government introduced legislation to give bands taxing powers on conditionally surrendered reserve lands. The Bill would also make it possible for Indians to mortgage long term leases on designated reserve bands. This is important legislation, and it is Indian-led legislation. The credit goes to Chief Clarence Jules of the Kamloops Band who started the process, and who has dedicated himself to seeing it through. This Bill has widespread support. Yesterday at a meeting in Toronto the Confederacy of First Nations debated the Bill and passed a resolution in its support.

Not every band will want or need to take advantage of those changes, but for those that do, it will permit them to economically develop parts of their reserves for commercial, industrial, residential, or recreational purposes. Indians should be much better able to obtain loans and to recover their investment in infrastructure or services. They will also be able to govern developed land as an integral part of their reserve. This will expand the economic base of the reserve and the business and employment opportunities for band members.

It is practical changes like those that are as important as the direct financial investments that I spoke of earlier. I trust that Members on all sides of the House will facilitate the passage of this Indian inspired legislation in order that bands like the Kamloops Band can get on with their business.

The Government is criticized for not paying attention to the problem of unemployment among native people, particularly those who live on reserves. The facts tell a different story. All day we have heard the socialists and the Liberals tell us it is only a question of money. If it is only a question of money, surely when the Grits were in the process of bankrupting the country they would have solved the problems. It is not only a question of money.

Since 1985, the Government's expenditures on native adult training and labour force adjustment assistance have exceeded $600 million. The Canadian Jobs Strategy of the Canadian Employment and Immigration Commission, the Indian community human resources strategy, and education programs of the Department of Indian Affairs and Northern Development are the main vehicles for helping individuals develop their skills, find jobs, and for assisting Indian leaders to establish and implement plans and strategies to address training and employment problems in their communities.

The Indian community human resources strategy alone has provided full-time academic upgrading and vocational training to 6,000 Indians since 1985. This is a key activity given the strong, proven relationship between academic attainment and employment. Training on the job and entrepreneurial development have been particularly effective. There have been 3,300 unemployed Indians who have benefited from training on the job, and presently most have ongoing jobs. The Department of Indian Affairs and Northern Development's 1987 youth entrepreneurship training has graduated 169 persons, 71 of whom are already in business or shortly will be.

As native people achieve higher levels of education, they will be presented with more opportunities for private sector employment. Education has influenced the number and types of businesses established and operated by aboriginal people. Almost 80,000 Indian students are enrolled in elementary, secondary, and post-secondary education programs in Canada today. Each year, approximately 750 Indian people graduate from colleges and universities. Why do I quote that figure? Almost 11 years ago, in 1977, federal funding for Indian post-secondary education was less than $8 million. This year it is expected to reach $93.5 million. That is another clear reflection of the Government's commitment to Indian education.

Indian management skills have been recognized as national skill shortages within the Canadian Jobs Strategy, thus permitting more training in that area. This will not only help business managers, but also community and tribal Indian administrators of devolved government programs.

Government training and employment programs are progressively being devolved to local community control. This is the case with the Indian community human resources program, and increasingly so with respect to the Canadian Jobs Strategy. In the coming year we expect to make further advances with the introduction of initiatives focused on moving

Indian social assistance recipients into full-time employment, and providing more support to seasonal labour activities on reserves for housing, construction, and the like.

When we reflect on today's debate and on the question of native people, no one has pointed out the fact that unlike the previous Government, when this Government took office it listened to native people across Canada. As a priority we adopted the pursuance of self-government. As the previous Government tried to do, we have not attempted to impose anything upon our native people, upon Indians. They will develop at their own pace. They do not want any Government to come in and impose anything on them.

• (1750)

In terms of economic and social development we recognize as a Government that more work must be done. We must strive to do even better. However, I think we are on the right course. Very little credit goes to our native people if we try to make political hay of their plight. Therefore I encourage all Hon. Members of the House to vote against this NDP motion.

Ms. McLaughlin: Mr. Speaker, the Minister has certainly presented a very rosy picture. On one hand I agree with him when he says that the problems and issues which the Government is trying to address did not begin in 1984. They are of a very long standing history. The previous Liberal Government has no better record in that regard.

I should like to address a little more fully the issue of training and post-secondary education in general. It is an area in which I have been involved over the years. I think I know first-hand some of the problems and successes in this area. I know that there have been on the job training programs, but I would be very interested in knowing, if the Minister has the figure, how many of the 3,300 people trained on the job actually now have full-time employment.

I would also like to remind the Minister that many training and educational programs have not addressed the fundamental problems which exist. He mentioned the Canadian Jobs Strategy which is now cutting back significantly, as the Minister well knows, so that the upgrading needed by not only native Canadians but others is not available. Funds are being cut back from the community colleges which often offered those courses and they are being transferred to private industry. Literacy programs, again not just for aboriginal Canadians but for many others, receive very little funding. I think most of us who have had any experience with the educational system would agree that it has certainly failed aboriginal people.

There is a necessity for training and upgrading programs which unfortunately are expensive and almost provide a parallel system of education in one sense, because there is so much to be done in the area. I agree that some things have been done. We have had programs like the Saskatchewan Indian Federated College, the Blue Quills College in Alberta, and the Native Cultural Centre in British Columbia. There have been some good educational programs, but the fact remains that about 20 per cent of the Indian children growing up today will complete secondary school, whereas about 75 per cent of the general Canadian population will complete secondary school.

I have two questions for the Minister surrounding the real success in full-time employment of on the job training, which again is often short term, and the funding of post-secondary programs that are often uncertain and go from year to year rather than on a permanent basis.

Mr. Valcourt: Mr. Speaker, the Hon. Member is probably the only one on the other side of the House to have acknowledged today that some positive things have happened. That is the reality out there, but perhaps it has not been at the pace we would have liked. Perhaps we would have expected progress to occur much more rapidly.

In the last few moments of my address to the House, I indicated that at one point in time we were assisting only 3,700 Canadians at the post-secondary educational level and now we are assisting some 12,000. It is a big gain. Of course, when we look at the raw statistics we see the chances of a young Indian child graduating from school. It is the reality, but it is why we are committing so many resources to it.

For example, the Hon. Member alluded to the Saskatchewan Indian Federated College and others which have sprung up in western Canada. They are funded through our department and have accomplished many things. The Hon. Member also underlined the importance of training programs, and the speaker who preceded me was yelling and asking for the return of the Canada Works Project and LIP. Which Government threw hundreds of millions of dollars at the people in regions like Kent County? Which Government did that? Surely the NDP does not condemn us for that today.

Our native people need training. Instead of throwing money at the problem, we thought that we would use the money of taxpayers to the best advantage of the recipients, the people who can get something out of it like positive training. We recognize that training is important.

As initially developed perhaps the Canadian Jobs Strategy did not meet all the needs of our native people, but changes have been made. I am sure that as we experiment with the program we will hear from the native people who take advantage of it. They will make suggestions for further improvement, and the record will be there. Yes, we will improve them, but I think the way we must look at it is by determining whether or not there has been a sincere effort on the part of the Government to address the problem, and I submit to all Hon. Members that there has been.

• (1800)

[*Translation*]

Mr. Robichaud: Mr. Speaker, I was listening to the Minister and he mentioned some positive elements in his speech. He

even referred to a business in the Big Cove reserve in my riding which has provided employment for many people. I recognize that if we look at the few reserves we have in New Brunswick, we could certainly find some very positive achievements. In addition to the business he mentioned in Big Cove, there is in my riding, in Indian Island, a group which has organized a summer camp which seems to have had some success. There is also a trout farming business in the Bouctouche reserve. These projects certainly have very positive effects on the reserves. However, we should not paint too rosy a picture, because I certainly believe that people who live on reserves do not have the same opportunities as other Canadians.

In this regard, I would like the Minister to give us some information on unemployment in the New Brunswick reserves and elsewhere in Canada to show that there really is a serious problem and that we should deal with it.

Mr. Deputy Speaker: I shall give the Minister 30 seconds to reply.

Mr. Valcourt: Mr. Speaker, I certainly agree with the Hon. Member for Westmorland—Kent (Mr. Robichaud) that unemployment is much too high on New Brunswick reserves. However, there is some hope because, for the first time, since the unemployment problem did not start in 1984, the Native Economic Development Program, for which I am responsible, has committed funds for New Brunswick reserves. We are working very closely with all the bands in the province to encourage them to implement economic development projects and viable businesses such as those mentioned by the Hon. Member. Thanks to the Native Economic Development Program, we shall be able to help them lower the unemployment rate, which is admittedly much too high.

Mr. Deputy Speaker: It being six o'clock, it is my duty to inform the House that the proceedings under Standing Order 82(12) have expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

OFFICIAL LANGUAGES—ACQUIRED RIGHTS OF SASKATCHEWAN FRANCOPHONES—REQUEST FOR ASSISTANCE IN TRANSLATING LAWS—TRANSLATION OF SASKATCHEWAN STATUTES—REQUEST FOR FEDERAL ASSISTANCE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, on February 25 last the Supreme Court of Canada came out with a historic ruling which might completely alter the Canadian political scenery.

As you may recall, I directed a question to the Government to know its reaction to this decision which I would qualify as being very important to us Canadians.

The Supreme Court ruled that the Province of Saskatchewan has been bilingual since 1905 with respect to its legislative assembly and its courts, which means that any elected Member in that province has the right to speak French or English in the legislative assembly and that all provincial legislation must be passed in both French and English to be valid.

The court also ruled that an individual is entitled to be tried in his or her own language before the courts of the Province of Saskatchewan. Understandably, Mr. Speaker, the decision makes quite a change to the political scene because apparently, in addition to Saskatchewan, the neighbouring Province of Alberta would be subject to the same ruling because it came into being pursuant to identical legislation.

Francophones see this as a major step towards full recognition of their rights which have been trampled on for 85 years. Francophone communities out west have been fighting for decades just to survive in French. The Supreme Court has just confirmed their rights and given them some hope. I say some hope because the court ruling acknowledges the fact that both provinces can legally pass a bilingual law whose effect would be to exempt them from complying with section 110 (Northwest Territories) and thus to deprive francophone minorities of their rights.

This greatly complicates the political scene when we realize that these two provinces have never been too generously disposed toward Francophones. They went along only after quite a lot of arm twisting.

That is why before the Supreme Court came down with its decision the recognition of these basic rights had required many long years of struggle before the courts. These legal battles are not only long, but expensive and exhausting, for they drain a lot of energy. In the case of Father Mercure who went to the Supreme Court of Canada, it took him five years from 1983 to 1988 before obtaining justice. It required a lot of dedication, because at every stage of the legal process, Francophones were told that they had no rights as Francophones in Saskatchewan.

Mr. Speaker, they never gave up. They kept on fighting and appealing to higher courts; they took other steps and incurred other expenses. Faced with constant obstacles, others might have given up. I think that we should congratulate them for showing such determination in getting their basic rights recognized.

Now that they have won, they should not let the legislatures abdicate their responsibilities and deprive them of that right the Supreme Court has recognized. The Federal Government should show political leadership and offer these two provinces assistance to deal with this situation.

It would be totally useless to force them to translate all the legislation adopted since 1905, because it would not serve the public interest or the common good. It would be a waste of public funds, because there is probably a lot of obsolete statutes which do not need to be translated.

Of course, if the provinces choose to take the easy road, they will introduce and pass a legislation stating that the province is unilingual and strictly English-speaking, that is they would repeal section 110. In doing so, the francophones would loose their rights without any recourse. It would be legal, though very unfair, not to say cynical, on the part of both provinces which, it will be remembered, passed the constitutional resolution proceeding from the Meech Lake agreement.

• (1805)

By endorsing the Meech Lake agreement, both provinces firmly undertook before the rest of Canada to protect the linguistic rights of their minorities which is as you know a basic characteristic of our country.

They would be ill-advised to pass a legislation withdrawing the almost century-old rights of their francophones. It would probably be legal but it would not be fair.

We have to hurry, Mr. Speaker, because we know that Alberta is about to introduce legislation. Indeed, a dispatch from the Canadian Press confirmed on March 16 that the Government House Leader intends to table such a Bill. We are still waiting for the details of that legislation. But the worst is to be feared, Mr. Speaker, when one knows that in June last, that same legislature in Alberta passed a resolution to limit the use of French in its proceedings—the Piquette case—to such a point that permission is required to use one of the official languages of this country.

The solution would be to retain section 110, even to enshrine it in our Constitution, so that Francophones would feel protected and well treated in those provinces in the future. In exchange for an agreement on partial translation of the major provincial statutes, and not all of them, those two provinces should undertake to increase their services in French to their residents. We would thus save considerable amounts of time and money while making better use of federal grants to be allocated not only to protect, Mr. Speaker, but to promote the French culture in Saskatchewan and Alberta.

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am sure you will recall the fundamental decision handed down by the Supreme Court of Canada in Mercure vs. the Attorney General of Saskatchewan. The Supreme Court ruled that Section 110 of the Northwest Territories Act of 1891 was still valid in the Province of Saskatchewan. In doing so, the Court pointed out that the statutes of the Province were invalid but the principle of the rule of law would keep the existing laws temporarily in effect. At the same time, Mr. Speaker, the Court stated that the language requirements could be modified. It was up to the Province to pass legislation to change the present legal situation as defined by the Court. Only the Province could determine which option it preferred.

We recognize and respect the Province's autonomy in this respect, and we are very much aware of the divergent interests involved in this decision. In fact, these interests deserve special attention, and we realize that the Province cannot reach a decision without proper reflection.

At the same time, the Government of Canada fully approves the equality of status and use of English and French across Canada. In this respect, the Secretary of State (Mr. Crombie) initiated certain measures last fall, well before the Mercure case, and some positive consultation has taken place. Since the Supreme Court's decision, there has been further discussion about integrating the implementation of the decision with the broader issues.

The implementation of the Court's decision is expected to require substantial amounts of human, technical and financial resources. Mr. Speaker, we wish to repeat here in the House that the Government of Canada is prepared to help the Province accomplish this task, using the means at its disposal. We are consulting closely with the Government of Saskatchewan to determine in what way we can be most useful, if the Province should request our assistance.

Mr. Speaker, in the days following the decision in the Mercure case, the Government of Canada reiterated to Canadians its position, announced when Bill C-72 was tabled, that it maintained its policy of co-operating with the provinces and the Territories to ensure that the most important provincial, territorial and municipal services would be available in English and in French. We still believe that one of the most urgent priorities for minority language communities across this country is full implementation of minority language educational rights as enshrined in Section 23 of the Canadian Charter of Rights and Freedoms. This is the most important need of the Francophone community, including that of Saskatchewan, and indeed an area where we can be most useful. While we recognize the Province's jurisdiction over education and provincial services, we shall indeed continue to consult and co-operate with the provincial authorities for the very purpose reflected in Section 16 of the Charter, namely to promote the equality of status and use of French and English.

[*English*]

CANADA HEALTH ACT—EQUAL ACCESS— MINISTER'S POSITION/ADMINISTRATION OF ACT

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, it gave me great concern that the Minister of National Health and Welfare (Mr. Epp), in his reply to my question on March 8, did not seem to address the crux of the problem. Certainly I have great concern about what is happening, not just to the women of this country but to our health care system in general. In the 1986-87 Canada Health Act annual report, the Minister said that his department has been following carefully recent developments in provincial programs. Examples of these included the removal of insured coverage for some health

services and charges to patients for services which may not necessarily be medically required. A number of issues related to possible non-compliance were identified and subsequently resolved, while some cases are currently under review.

We now know that the attempt to restrict certain services in the Province of British Columbia has not been allowed by the court. Therefore it seems to me that if we are going to have an effective Canada Health Act, the Minister must act on that ruling.

We are greatly concerned that the principles of the Canada Health Act are not being upheld. The principles of public administration, comprehensiveness, universality, portability and accessibility are the ones at which we are looking.

• (1810)

With regard to accessibility, it says insured health services on uniform terms and conditions and reasonable access by insured persons to insured health services unprecluded or unimpeded, either directly or indirectly, by charge or other means. Surely it is quite clear, after the Supreme Court decision, that there should be access to these services for women right across the country.

It seems to me that the Government is reluctant to implement the Canada Health Act. New Democrats have never said that abortion on demand should be the policy in place. We have said, though, that it should be equally accessible to women across the country and that we should not be discriminated against on the basis of geography or whether we are rich or poor. That is the issue on which we are trying to get an answer from the Minister. The Minister should take that responsibility as the Minister of National Health and Welfare (Mr. Epp). He is responsible for ensuring that the Canada Health Act is implemented.

The practice of de-insuring important health care services must be stopped. We have seen this happen in Alberta and know that it can be the beginning of the erosion of the whole medical health system in Canada. With something as clear as the Supreme Court decision it is very important that the Minister of National Health and Welfare exercise his responsibility to ensure that there is accessibility across the country.

If we conclude that debate, we can go on to the issue of services for women which would provide some prevention. We could talk about counselling and contraceptive information. I am concerned that the Minister is not fulfilling his responsibility of discovering where there is not accessibility. If this responsibility is fulfilled Canadian women can get the services which they need.

Under the Canada Health Act we could have pre-abortion and post-abortion counselling and contraceptive information. These things would be useful in reducing the number of abortions. However, that will not happen as long as the Minister is playing around with the fundamental principles of the Canada Health Act.

We have been getting answers like: "I do not want to give an opinion to the House now" and "We are going to have to look at it for a while". Surely with the Supreme Court decision which has been handed down the Minister has a responsibility. There have been two court decisions now and the time has come when we must look at the implications of non-accessibility and how they erode the Canada Health Act.

I ask that the Minister respond to us on this side of the House by telling us how he is going to implement the Canada Health Act in order that the principles which have been put in place, which are the true values of Canadian society, will be upheld.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, tonight is the night I reply to questions concerning the Supreme Court!

The minister of Health and Welfare (Mr. Epp), a minister responsible for the Canada Health Act, is most aware that the provinces, as is their right under the Constitution, are developing their policies on the delivery of abortion services.

This in neither completely unusual nor expected, since Canada consists of twelve provinces and territories which have different needs in relation to their economic, social, cultural and geographical requirements.

We have a national health care system because of federal-provincial co-operation, commitment and willingness to ensure that Canadians have reasonable access to insured health services without financial or other barriers. The system is based on a respect for the powers, rights, privileges or authorities vested in Canada or the provinces.

This reality has very specific implications for the application of the Canada Health Act and the principles it embodies. The provinces are responsible for the provision of health care services, and it is not within the powers of the federal Government to dictate to provinces what those health services must be, or how they should be delivered.

However, the provinces do have an obligation to satisfy the principles of the Canada Health Act before receiving federal cash contributions for the provision of insured health services. When questions do arise under the Act, experience has shown that both levels of government are willing to address the issue in a cooperative manner that will produce a satisfactory solution.

The Supreme Court decision has made it necessary for provincial and territorial governments to enter a difficult period of readjustment of their policies and procedures on abortion.

Access to the services on an insured basis is one key question in the debate. For some, access means that the service should be available everywhere to everyone without conditions or restrictions of any kind. Others view access to mean that the

service should only be available for very limited and specific reasons.

The Canada Health Act requires there to be reasonable access to medically necessary health services if a province is to qualify for full federal cash contributions. The determination of reasonable access must take into consideration all aspects related to the provision and delivery of any insured health service by a province. This could include an examination and understanding of provincial health care delivery resources, facilities, personnel, as well as a recognition of factors, i.e. geography, that may set practical limits on what health services are provided where.

The federal Government is committed to upholding principles of the Canada Health Act, and ensuring that provinces respect the act's provisions for federal funding. Changing developments in the area of abortion services are being closely followed.

• (1815)

[*English*]

IMMIGRATION—IMMIGRATION APPEAL BOARD HEARINGS—FEDERAL COURT OF CANADA RULING/REQUEST THAT BILL C-55 BE AMENDED

Mr. Dan Heap (Spadina): Mr. Speaker, a week ago I asked a question of the Minister of Employment and Immigration (Mr. Bouchard) on a matter of urgency in the refugee determination system. I asked, as reported at page 13602 of *Hansard*, whether the Minister:

> —will now undertake to bring into Parliament an amendment to Bill C-55 which will assure members of the Immigration Appeal Board that they will have the normal rights and protection of tenure, that is, that they will not be dismissed during their term of office except for cause?

The Minister was so uninterested in the problem or the facts of the situation that he did not even know which Bill I was talking about. His answer was:

> Mr. Speaker, I won't bring in any amendment to Bill C-84—

The Bill that is causing the trouble is Bill C-55. It has caused the Immigration Appeal Board to totally stop hearing refugee redeterminations. It is slowly bringing the Refugee Status Advisory Committee to a halt for the same reason. The reason is described by Judge Reed in her judgment at the Federal Court at Winnipeg. As it is stated in this article:

> Mr. Matas argued before the court that the Government was opposing Mr. Sethi's application for refugee status at the same time as it was about to 'fire' all the existing board members and select some of them, but not all, to become members of the new board.

The judge wrote:

> This, it is argued, creates a reasonable apprehension of bias, an apprehension that the existing board members will tend to lean in favour of the Government's position.

• (1820)

That was caused by the Government's passage through this House of Bill C-55, particularly Clause 38(1) and (7) which states:

> Subject to this section, the members of the former Board and the members of the former Committee cease to hold office on the commencement day.
>
> No person appointed to hold office as a member of the former Board or of the former Committee has any right to claim or receive any compensation, damages, indemnity . . .

In other words, they have no right to continue. They have lost the tenure which is normally considered essential to enable a judge or a person doing judge-like work to give the independent decision the law expects him or her to give.

In other words, as the court found, the Immigration Appeal Board, and the same applies to the Refugee Status Advisory Committee, are no longer to be trusted to be independent and impartial no matter what their good intentions may be because of this law that the Minister drove through the House of Commons.

That has caused not only an injustice to the individuals concerned, the refugee claimants and members of the board, but it is also causing a worsening of a serious backlog and administrative problem, which is a nightmare already, because of that foolish law and the Minister's foolish answer to my request.

The fact is that if the Minister will stop and think, he can very simply today, or if he is not here today, tomorrow, end this problem very easily. He can do justice, that is to say, he can restore the understanding of normal tenure so these judge-like people will not be dismissed during their term of office unless they give some special cause. That is the normal practice. At the same time, he can set the Immigration Appeal Board and the Refugee Status Advisory Committee functioning again very simply, by making a public announcement that he will move to amend Bill C-55—not Bill C-84; that is another battle—in Clause 38 so as to restore the normal right of tenure.

I urge the Minister to get off his high horse and let this process, which has had so many difficulties, get moving again.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I welcome the opportunity to expand upon the reply given by the Minister of Employment and Immigration (Mr. Bouchard) to the Hon. Member for Spadina (Mr. Heap) on March 10, 1988. The Member knows that there are several legal issues raised by the Federal Court decision. These issues warrant thorough study by legal experts and a careful consideration by the Government. Such study and consideration has been undertaken and the Government will render its decision in due course. Until then, it would not be appropriate to comment on the case to which the Hon. Member refers.

I would, nevertheless, want to offer some comments about Bill C-55 and Bill C-84, which are designed to revise and

expedite the refugee determination system and to curve the flagrant abuse of our immigration controls. The Hon. Member knows that Canada's refugee determination system is strained to the breaking point.

We have a backlog of more than 40,000 claims pending. The backlog is growing by 2,500 claims or more every month. Thousands of recent claimants arrived with fraudulent documents or with no documents at all.

Bill C-55 and Bill C-84 are essential first steps in restoring integrity to the refugee determination system. The new refugee determination system will maintain the existing high standards of fairness in keeping with Canada's humanitarian tradition. It affords to refugees the protection guaranteed under the Convention and provides for efficient resolution of claims so that genuine refugees can get on with their lives in Canada.

The Immigration Act needs to be amended immediately. Bill C-84 and Bill C-55 are important parts of the solution to our backlog. These Bills, which are in the other place, cannot be allowed to languish there. I urge all Hon. Members to request all members of that other Chamber to accept their responsibilities and send the Bills forward.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.26 p.m.

HOUSE OF COMMONS

Friday, March 18, 1988

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTED DAY, S.O. 82—ECONOMIC FUTURE OF REGION OF GREATER MONTREAL

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie) moved:

That this House condemns the Government for its failure to act in matters of interest to the region of Greater Montreal, including the space agency, the development of the Vieux-Port, the planning and development of Montreal Harbour, the Soligaz project, the shipyards and the economic renewal of East Montreal as well as the economic deterioration of the southwestern part of the region.

He said: Mr. Speaker, I think it is important to recall why today, we in the Liberal Party move this motion to condemn a Government that has been in power for three and half years, a motion that concerns matters of interest to Montreal, the main urban centre of Quebec and one of the major urban centres in this country. Why has the number of issues outstanding increased to the point that today, we moved a motion condemning the Government? We must remember that after the election in 1984, following the many promises made by this Government to the people of Montreal, the municipal authorities and Quebecers as a whole, that in 1985, despite strong representation consisting of fifty-six or fifty-seven Members, including eight Conservative Members on Montreal Island, the business community started to complain.

The business community was disappointed because they found there was no one, no Members with enough clout to defend the interests of the Montreal community. Right away, both employers and employees, sensing they had no one to defend their interests, turned to the Opposition. This started in Montreal East. When representatives of employees at Bombardier, Vickers and Gulf, where shutdowns were a very real threat, realized they were not getting satisfactory answers from Conservative Members, they went to see the Opposition Members in the Liberal Party, in their search for ways to make themselves heard, to defend their cause, save jobs and save the economy.

Right away, on November 15, we in the Liberal Party set up a survival committee. Considering the gravity of the situation in Montreal East at the time with eight companies that were about to close down, which would result in the direct loss of 2,400 jobs and the loss of 5,000 jobs indirectly at the request of my colleagues from Papineau and Laval-des-Rapides (Messrs. Ouellet and Garneau), I set up this survival committee for Montreal East, including as members all socio-economic and even political intervenors representing government at the provincial and municipal levels, in order to put pressure on the federal Government so that it would act and respond to expectations and needs and deal with the emergency situation facing these people who were about to lose their jobs.

• (1010)

Under this kind of pressure exerted as much by the Montreal business community as by federal, provincial and municipal political interests, not to mention the very strong Montreal East concertation group, at long last the Conservative Government—and the Prime Minister, of course—realizes it is in a very difficult situation and that nobody is adequately prepared to defend the interests of the Montreal region. And so, on December 5, the Prime Minister announces his decision to strike a Cabinet committee whose members will study and prepare the economic revival of Greater Montreal. Listen now, make a note of the people who were selected for the Cabinet committee, and I quote the article published in *Le Devoir* after the Prime Minister's Office issued its release:

The President of the Treasury Board (Mr. de Cotret), the then Minister of Transport (Mr. Mazankowski), the then Secretary of State (Mr. Bouchard), the Minister of State (Small Businesses) (Mr. Bissonnette), and two Ministers from the Island of Montreal, Mrs. Suzanne Blais-Grenier, then Minister of State (Transport), and Mr. Robert Layton, Minister of State (Mines).

If you check the list you will see that four of them went their separate way, four of them simply took off: Mr. Layton, the former Minister of State (Mines), as he is referred to in the release, was downgraded: the Hon. Member for Rosemont (Mrs. Blais-Grenier) who was Minister of State (Transport) was also given a pink slip; and of course we all know the whereabouts of the ex-Minister of State (Small Businesses) (Mr. Bissonette). Consider all these people and you have a fair idea of the consequences.

The day after, the present Minister of Regional Industrial Expansion (Mr. de Cotret) lifts the wrap off the new Consultative Committee on the Development of the Montreal Region

headed by Mr. Picard. The committee is made up of people from different fields—management, labour unions, and spokesmen for the municipal, provincial and federal administrations—who will examine the file, because the Conservatives have just come down to earth and they simply do not know what Montreal needs. Bear in mind the many generous promises which had been made by the Prime Minister; he had said Montreal would become the international city. All at once he realizes what he had promised—he did not really know what he had been saying—so he comes up with a Cabinet committee and the Picard Committee.

To put matters in their proper context, I would like to remind the House of the issues which were urgent at the time and of the reasons why the Picard Committee was created. In addition, the Pichette Committee was created and examined many problems in Montreal East. All this occurred in 1985.

Let us look at all the problems one by one. In Montreal East, in November 1985, Bombardier was threatening to close down and we also witnessed the closing of Canadian Steel Wheel, Canadian Steel Foundries, Vickers, Daoust-Lalonde, La Parisette, SKD and the Gulf refinery. We also remember all that happened at the time, including the divisions within the Conservative Party, including a resignation, over the Gulf refinery issue. Each time, the Survival Committee organized meetings. People came to demonstrate on Parliament Hill. Representatives of Bombardier, Vickers, and Gulf employees met, in Ottawa and in Montreal, either the Minister whom I referred to earlier, who was responsible for the Ministerial Committee, or the then Secretary of State, who is now Minister of Employment and Immigration (Mr. Bouchard), and each time, all they got were vague replies, but no concrete action from the federal Government.

Now, after three years of a hard-fought battle, the federal Government has decided to allow Ultramar to purchase the Gulf refinery and to close it down, even though Gaz Metropolitain and other companies were willing to purchase the refinery and to keep it in operation. Let us be honest: I already know what the Tory Members are going to say: when you were the Government, there were two other refineries which had to close down and how come the Hon. Member for Montreal—Sainte-Marie . . . There is a difference.

In the case of the SKD Company . . . I am not blaming the Tory Members for a company that moved its head office or plant from one province to another because for the time being we have no way to stop that. If the Gulf Company had said: Look, I am closing my refinery here because I would rather operate the one in Ontario, we would have said, as we all disagreed at the time . . . and I remember that the Hon. Member for Mercier at the time was against the closing down of refineries, but there is no legislation to prevent that now, and it is the same in Quebec, there is no mechanism to stop a corporation from closing its facilities in Montreal and transferring them to Quebec city to . . .

Often, in the textile industry, businesses close their plant in Montreal to move to the Eastern Townships. There is no legislation to prevent them from doing so, for it is a matter of internal economy. But then, in the case of the Gulf refinery it is different: first of all, the Federal Government asked Petro-Canada to buy everything, except in Quebec. That is serious. Moreover, there was a second opportunity to prevent the closing of the Gulf refinery, which did not exist in other areas before whereby, Ultramar being a foreign company—and the Government had changed what was called the FIRA and we now had Investment Canada—Ultramar, in fact is a British company which had to obtain the autorization of the Federal Government, the Cabinet, the Prime Minister, to complete this transaction. We know at that time, that other corporations were willing to buy . . . Therefore, if the Canadian Government had truly wanted to save the Gulf refinery, not only because of the loss of 450 jobs, but also for the refining capacity and the protection of consumers, they would have said no to this transaction and called on other prospective buyers or they could even have asked Petro-Canada to purchase and improve its refining system in Montreal East. No, we remember what happened. It was during the Christmas and New Year's recess.

The former Minister of Regional Industrial Expansion, Mr. Stevens, came to Montreal, and at the same time he announced what I must admit were good news about Pétromont, which you had reason to welcome, Mr. Speaker, he announced the demise of the Gulf refinery in Montreal East without any Cabinet representatives from Quebec being present. The Conservative Government thought nothing would happen since it caught Montrealers and Quebecers by surprise. No way! A coalition to save the Gulf refinery was organized in no time. Even though that occurred during the holiday season, activities were co-ordinated and today, thanks not to the Conservative Government but to the Government of Quebec, the facilities of the Gulf refinery remain in place, 250 workers have returned to their jobs and there is hope for the Montreal East refinery and the petro-chemical industry.

But in the meantime, unfortunately, a Minister resigned, whether that was the reason or she was on the verge of dismissal before that, but anyway a Minister said she was resigning because her government made an uninformed decision. A Conservative Member, the Member for Terrebonne (Mr. Toupin), switched parties on that issue. And internal conflicts divided Conservative members on the issue of the Gulf refinery.

The result, today: I owe thanks to the Minister of Energy of Quebec, John Caccia, and congratulations to people such as Serge Baril, Luc Chouinard and M. Tremblay who never stopped fighting to save those workers' jobs.

• (1020)

What about other corporations? Namely, Bombardier and Vickers. Those people in Bombardier . . . further to our initiatives at the consultation table, we succeeded in getting contracts for New York subway trains—this saved jobs. And

recently, again under pressure, we got a contract for 50 locomotives.

As a result, people in Montreal East today can be proud, and they deserve to be congratulated for the way they acted together, the way they closed ranks by rising above political partisanship—,both city concillors and MLA's and labour leaders, because at that consultation table, on that survival committee there were people from the CNMTU, the QFL and people in so-called shop unions that are usually competing among themselves. But on that survival committee, people showed solidarity.

Today, there is reason to rejoice after 25 months of work, the efforts of five Liberal MPs who acted on that matter, in a daily, constant way, pushing on Ministers in this House. There were my colleagues for Laval-des-Rapides (Mr. Garneau), for Saint-Léonard-Anjou (Mr. Gagliano), for Saint-Jacques (Mr. Guilbault) and for Saint-Denis (Mr. Prud'homme), as well as my colleagues for Papineau (Mr. Ouellet) and Shefford (Mr. Lapierre) who lent us a hand and were regularly urging the Government, following up the matter, asking questions, doing research with Government departments.

With that stocktaking in Montreal East now, I say: Well done to the City of Montreal which announced $90 million over five years to modernize and develop the industrial base. I say: Well done to the Quebec Government which announced $105 million over three years, a large percentage of which is going not only toward corporate modernization but also toward the so-called workers' "employability".

The important thing to come out of Pichette Committee studies is that in Montreal East there were 22,000 unemployed, 12,000 welfare recipients. And if tomorrow a business were to be set up there, there is no certainty those people would get the jobs. Moreover, if circumstances changed the nature of a business so that it could no longer operate, there is no certainty that its employees could find jobs in another sector.

The Quebec Government provided financial support for manpower training and re-training programs, as employability of the workers is very important for Montreal East. As usual, we then were disappointed by the announcement of the federal Government. The sad thing is that, although they may try to fool the public, it just does not work.

The Minister of Regional Industrial Expansion went to Montreal and met with the people involved to try to make them believe that he was announcing a subsidy of $210 million. However, it immediately became obvious that there was only $35 million in new money and that the rest would be spent over a five-year period.

It does no good to try to fool the people. The Prime Minister (Mr. Mulroney) tried it with our senior citizens, but the Members opposite should now stop using this method since they have been found out.

Naturally, the Minister and the Conservative Members who attended the meeting got booed, because people expected more from the federal Government than a few crumbs and a measly $35 million. The Government and the Conservative Members from the Montreal region knew quite well that what was needed was the early retirement program.

This is what was needed in view of the fact the workers who demonstrated had been abandoned because of the lack of a purchasing policy for railway transport and the maritime industry.

I see that the Minister of Finance (Mr. Wilson) is here. All this certainly happened because he had negotiated with the American Governement his famous so-called free trade agreement. The people of Montreal East are already footing the bill because there is no truly effective policy to ensure the survival of the industries. The people from Bombardier, Canadian Steel Wheel, Canadian La Forge are precisely those who demonstrated.

The result: last weekend, there was an article in *La Presse* entitled: "*Les plaies majeures qui affectent l'est de Montréal*" (The major ills plaguing Montreal East). In the end, Mr. Laurent Picard who was appointed to make a study, said the Conservative Government has written off not only Montreal East, but the whole city. The situation is very serious. I only have two minutes left, Mr. Speaker. I have all those other issues to deal with.

The shipyards: there again, promises from the Conservative Government, promises from the Minister responsible for the Quebec region to Minister Johnson. In exchange for deals with the shipyards, the Government promises to divide the frigates contract. More empty promises. The Government was fooled. Even the Hon. Member for Lévis (Mr. Fontaine) was quoted in a newspaper article as having said: "Not sharing the contract is unthinkable." The result is that we have been fooled on the frigates matter.

The Soligaz project is another one, which the Minister of Energy, Mines and Resources (Mr. Masse) is holding up, and the Government of Quebec, the people from the East and the industry are waiting to hear about.

There is another sector in Montreal East... also the southwest. There are shutdowns there also, Mr. Speaker. Five businesses closed down, 2,000 jobs are lost. People are waiting for replies to their request of only $130,000 for a study on the issues concerning the southwest area of Montreal.

In the port of Montreal also there is plenty of work to do, and space is lacking. That is also due to the Government's delay or inaction.

Another promise: The Government and the Prime Minister promised a real International Banking Centre that was going to be a revolution. All we have is a night deposit system to accommodate the person who just came from Mexico and spends the night in a Montreal hotel. Another masquerade!

Let us talk now about the Old Port of Montreal. The Liberal Government had acted on this issue. All the other cities in Quebec, in Canada, received money. We want $130 million. The delays in these matters are again due to the incompetence and inaction of the Minister of Regional Industrial Expansion (Mr. de Cotret). We want $130 million, Mr. Speaker, and once again we get nothing.

The scandal on the space agency is out of this world! It is worse than anything, ever. First, ministers are contradicting one another. The Minister of Regional Industrial Expansion was contradicted by his Prime Minister, and you can see clearly in the newspapers reports, Mr. Speaker. I am running out of time. I could go on and on all afternoon, but my colleagues the Hon. Members for Laval-des-Rapides (Mr. Garneau) and for Saint-Denis (Mr. Prud'homme) will take over.

Michel Vastel has clearly shown in his article that this Government has totally abandoned Montreal, because of the low calibre of those who represent that area in the Conservative caucus and in Cabinet. He calls them lackeys. Mayor Doré is furious, Mr. Macdonald, the Minister, says he is fed up with those people who are wasting his time.

Mr. Speaker, where are we today after three years—and I see that my time is up—three Hon. Members, three ministers, have been thrown out of the ministerial committee, chaired by the minister of Regional Industrial Expansion, for a variety of reasons—there is nothing left there, Mr. Speaker. Nothing is being done for Montreal. I know that the minister will be giving me numbers, statistics and the like. The jobs created were not of his doing. He is going to come and tell us stories ("tataouinage"). We know all about storytellers! Once again, he is going to pull the wool over our eyes. We have seen it before. People are tired of being taken for a ride, Mr. Speaker.

The best thing that the minister responsible for the Greater Montreal area could announce today is his resignation, considering how he has failed. The Government deserves to be blamed, but the minister responsible for the Montreal area, the minister of Regional Industrial Expansion, should resign on account of his failure over the past three years.

• (1030)

Mr. Langdon: Mr. Speaker, I am interested in the speech made by the Hon. Member. He has made many criticisms but we also want to criticize certains points raised in his motion. I would like to put to him the following question: Had the Hon. Member been able to develop a strategy for Montreal East and for the economy of the south-western area, what would he have done? He referred at length to closures. He also dealt at length with the lack of government policy, but what is the policy of the Liberal party for Montreal East.

Mr. Malépart: Mr. Speaker, I am pleased to answer the question. With respect to Montreal East, as a policy, contrary to the Tories, we did not try to mislead the people. And our leader, the Leader of the Official Opposition (Mr. Turner) met the citizens of Montreal East, as well as representatives of industries and unions who are not necessarily Liberals. He was not booed, contrary to the Minister when he met those people, and the commitment of the Liberal Party to Montreal East is quite clear. It was first a commitment to inject $50 million of new money, with no tricks such as those played by the Minister. What is more important, the Leader of the Opposition announced what we call the Older Citizens' adjustment Program or what is currently known as pre-retirement.

However a still more important arrangement . . . The Hon. Member gives me an opportunity to say that during the next weekend, we will hold a symposium and I think that the Liberal members of Montreal East have shown that we could sit down with the people involved and find the necessary funds. This is what we did. We worked in co-operation with civic and provincial authorities. We should not forget that those people have different allegiances. With an elected Liberal Government, our caucus would have a very strong group of Liberal Members representing Montreal East. As a matter of fact, we are considering a resolution calling on a Liberal caucus to meet every month to examine the situation in Montreal East, and once a year, to meet with all social and economic interests, to follow up on that situation and engage in some action. But the problem with regional development policies is that they are not applicable to large urban centers. And that is why we would want some mechanism to have a whole range of economic regional development programs made available to large as well as smaller centers in case of a disaster such as the one that occured in Montreal East.

Mr. Deputy Speaker: The hon. member for Saint-Denis (Mr. Prud'homme) on a question or comment.

Mr. Prud'homme: First let me pay tribute to my colleague who constantly harasses the Government and rightly so, because of his great concern that we all share in Montreal, and because of his social awareness of the problems of Montreal East that he knows so well. He has experienced these problems and he knows what he is talking about. He is always welcome in Montreal East. He is concerned for the people over there, but probably due to the short period of time that he was allowed he could only give an overview of the problems that face Montreal East.

I know that he would have liked to detail further the main problems of Montreal and Montreal East. I wish to add a comment and ask him a question on a subject he is very well acquainted with. He did not mention, because of the little time available to him, the matter of the frigates, but I, and the other Members who will talk this afternoon, the NDP Members, would like to hear his views on that subject because, as they say in Montreal East he calls a spade, a spade. He is well known for that. He used the word *tataouinage*, and in Quebec we know exactly what it means . . . I do not know how it is going to be translated, I would like to know. Perhaps my colleague will tell me. He does not beat around the bush, and that is what people like about him. I would appreciate it, if he

could give us some explanations, in a language so familiar to him and so readily understood by desperate people. If my colleague could comment on that, we would have a better understanding of the situation.

Mr. Malépart: I thank the Hon. Member for reminding me of the issue of shipyards where the failure to take concrete actions and to share jobs led to the closure of the refinery, the Vickers company in Montreal, the Sorel shipyard which is going down the tubes and the one in Lauzon. The Hon. Member for Lévis (Mr. Fontaine) didn't do anything on that issue and people will remember. People will also remember the New Democratic Party's attitude on that issue. The Hon. Member for Ottawa-Centre (Mr. Cassidy) went to Quebec City—and I am warning Prime Minister Mulroney that we do not want more Charlie Browns—to try and delude Quebec City and Montreal residents into believing that if a New Democratic Government was elected tomorrow, they would split the frigate contract and give Quebec its share. If that were true, I would say "Fine, he has the right to do it". Unfortunately, it was not, and that shows the same disease Brian Mulroney has. It was false, since the next day the New Democratic Party leader said so, stating that that was not what they would do.

Mr. Cassidy: This is the Liberal position.

Mr. Malépart: The Liberal position is clear . . .

Mrs. Mailly: I think you are rude.

Mr. Malépart: The frigates went to New Brunswick whereas we would have shared the contract. Now, there are tenders regarding the destroyers and we believe that both must be awarded to the Province of Quebec. We would never lie to anyone. We told the whole truth to the people of Montreal East. When we set up the Survival Committee we said that we were going to help out this or that firm but we were not hypocritical. The six frigates will be built in St. John, and, Mr. Speaker, Quebec should get both TRUMP class destroyers. And I hope, contrary to the Hon. Member, that his leader will bring him back in line, since we have not seen him touch that issue again. Concerning the space agency, I find it strange that the New Democrats do not stand up. I would like the Hon. Member for Ottawa Centre to tell us he wants the space agency in Montreal.

Mr. Prud'homme: I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Montréal—Saint-Denis (Mr. Prud'homme) on a point of order.

Mr. Prud'homme: I must say that what I wish, Mr. Speaker . . .

Mr. Turner (Ottawa—Carleton): Sit down!

Mr. Prud'homme: I understand that the Hon. Member for Ottawa—Carleton is very excited, but I would ask him to calm down. From the beginning of this debate I hear him getting excited. It is not him I want to talk about. I only wish that our loyal and competent stenographers have not taken down the less than flattering comments of the Hon. Member for Gatineau (Mrs. Mailly).

Mrs. Mailly: I can repeat them if you wish.

Mr. Prud'homme: I think, Mr. Speaker, that if she is ready to repeat them, then I will have to do something I usually don't, that is teach our colleagues common politeness, something I rarely do. But the remark she made about the Hon. Member for Montréal—Sainte- Marie (Mr. Malépart) who, it is true—

Mrs. Mailly: It's easy!

Mr. Prud'homme: —may fill the television screen more than others, I think he agrees on that, but the comments of the Hon. Member for Gatineau were certainly not acceptable in this House. And if they appear in Hansard, I can assure you, Mr. Speaker, that to call an Hon. Member a slob is certainly not a parliamentary remark but to add to that a physical connotation will certainly bring down the quality of debates we would like to see in this House. And I know that when the Hon. Member thinks about it, when she reads the blues, as they say, she will realize that this kind of remarks have no place when dealing with a very important subject. I understand she comes from Gatineau, but she should realize that Montreal, and I'll tell her . . . .

Mr. Deputy Speaker: Order, please. The Hon. Member for Gatineau (Mrs. Mally).

• (1040)

Mrs. Mailly: Mr. Speaker, first of all, I would like to tell the Hon. Member for Saint-Denis (Mr. Prud'homme) that I was born in the district represented by the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart). So, I could tell you a few things. I called him a big slob not because of his size but because of his colossal lack of courtesy. He called our Prime Minister by his first name. He called him Charlie Brown. I think that this kind of remark is far less parliamentary than calling him a slob, which only depicts his behaviour at the present time.

Mr. Deputy Speaker: I would ask Hon. Members not to use such words. I do not think they are acceptable in debate. I would ask the Hon. Member for Gatineau (Mrs. Mailly) not to use the kind of words she just did concerning any Member of the House. I do not think statements of this kind contribute to the debate on either side.

Resuming debate with the Hon. Minister of Regional Industrial Expansion (Mr. de Cotret).

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the subject today is Montreal and I must say I was somewhat surprised by the remarks of the Hon.

Member for Montreal—Sainte-Marie (Mr. Malépart) on this Opposition day, particularly since this Government has done a lot more for Montreal than the previous administration ever did.

For starters, just what is Montreal? Montreal is more than a city. Montreal is more that a physical site. Montreal is a major geographic area. Montreal is an economic motor. Montreal is a cultural motor. Montreal is a place which is vital to Quebec and to the country as a whole. Montreal is an international, financial, high tech city where culture, the arts, tourism play an important part, a city where transportation not only played a significant role, but was at the very origin of its settlement. It is a manufacturing city, a design city. Although Greater Montreal is inhabited by three million people, it is a city which has retained the values of its roots, a city where the residents can enjoy a quality of life rarely found elsewhere in the world, a city where people talk to one another, communicate, converse honestly. It is a city which has suffered great hardships under the previous Government and I will go back to that later.

First of all, I should like to deal with Montreal as a whole. First, our accomplishments: the Hon. Member for Montreal—Sainte-Marie clearly indicated that I was going to quote statistics, and I would not want to disappoint him. Here are some statistics: in Montreal, the number of jobs increased by 114,000 between 1984 and 1987. By contrast, when we refer to the years 1980-1984, while the party of my honourable friend was in power, a net loss of 4,000 jobs was registered. The House will remember that the distinguished Member for Montreal—Sainte-Marie was a backbencher at the time. You would think that our friend was concerned then with the poor performance of his Government and that he was shouting angrily as he is doing now. Quite the contrary! During the three years from 1980 to 1983, while this economic and cultural heart of Quebec was experiencing such a significant slowing down, the Hon. Member for Montreal—Sainte-Marie found the courage to deal with issues affecting Montreal's economy on three occasions only. Without being a mathematician, I can say that it was on an average of once a year. On the other hand, the remarks he was making were not likely to shake the very foundations of the House. But let us say no more!

Has the Government allowed the situation to deteriorate over the past few months? The answer is no! How could he explain the creation of 50,000 new jobs in Montreal over the past 12 months? Let us take my department for example. Through its various programs, it has granted the Montreal region as a whole a total of nearly $533 million in financial assistance between September 1984 and January 1988. It is estimated that these projects will involve investments of over $2 billion and will directly help to create 19,000 jobs. That is what my Department has done in Montreal East.

Since September 1984, DRIE, through its programs and subsidiary agreements, has injected $39 million in the following federal ridings: Montreal—Sainte-Marie, surprising as that may seem, and Gamelin, Hochelaga—Maisonneuve, Montreal—Mercier, Rosemont and Saint-Léonard—Anjou.

Mr. Speaker, as you know, despite the sporadic whining of the Opposition, things are really moving in Montreal. Projects are mushrooming.

Looking at my notes, I see that the federal Government helped to set up the departmental committee on the development of the region of Montreal, as well as the advisory committee on the development of the same region, and that many experts from my department were involved.

As far as financial commitments are concerned, perhaps I could name a few. Since 1984, Ottawa has allocated $61 million to the construction of the Biotechnology Research Institute and earmarked the modest sum of $104 million for the manufacture of F-18 aircraft.

Still in the aerospace industry, Pratt and Whitney was granted nearly $152 million. Spar Aerospace enjoyed financial support to the tune of $130 million and Canadair received $50 million.

These figures are certainly not neglible, and they reflect considerable effort and political will on the part of the Government to guarantee the economic survival of a region that is the motor of Quebec's economy and contributes very substantially to the economic development of the entire country. I almost forgot the $200 million that went to General Motors, in addition to the interest-free loan of $110 million for the same company. The announcement was made in March 1987, and as a result, the jobs of 3,500 workers on the assembly line in Boisbriand will be maintained over the long term.

I realize this is a lot of facts and figures, and that the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) may find it difficult to accept the truth as such.

Mr. Speaker, I may say that the Opposition's charge is just as hard to swallow. Actually, I still find it hard to understand why this particular subject was chosen by our friends opposite for their Opposition day.

One wonders about their sense of timing, especially since on February 24, which is certainly not very long ago, we announced a new federal program for the industrial renewal of Montreal East. That program will bring about capital outlays of $275 million in Montreal East in the next five years. The Hon. Member was away. Nothing was said about that.

Mr. Speaker, where was the Hon. Member for Montreal—Sainte-Marie when, for instance, it was announced that the Dickson Street Bombardier plant, in Montreal East, was awarded a contract allowing it to provide more than 2,000 full-time jobs, because the federal Government had made $100 million available to the Government of Nigeria to help them purchase 50 locomotives?

Our Government arranged the signing of another deal with the Federal Republic of Germany and France for the production of a new reconnaissance system. That contract, Mr. Speaker, will generate for Canada more than $800 million in sales and will allow Canadair to create close to 300 jobs and their Canadian subcontractors 130 additional jobs. Where was the Hon. Member then?

Has he forgotten the $12 million contribution the Government of Canada made to the Montreal East Kemtec corporation?

Mr. Speaker, the Liberals abandoned to stagnation an industrial center that was vital to the economic life of Quebec. The Liberal Minister of Finance at that time made it his duty to shut down Petromont. The Liberals practically killed then the petro-chemical industry in the Montreal area. Where was the Hon. Member when companies such as BP, Esso, Texaco appealed to the Government then in office to assist in saving thousands of jobs? Where was he?

Mr. Cassidy: He did not speak up, he said nothing.

Mr. de Cotret: The $100 million the present Government granted Petromont of Varennes for modernization will allow the company to maintain 400 jobs.

Mr. Cassidy: Not one Liberal from Montreal spoke up: nothing came from them.

Mr. de Cotret: But since our voluble colleague for Montreal—Sainte-Marie accused us of doing nothing, Mr. Speaker, I would like to remind him of some of our most significant accomplishments in supporting Montreal's own role as a business metropolis. Those decisions were not indeed taken without reasons, and I will come back to that in a moment, with your permission. Those initiatives responded to the report of the Committee for Economic and Job Renewal in Montreal East, the so-called CREEM. I would also like to emphasize the role of Labour Canada, whose Senior Workers Adjustment Program will be of serious help to men and women in Montreal East who otherwise would have very little hope of reentering the job market. That three-year program will be funded at the tune of $125 million over that period.

To complement those employment efforts, Canada Employment and Immigration also did its part after CREEM's report was tabled. A special retraining committee was established to help former Montreal East workers retrain.

Finally, I would like to mention the Federal Development Bank's contribution: 480 loans, all in eastern Montreal, for a total of $125 million.

Speaking of banking, the Hon. Member earlier mentioned our position on banking centres. I would simply like to remind him, in order to bring him back to reality, of the Liberal position which was published in the report of the Standing Committee on Finance and Economic Affairs, and I am quoting from the Liberal position:

• (1050)

[*English*]

"We do not favour the concept of banking centres since they are divisive and ineffectual".

[*Translation*]

"We do not favour the concept of banking centres since they are divisive and ineffectual."

Therefore, Mr. Speaker, when they suggest we came short of what was needed and that party's position provides for this or that, I ask myself: Well, who speaks on behalf of the Liberal Party of Canada?

If you think that Montreal East alone is facing economic difficulty, I am sorry, and the term is well chosen, I have to set the record straight. We can look at south-western Montreal for instance where the situation has been deteriorating since well before 1984. Again, this is a deep-rooted problem, a deep-set one, but we are actively dealing with it. And in order to actively deal with such a problem, we must have the participation, the commitment of people in the community. Mechanisms have been set up. The solutions will come out of the will of people in the community.

For the information of my sharp-tongued but short-memoried colleagues, Mr. Speaker, let me add that the committee is made up of representatives from employers, labour unions, community groups and the various levels of Government. If we want long-term solutions, it is essential that the Committee include proper representation from the community.

Such work involves a lot of hard thinking and its results are obviously difficult to discern in the short term. It is not as spectacular as announcing a $50 million subsidy which could extend the life of a company by a year or two. What we are trying to do is something structural and long-lasting which will be more beneficial to the community than the half-baked programs of the former Government.

I am certain that the work of the Southwest Montreal Recovery Comittee, for instance, will lead to results and solutions which will bring this underprivileged region out of its stagnation once and for all.

In its great wisdom, the Opposition has also accused us of being reluctant to implement the recommendations of the Picard Report, also known as the Report of the Advisory Committee on the Development of the Montreal Region. I wish to point out that there were 76 recommendations in that report and that we accepted 71 of them and have alreay taken action on 11. If we and our partners at the other Government levels are successful, this will bring about investments of between $200 and $250 million.

This is not rhetoric, Mr. Speaker. These are facts. Those figures are real. The Government has already acted on the Picard Report. Other developments in the Montreal region are also being discussed.

Let us talk about the Patent Bill, which will stimulate research, attract major investments to Canada and bring about development in a high technology industry. This will be of enormous benefit to the Montreal region since, as we all know, the Montreal region has the most potential as far as pharmaceutical research is concerned.

This Bill generated strong emotion and a lot of comments. Mr. Speaker, I would like someone to ask the Hon. Member for Montreal—Sainte-Marie where he was when he should have been expressing his deep beliefs, or even better, his solidarity with his Liberal colleagues. My respected colleague certainly abstained from the five votes on Bill C-22. This man, who likes to denounce the lack of courage of the Government, was himself unable to stand up for or against this important piece of legislation.

I should add that the Hon. Member for Montreal—Sainte-Marie was certainly not alone in abstaining, as twice as many Quebec Liberal Members, who keep saying that they have the interests of their own province at heart, abstained than voted against Bill C-22. We may discover the explanation of their behaviour one day. However, for the moment, I must deal with much more pressing issues.

I know, Mr. Speaker, that it is now time to—

• (1100)

Mr. Deputy Speaker: The Minister still has two minutes. Does the House allow the Minister to complete his speech in two minutes?

Mr. Prud'homme: Mr. Speaker, I agree that the Minister has only two minutes left but we are entitled after Question Period to a 10-minute period of questions and comments. If the Minister cannot remain in the House, it would be disastrous for us because we would like to ask him some questions. Then, why does he not take his two minutes now and it would be easier for him when the House resumes the debate at 12 or 12.05 to carry on, because we would like to ask him questions and we are not sure that he will be here.

Mr. de Cotret: Mr. Speaker, in view of the fact that it is already 11 o'clock, there is no problem and I will be here to answer questions as long as my colleagues want to put some to me. I should like to have my two minutes to draw a short conclusion.

Mr. Deputy Speaker: Is there unanimous consent?

Some Hon. Members: Agreed.

An Hon. Member: No, he can carry on after resumption of government orders.

Mr. Deputy Speaker: Statements by members.The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

PUBLIC SERVICE

LANGUAGE TEACHERS—DEMONSTRATION ON PARLIAMENT HILL

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, at noon, some 700 Public Service language teachers will be demonstrating right here on Parliament Hill, to show their frustration with the Conservative Government that leaves its employees without a collective agreement for more than two years. That situation, Mr. Speaker, is absolutely unacceptable. So much so since the Conservative Government proposes to reduce working conditions of Public Service language teachers.

In fact, the Government wants to eliminate the preparation time that is absolutely necessary to all teachers, including Public Service language teachers. Besides, there is a precedent elsewhere, Mr. Speaker, and Public Service language teachers should keep their acquired rights. I am urging the responsible Minister, the President of the Treasury Board (Mr. Mazankowski), to go out at noon and to address those militants, those workers, and to undertake to recognize the rights of Public Service language teachers.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

GREAT LAKES WATER QUALITY AGREEMENT—AMENDMENTS WELCOMED

Mr. Allan Pietz (Welland): Mr. Speaker, two out of every three Canadians receive their drinking water from the Great Lakes. The Lakes also support economic activity that accounts for one half of the Gross National Product of our entire country. They are, in fact, one of the most important economic and environmental areas in North America.

Because of their importance, Canada and the United States signed the Great Lakes Water Quality Agreement in 1978 to help clean up pollution in the system. Thanks to the efforts of the present Minister of the Environment (Mr. McMillan), amendments to that agreement have been made which will make the clean-up more effective.

Specific targets and goals for decreasing pollution in the Lakes have been set, and both countries will be involved in identifying toxics in the water and developing new techniques to remove them. The agreement will also be more effective in reducing the flow of dangerous pollutants into the water and in implementing new anti-pollution regulations.

The new Great Lakes Water Quality Agreement, together with a new federal water policy, are giving Canadians the

assurance they deserve that their environment is clean and safe.

* * *

[*Translation*]

IMMIGRATION

DEPORTATION OF CERTAIN REFUGEES—REQUEST THAT MINISTER SUSPEND DEPORTATION ORDER

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, a most distressing situation is likely to occur in Montreal on Sunday, when 40 people who entered Canada in good faith and who took advantage of a bad publicity to settle in Montreal . . . but I do not want to deal with the substance of the issue. But when I see that Kathleen Verdon, a member of the Executive Committee of the City of Montreal, has sent a telegram to the Minister, and that Gérald LeBlanc, from *La Presse*, one of our most serious journalists, has stated that, unfortunately in its attempt to remedy a bad situation, the Minister of Employment and Immigration (Mr. Bouchard) is about to create one which is even worse. Mr. Speaker, Canada is a country which welcomes immigrants and which—I will readily admit—is faced with a difficult situation because some people entered this country through different means, although now quite well integrated to the Quebec society, the Montreal society, and whose children as we saw yesterday are very well integrated to the French schools and who, together with their young friends with deeper Quebec roots, are already asking: Mr. Speaker, I beg of you, the law exists, it is true, but you are a compassionate man and you should use your powers, the powers you have to end this situation on compassionate grounds and to prevent that, on Sunday, Canada's image be injured.

I therefore ask the Minister of Employment and Immigration (Mr. Bouchard) to use his powers, as his predecessors have always done, to make an exception and to at least postpone the deportation of these people until a proper solution can be found.

* * *

[*English*]

SCARBOROUGH WEST

CONSTITUENCY'S GREATEST ASSET ITS PEOPLE

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, the federal constituency of Scarborough West extends from Victoria Park Avenue along Eglinton Avenue East south to Lake Ontario and back to Victoria Park. Although it contains Scarborough's famous Golden Mile of Industry, it is dominantly residential. Its most dominant geographical feature is the celebrated and beautiful Scarborough Bluffs but its greatest asset is its people, represented today on Parliament Hill by almost 50 members of the Scarborough West Progressive Conservative Association.

Some Hon. Members: Hear, hear!

* * *

CONSUMER AFFAIRS

OPPOSITION TO FOOD IRRADIATION—ABSENCE OF DETECTION TESTS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, as in the United Kingdom, the people of the United States are taking another look at the irradiation of food.

Leading educators, scientists, doctors, church leaders and environmentalists held a national news conference in Washington March 15. I am happy to remark that Canadians, through Food Chain and the Canadian Coalition to Stop Food Irradiation, were co-sponsors. The groups made several demands: stop the irradiation of grains, fruits, vegetables, pork and spices, and halt the pending approval in poultry; make full environmental impact statements before new construction of facilities, and redirect the $5 million from promotion and construction to safety.

I understand that soon to be irradiated Washington State apples could find their way into British Columbia. Since there are no detection tests or labelling requirements, how are Canadians to know if their apples are irradiated? Canadians have a right to know.

* * *

ENVIRONMENTAL AFFAIRS

ROUGE RIVER VALLEY IN SCARBOROUGH—OPPOSITION TO SUBDIVISION DEVELOPMENT

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the last remaining wilderness area in Metropolitan Toronto could be ruined by the Ontario Government. The Rouge River Valley in Scarborough contains over 5,000 acres of natural beauty.

Despite its natural beauty and historical significance, despite the enjoyment thousands of people get from the area, the Government of Ontario is determined to develop the Rouge River into a subdivision.

Scarborough is one of the few cities in North America to combine economic development with environmental conservation successfully. That balance must not be upset.

I am proud to join with Scarborough City Council, the Save the Rouge Valley Organization, and thousands of concerned people all across Scarborough in urging the province not to develop the Rouge River Valley. A federal task force on

national parks has made a number of proposals for new park ideas. I urge the Ontario Minister of the Environment to work with the federal Minister and help save the Rouge for future generations of Canadians.

* * *

FISHERIES

BRITISH COLUMBIA SALMON ANGLERS—LIMIT ON CATCHES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, according to the Government's own documents, saltwater sport fishing in British Columbia contributes over $600 million annually to the province's economy. More than 300,000 anglers fish in the tidal basins every year, and over half of those people fish for salmon.

I met earlier this week in Nanaimo with men and women from the South Georgia Strait whose livelihood comes from sport fishing. They are deeply disturbed that the Minister of Fisheries and Oceans (Mr. Siddon) who is, after all, a British Columbia Member of Parliament, cut back the annual limit for salmon for sport fishermen from 20 to 8 without adequate consultation. These British Columbians tell me that they have had difficulty getting the ear of the Minister and that the idea of spot closures without notice is completely unfair to them since they cannot operate their businesses if their businesses can be shut down at any time.

I have more than 100 representations that I will be forwarding to the Minister from people who know the importance of conservation, who know the importance of protecting our fish stocks because they make their living from them and who only expect to be treated in a fair manner, be given a fair hearing, and be able to operate from month to month and from year to year with some certainty.

I urge the Minister to listen to his fellow British Columbians.

* * *

[*Translation*]

NEW DEMOCRATIC PARTY

THE LEADER

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, the Socialist Leader is always saying that his party has 250 possible candidates in Quebec. It's very strange. The biggest crowd he attracted during his trip to Central Quebec last week was 100 people in the constituency of Saint-Maurice, and the Leader maintains that it is a benchmark constituency. If this is the case, good for Canada!

There was only one candidate for the Socialist nomination in Saint-Maurice. There is only one candidate for the nomination in Champlain. There is no candidate for the nomination in Trois-Rivières.

The only message relayed by the Socialist Leader was: We are against the free trade deal but, if we are elected, we will negotiate it. On that issue as on the others, they have no position.

According to polls, Canadians like the Socialist Leader less. That's good and the more they get to know him, the less they will like him. That's good for everybody.

* * *

• (1110)

[*English*]

THE LATE SENATOR YVETTE ROUSSEAU

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, Canadian political life has lost a strong, principled voice in the passing of Senator Yvette Rousseau.

Madam Rousseau was a beautiful woman, not just in her charming and striking person, but her inner strength and conviction enhanced this natural beauty. Her keen interest in the advancement of fairness and equity for women, the working poor, the families and the elderly, in Canada, as well internationally, marked her active participation in the decision-making of Canada, as a volunteer, as a working woman, and as a Senator. Her contribution in these fields has improved the lives, not only of people in her favourite home territory of Sherbrooke, Quebec but, of people across this wonderful land.

I knew, admired, and loved this fine woman as a proud, strong mother, a loving and caring grandmother, and an open-minded and dignified Canadian nationalist with pride in her French roots. She was a true role model to me and she shall be sorely missed by all.

Mr. Waddell: Mr. Speaker, I knew Senator Rousseau also and I would like to express my sadness as well.

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CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

DECISION REJECTING BELL CANADA RATE APPLICATION APPLAUDED

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I rise to applaud the Canadian Radio-Television and Telecommunications Commission's decision to deny Bell Canada's so-called rate rebalancing application. I was pleased that NDP Members of Parliament, including my friends from Thunder Bay—Nipigon (Mr. Epp) and Thunder Bay—Atikokan (Mr.

Angus), with the help of the Hon. Member for Broadview—Greenwood (Ms. McDonald), and myself in Vancouver, were able to appear before the CRTC hearings.

The rejection of a local phone rate increase and the reduction in B.C. Tel and Bell long distance rates is a victory for Canadian consumers, at least for this year. However, I sharply disagree with some of the remarks made in the CRTC decision supporting rate rebalancing in principle. This is a very strong signal that Canadian consumers will not be so lucky the next time Bell applies for an increase in local phone rates.

Rate rebalancing is a bad deal for Canadian consumers. It involves a shift in costs from wealthier Canadians who make long distance calls to poorer Canadians who mainly make local calls, from larger to smaller businesses, and from businesses to consumers. I am proud that we in the NDP stood up for the average consumer in this matter and we certainly do not intend to be silent in the future.

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CANADIAN LABOUR CONGRESS

FINANCIAL POSITION—DIRECTOR'S STATEMENT

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, I, who along with 48 of my caucus colleagues have been targeted by the postal union CUPW and the Canadian Labour Congress as the object of their hit squads, was deeply distressed by a recent report on the financial status of the CLC.

I turned on my TV the other day and there was NDP Vice President and Canadian Labour Congress Director Bob White advising the nation that CLC members should be more heartily taxed in order to help straighten out the financial conundrum they are in. Apparently, the Bob, Ed and Shirley team have determined that some of their activities have been a bit exorbitant lately and the old treasury has been taking a hammering.

Much to my horror, I find that I am one of the culprits responsible for this upsetting revelation, as this program to wipe out 49 MPs will prove to be a very costly venture. Can you imagine, Mr. Speaker, your reaction at having been invited to the circus only to find there was no money left for the popcorn?

* * *

AIR TRANSPORT

PROPOSED TRANSPORTATION OF PLUTONIUM OVER POLAR ROUTE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, on plutonium overflights there was last week both good and bad news. First, the good news. We were told that the U.S. will not transport plutonium over Canada. This is even better news for the Minister of Transport (Mr. Crosbie) who managed to waffle his way through this issue without taking a stand on the protection of the health of Canadians. For this, the Minister owes one to Secretary of State Shultz.

Now the bad news. The U.S. Government still intends to transport plutonium from Europe to Japan via a polar route north of Canadian territory. Plutonium released because of an accident could be dispersed over great distances, without respect for political boundaries. Therefore, the population is still at risk. It is thus absolutely essential that the Government of Canada urge Washington to drop the idea of transporting plutonium by air anywhere in the world.

The question now is, will the Minister of Transport take to heart this issue and at last make representations to the U.S. administration on behalf of the world community?

* * *

NANAIMO'S WORLD FAMOUS BATHTUB RACE

NAVY THREATENS TO PULL THE PLUG

Mr. Ted Schellenberg (Nanaimo—Alberni): Mr. Speaker, Nanaimo is known world-wide for having the cleanest politicians around. This is not only because of our outstanding moral fibre. Nanaimo is also the home of the famous bathtub race to Vancouver. Each July, hundreds of hearty souls climb into leaky "ships of fate" to win the Golden Plug, and each year the Canadian navy provides logistical support.

This year, however, the participation of the navy in the bathtub race is in doubt. The citizens of Nanaimo call upon the Department of National Defence to take part once again in tubbing, and to sail with those who bail. We would not want years of excellent public relations in the Nanaimo to Vancouver Bathtub Race to go down the drain for Canada's navy!

* * *

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

ORGANIZATION'S POLICIES—OBSTACLES TO WOMEN'S CAREERS

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, a report recently made public assesses the status of female RCMP members. That survey of male and female officers in British Columbia concludes that some policies of the police force are instrumental in creating obstacles to women's careers. In addition, the report emphasizes that male members still harbour very negative attitudes toward their female colleagues.

[*English*]

The RCMP Commissioner, however, when asked about this internal report, claimed that the problems women now face in the force are no different from the ones men must confront. This statement ignores the reality of women working in non-traditional occupations and in fact confirms one of the conclusions of the report, which is that traditional social norms and values and deeply ingrained sex-role images which predetermine many attitudes of male members, the public, and the female members themselves, are at the root of the unique difficulties women often experience.

When women are earning only 66 per cent of what men earn, when women are facing systemic discrimination in hiring and promotions, when women are dealing with sexual harassment and sexist attitudes on the job, it is irresponsible for the Commissioner to dismiss the concerns of women as employees, especially in light of the findings of this internal RCMP report.

ORAL QUESTION PERIOD

[*English*]

ABORIGINAL RIGHTS

SELF GOVERNMENT—FEDERAL POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Minister of Indian Affairs and Northern Development I would like to put a question to the Deputy Prime Minister. Provincial Conservative leaders, especially Gary Filmon of Manitoba, continue to reject the concept of aboriginal self government.

When will the federal Government tell provincial leaders that this right is a right not contingent upon words, phrases, deals or financial obligations? Does the Deputy Prime Minister agree with the Conservative leader in Manitoba, or will he tell the Conservative leader of that province that aboriginal rights are rights that are recognized under our Constitution?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, the issue of aboriginal rights is clearly recognized in the Constitution of Canada. I do not think that the rights of aboriginal people are put into question.

The Government has already adopted a comprehensive claims policy which has been made public. We have made progress in that regard. The provinces know that this is a priority of the federal Government and we trust that we can make progress in the future with the provinces, knowing that these rights are indeed recognized in the Constitution of Canada.

[*Translation*]

RESPECT FOR TREATIES—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in that case, how does the Minister explain the fact that the Government refused to recognize before the United Nations in Geneva that the James Bay and Northern Quebec agreements were a treaty?

Do the Minister and the Government not realize that Section 35(3) of the Canadian Constitution says that all agreements, past and present, arising from land claims are treaties?

Furthermore, does the Minister realize that the right to political autonomy is included in Section 35 of the Canadian Constitution?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, the Leader of the Official Opposition failed to do justice to the comments of the Secretary of State for External Affairs with respect to Canada's position.

Canada has never denied the existence of treaties with the aboriginal people of this country. In fact, the Secretary of State wanted to make it quite clear that Canada recognizes these as national treaties. The only difference, we said, is that these are not international treaties.

As for the recognition of these rights, the rights of aboriginal people are recognized in the amendment to the Constitution. I do not see what more could be added.

However, we must realize what the Government is trying to do. It is trying to deal with the issue of aboriginal rights with the co-operation of all parties concerned, and we believe that any progress which, I am sure, we all want, can only be achieved through collaboration and co-operation.

• (1120)

[*English*]

POST-SECONDARY EDUCATION ASSISTANCE PROGRAM

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, despite what the Minister says, the Government denied, before the United Nations Human Rights Commission, that the James Bay and Northern Quebec agreements were a treaty. That is a fact.

The Government continues to take the position that it is entirely in favour of aboriginal self government provided every detail can be worked out in advance with the provinces. However, Section 35 of the Canadian Constitution says that the aboriginal rights to self government are a constitutional right.

How can the Minister justify, on behalf of his colleague, the capping of the Post-secondary Education Assistance Program? How can he possibly justify cutting off legitimate aid to young aboriginal people who want to improve the leadership, the

status, and the livelihood of their people through college and university education? Let us get right home on that issue. How can he possibly justify that?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, the Minister of Indian Affairs and Northern Development has made it clear many times that there is no truth at all to the allegation that funds are being cut for post-secondary education. In fact, if the Right Hon. Member looks at the facts he will find that in this year, for example, including Bill C-31 funding, post-secondary education funding will go up to $130 million. That is an increase.

With regard to a cap, we have to live within a budget allocation. If we have $131 million for this fiscal year that is the amount of money we will spend.

In consultation with native leaders and band chiefs across Canada we are trying to find a formula which will meet the requirements of young Indians in Canada. The Right Hon. Member will acknowledge that we have made enormous progress in that field. I do not mean to say that everything is perfect. We are striving to do better with, I think, success.

* * *

[*Translation*]

TRADE

SOFTWOOD—REQUEST FOR ELIMINATION OF 15 PER CENT TAX

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is for the Minister for International Trade, if I may have her attention. Yesterday, the *Association des producteurs de bois de sciage du Québec* voiced its impatience at the slow pace of ongoing negotiations with the United States. Hon. Members will recall that some months ago, the Conservative Government decided not to appeal to the GATT tribunal the decision to impose a 15 per cent tax on lumber exports to the United States and that finally the Government itself imposed a tax on sawmills and embarked upon discussions with the Americans. I would like to ask the Minister when will the Government of Canada conclude the agreement which would do away with the 15 per cent tax, specially since the Quebec Government has increased stumpage fees. After having forced companies to upgrade their woodlots, the Government of Canada now seems to be letting the Americans once again dictate the policy which a provincial governement should follow in the area of natural resources.

[*English*]

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I suggest that the Hon. Member has the facts backwards. Quebec wanted to have the 15 per cent softwood tax imposed so that it would be able to adjust its stumpage and, therefore, manage its own resources. Negotiations with Québec on replacing the export tax are continuing. I will report further to the House when I have the results of those negotiations.

[*Translation*]

INSISTENCE THAT MINISTER ACT

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I understand the concerns of the *Association des producteurs de bois de sciage* as expressed in yesterday's press release. It says that the Canadian Government is dragging its feet and has not been able to finalize the negotiations. Quebec has raised the stumpage fees and forced the lumber companies to do forest improvement work but, despite all that, the 15 per cent tax remains in force and it seems that the Minister has finalized the process in British Columbia because it is her home province, but does not care for Quebec.

[*English*]

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I would remind the House that this issue has been settled in five provinces where the softwood lumber tax has been replaced with provincial measures as the provinces wished. Again, we are continuing discussions with the Government of Québec. The mood of the discussions is very co-operative and when we are able to conclude those negotiations I will so report to the House.

* * *

[*Translation*]

EXTERNAL AFFAIRS

DISPATCH OF AMERICAN SOLDIERS TO HONDURAS—REQUEST THAT GOVERNMENT INFORM UNITED STATES OF ITS POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Deputy Prime Minister. Yesterday President Reagan of the United States sent troops to Honduras. That action was contrary to the Canadian Government's official policy as expressed by the Prime Minister and the Secretary of State for External Affairs.

[*English*]

In Vancouver, for example, the Prime Minister said at a conference of the Inter-American Press Association:

> We do not approve of third party intervention anywhere in Central America whoever the third party may be and regardless of its legitimate interest in the area.

[*Translation*]

Given that policy, did the Canadian Government clearly inform the U.S. Government of its opposition to this intervention in Honduras?

[*English*]

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Secretary of State for External Affairs told the

House yesterday that we would update the House on developments as we were so informed. Therefore, I will take this opportunity to say that our Ambassador is in Honduras and, although the situation is still very murky, there is a growing consensus that Nicaraguan forces did enter Honduras in force.

Whatever the case, there is a clear indication from our sources that there is a major Nicaraguan Government offensive against the Contra resistance. Our concern is that this is happening on the eve of cease-fire discussions which were due to take place on Monday.

Consequently, today we are calling in the American Ambassador and the Nicaraguan Ambassador to say that Canada has grave concerns that the actions which are taking place could undermine the peace effort which has involved so much commitment from so many people.

Mr. Broadbent: Mr. Speaker, what the Minister said was interesting and even factual in some respects, I suspect. However, it had absolutely nothing to do with the question. I hope the Minister who is filling in for the Secretary of State for External Affairs will listen to the question this time.

THIRD PARTY INTERVENTION

Hon. Edward Broadbent (Oshawa): The Prime Minister of Canada, her boss, said the following:

> We do not approve of third party intervention anywhere in Central America whoever the third party may be and regardless of its legitimate interest in the area.

The Prime Minister was clearly talking about the United States and the Soviet Union. We have a clear intervention in the affairs of Honduras or Nicaragua, whatever is going on in the border area between those two states, by one of the superpowers, namely, the United States.

• (1130)

Since it is her Government's policy that is being challenged by this action by President Reagan, will she please defend that policy?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I think the Hon. Member is aware of the fact that the presence of the Americans in Honduras comes under the Rio Treaty, a bilateral arrangement. We are advised that the Government of Honduras asked for the presence of American support. That is the information we have been given.

Our concern is with the efforts to establish a peace plan for the area. That is where Canadian policy is centred. Our concern at present is that these events, whoever is responsible, will undermine a very important initiative which this Government fully supports.

CANADIAN POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I find the Minister's answer deeply disturbing. What is being asked today does not concern the details of incursions or alleged incursions on either side of the Honduras-Nicaragua border. These are very important matters and all of us agree on the factual determination of that. An emergency debate is going to take place in the UN's Security Council which will address that. The question I am asking is about official Canadian policy.

Are we now to infer that the Government of Canada has changed its policy from what the Prime Minister said and, from our point of view, it is quite acceptable for the U.S. to escalate in a very significant way its military role in that region? Is the Minister now saying as well that if the Nicaraguan Government, and there is no evidence to indicate this, should invite the Soviet Union to send troops on their side, that super- power involvement is totally appropriate? If so, would she justify this abominable position?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I have explained that the Canadian position is to support the peace plan for the area. If the NDP thinks that it is an abominable position, that is their problem, not ours.

* * *

FISHERIES

CONSTITUTIONAL JURISDICTION—MEECH LAKE ACCORD

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. Premier Peckford stated yesterday in the Newfoundland House of Assembly that a clause in the Meech Lake Accord will lead to greater provincial jurisdiction, specifically Newfoundland and Labrador jurisdiction, over the fishery. The Minister knows that Canada's fish stocks are currently managed by the Government of Canada.

Does the Minister share Premier Peckford's interpretation of the Meech Lake agenda clause on the fishery? Specifically, is he ready to say to the House today that Ottawa is prepared to cede part of its constitutional jurisdiction in the fishery to the Government of Newfoundland and Labrador, or, for that matter, to any other provincial Government?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the Hon. Member raises a very important question indeed. The spirit of the Meech Lake Accord is that the respective provincial and federal Governments should be willing to sit down from time to time and talk about matters of mutual interest and concern. In that spirit a clause was inserted in the Accord to the effect that, on a regular basis, First Ministers would review the roles and responsibilities of the federal and provincial Governments regarding the management and allocation of our fish stocks.

It is clearly understood by all provincial Governments that the Constitution of Canada recognizes the responsibility of the federal Government under the Fisheries Act for the management of the fishery. I see nothing wrong with sitting down

from time to time, as I do regularly, with my provincial colleagues to talk about the extent to which they offer advice and input on the management process. We have met over a dozen times in the past year and a half, and that kind of dialogue should continue. However, it is not my intention to suggest any ceding of ultimate responsibility by the federal Government for the fishery in this context.

INTERPRETATION OF ACCORD

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I thank the Minister for his response. He will know this issue is causing a great deal of consternation and concern in Atlantic Canada and, I suggest, British Columbia as well. On the one hand we have Premier Peckford claiming publicly that the clause will lead to Ottawa ceding jurisdiction over the fishery to provincial Governments, specifically Newfoundland. On the other hand, Premier Buchanan claims the clause is there merely to provide a mechanism for discussion at First Ministers' conferences once a year.

Will the Minister say clearly for the benefit of all Atlantic Canadians and all provinces what the intent is of the clause? Can he say clearly whether or not Premier Peckford's interpretation is correct?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, first, if I read the story in the press this morning, I would read that Mr. Peckford's position is that only Newfoundlanders should be able to fish off their coast. I should point out that is not a quotation of Mr. Peckford or any representative of his Government because that is not his position or that of his Government. For example, fishing vessels from Nova Scotia have for a long time fished on the Grand Banks, as have many foreign vessels which we are now eliminating from that fishery as a matter of government policy.

We are quite content to sit down and discuss these arrangements as reflected in the Meech Lake Accord, but I can tell the Hon. Member that the Newfoundland Minister of Fisheries has at no time indicated to me any suggestion that management responsibility be taken from the federal Government. That is not the objective of the Province of Newfoundland. It is that we continue to discuss jointly and determine what is in the best interests of all Atlantic Canadians in the way in which the fishery is managed.

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EXTERNAL AFFAIRS

NICARAGUA—ATTACKS ON CANADIAN FUNDED FARMERS FOR PEACE PROJECT BY CONTRA FORCES

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is directed to the Deputy Prime Minister in the absence of the Secretary of State for External Affairs.

The Farmers for Peace project at Mancotel, Nicaragua, received $180,000 in CIDA funding as well as substantial funding from the Alberta Government and Canadian farmers themselves. Several times, most recently on March 1, this Canadian funded project has been attacked by U.S. funded Contras. Over time, 25 people have been killed, 40 wounded, others kidnapped, and $165,000 in damage has been done.

On Wednesday, Victor Julyan, treasurer of the Alberta based Farmers for Peace, was told by the office of the Secretary of State for External Affairs that a note of protest had been sent to Washington. Would the Deputy Prime Minister confirm that?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I am not in a position to confirm that at this time, but I will look into the matter and respond as soon as possible to the Hon. Member.

Mr. Speaker: The Hon. Member on a short supplementary.

REQUEST THAT GOVERNMENT OPPOSE UNITED STATES SUPPORT FOR CONTRA FORCES

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, considering the destabilizing action of the U.S. Government in sending troops to Honduras, and considering the action of the Contras against Canadian funded projects, does the Minister not think it is time the Canadian Government stood up for Canadian funded development and opposed continued U.S. support for the Contras and continued U.S. efforts to destabilize that region?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I have already told the House that we consider the actions taking place in the region to be very unhelpful and destabilizing to the peace efforts. I have already told the House that Canada deeply regrets these activities and is worried that the negotiations scheduled between the Contras and the Nicaragua Government will be imperilled. I think that is—

Mr. Waddell: It is part of your trade deal, Pat. You are so frightened of the U.S.

Some Hon. Members: Oh, oh!

• (1140)

Mr. Speaker: The Hon. Minister has been asked, not just once but several times, serious questions on what is obviously, in view of the reaction of most Hon. Members in this place, a matter of great importance to us all. The Hon. Minister should be entitled to answer.

Mr. Heap: She doesn't.

An Hon. Member: Then don't ask the question.

Mr. Speaker: I think Hon. Members should let the Hon. Minister at least complete her answer. If they do not think it is satisfactory, they can argue about it somewhere else.

Miss Carney: Mr. Speaker, I think I have answered the question in numerous forms and in various ways. I think it would not be useful to pursue it. As I told the House, we are calling in the ambassadors. We are expressing our concern. Our policy is to support the peace efforts in the region and I think all Canadians would back us in that policy.

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ST. LAWRENCE SEAWAY

WELLAND CANAL—REPAIRS TO LOCK IN ST. CATHARINES

Mr. Allan Pietz (Welland): Mr. Speaker, my question is directed to the Parliamentary Secretary to the Minister of Transport. The Welland Canal will be opening for the 1988 shipping season in a short 13 days. The Parliamentary Secretary will know, of course, that there is an ongoing major rehabilitation program for the locks on the canal. However, a few short days ago there was an unexpected collapse of an 85-foot section of an approach wall to Lock 1 in St. Catharines. This brings back memories of the problems we had two years ago with the blowout of Lock 7 which created an international shipping incident.

Can the Parliamentary Secretary tell us if the repairs will be completed in time for the shipping season to begin on March 31 and that the shipping people can be assured of a successful canal this year?

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the sudden collapse some weeks ago of the approach to Lock No. 1 certainly sent shivers through all shippers and carriers, as well as the Hon. Member for Welland. I am happy to say that the superintendent informed me this morning that the approach wall collapse has been corrected and all systems are go for the official opening on March 30 or March 31.

Hon. Members will recall as well the spring 1987 announcement of the seven-year $175 million modernization program, and 10 contracts this winter worth some $20 million. All systems are go.

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[*Translation*]

IMMIGRATION

REQUEST THAT SOVIET CITIZENS BE GRANTED RESIDENT STATUS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of State (Immigration). We know that all Canadians warmly welcomed the lady who came from the Soviet Union, Tanya Sederova, a few months ago. We also know that a few days after her arrival her sponsorship was called off in a rather difficult manner. She is now living on welfare in Canada and she was asked to file a new application concerning her immigrant status. Yesterday I learned from the Minister's office that it could take up to a year before Mrs. Sederova is given her resident status in Canada. Considering that some 30 Members of Parliament wrote to Mr. Gorbatchev asking him to allow her to come to Canada, would the Minister be ready to consider that case so that she does not have to wait a year before being granted resident status?

Hon. Gerry Weiner (Minister of State (Immigration)): I wish to thank the Hon. Member for her question. I will ask for a briefing on this matter. I did not have the opportunity to consider it in the past few days, but I can assure her that I will look at the options and see if we could speed up the process.

[*English*]

REQUEST THAT MINISTER REVIEW CASE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I thank the Minister for his answer. He should be aware that, because of the breakdown in the sponsorship, Madam Sidorova has been told she could wait up to a year. She is on welfare. She cannot now collect the baby bonus for her Canadian child. Obviously, she would like to have the matter settled because she is hoping to attend university and try to get her life back in order. In order to do that, she has to have her approval by May. I would ask the Minister if he would at the earliest opportunity today review her case and ensure she is given the kind of humanitarian consideration she deserves after three years of waiting for Canadian status?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, as I indicated in my other language, I will ask that my officials and my staff do a review of where the process might be. I have indicated clearly in this House on many occasions that I am deeply appreciative of the information brought forward by all Members of Parliament, and by other Canadians, and where there are opportunities available within the law we will see that we act in a most humane and compassionate fashion.

* * *

IMMIGRATION

PROPOSED LARGE-SCALE ADOPTION OF CHILDREN FROM OVERSEAS

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, my question is also directed to the Minister of State for Immigration. A federal report has drawn attention to the irony that, on the one hand, large numbers of Canadian families seeking to adopt children must wait years for the

opportunity, while in other parts of the world extraordinary numbers of helpless and homeless children would welcome the great privilege of being taken into a Canadian family. In view of the report, will the Minister indicate what response the Government may make to the proposal that larger numbers of children from overseas be admitted for adoption? This proposal is obviously humanitarian in nature and potentially advantageous to Canada.

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, the federal Government does not become directly involved in the adoption process. Adoptions and the welfare of children are the constitutional responsibility of the provinces. The Government's role in international adoptions is confined to facilitating the child's admission to Canada while ensuring that the province in which he or she is to reside has no objection to the proposed arrangements for the reception of the child. We will continue to work actively with the provinces on this very important matter.

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GOVERNMENT EXPENDITURES

BENEFITS RECEIVED BY JEAN SIROIS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Deputy Prime Minister. It concerns the Prime Minister's close friend, Jean Sirois. Two days ago my colleague, the Hon. Member for Humber—Port au Port—St. Barbe, revealed to the House that the Prime Minister's friend Jean Sirois had received no less than $750,000 worth of salaries, benefits, legal contracts and so on.

Will the Deputy Prime Minister confirm today that in addition to those fees, that gravy train of benefits, a company known as Datagram, having Maître Jean Sirois as a director, received no less than $945,046 from the Department of Regional Industrial Expansion? If so, will the Deputy Prime Minister now do what I asked him to do a few days ago and table a list of all the benefits that Maître Jean Sirois has received since September 17, 1984?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I am not aware of the allegation referred to by the Hon. Member. I will certainly make inquiries and report back to him.

Mr. Boudria: All these allegations are in a press release issued by the Minister of Regional Industrial Expansion of this Government.

[*Translation*]

REQUEST FOR TABLING OF LIST

Mr. Don Boudria (Glengarry—Prescott—Russell): My question is directed to the Deputy Prime Minister. Is he prepared to commit himself today to table in this House a complete list of all the fees, benefits, salaries, expense accounts, and so forth, of all the federal monies given to Jean Sirois? Is he prepared to do that, yes or no?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, that is merely a repetition of the same question, only in the other official language.

Mr. Foster: Will you table the list?

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Mr. Speaker: This is unusual, but the Minister for International Trade may want to add something of some importance in answer to a question that was asked of her earlier.

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EXTERNAL AFFAIRS

CENTRAL AMERICA—CANADIAN POLICY

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I thank you for the opportunity to make one point clear in my answer to the Hon. Member for Oshawa, which, on reflection, I wasn't sure I did make clear. I want to ensure that the House knows that it is the American Ambassador and the Nicaraguan Ambassador we have called in for discussions on the events which are taking place in Central America.

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• (1150)

THE ECONOMY

EXCHANGE VALUE OF DOLLAR—INTEREST RATE LEVELS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have a question for the Minister of Finance arising out of the fact that for the first time in four years the Canadian dollar has risen to over 80 cents U.S., an increase of over three cents since the trade deal was signed. Also, yesterday, Bank of Canada interest rates rose once again.

Is the Minister aware that the combination of high interest rates and a high Canadian dollar will hurt investors, hurt consumers, and hurt exports, therefore having a negative impact on jobs? Is the Government prepared to intervene with the Bank of Canada to ease up on its high interest rate policy?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, when the Hon. Member asks that question he should also reflect on the strength of the economy and what is causing the increase in the dollar and the increase in interest rates.

We saw in the last quarter of 1987 the strongest quarter of growth that we experienced during 1987. We have seen job creation continue into 1988 at a very strong level—95,000 jobs have been created. Investment intentions for 1988 are up 17.3 per cent.

This activity, this strength in the economy, is being felt in many parts of Canada. This is what is being reflected in the strength of the Canadian dollar and the pressures that are there on interest rates.

CANADA-UNITED STATES FREE TRADE AGREEMENT—JOB CREATION PROJECTIONS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, the Minister will know that any advantages gained by a 3 per cent to a 4 per cent reduction in tariffs will be more than offset by the full 5 per cent increase in the value of the Canadian dollar in the past year. Will the Minister acknowledge that government predictions on job growth through the trade deal are based on a 75-cent Canadian dollar? Will the Minister tell Canadians what the impact of an 80-cent dollar will do to those projections?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have to say to the Hon. Member that the strength in the Canadian dollar will be a reflection of the strength of the Canadian economy. As the Canadian economy improves its competitive position, as we expect will be the case during the trade agreement, this will be reflected in improvements in job creation, investment action, and all those things which come from a stronger economy.

We have introduced a number of measures over the last three and a half years that are improving that competitive position. It is one of the key reasons why we have seen the strength in the Canadian dollar. It is also one of the key reasons why we have seen 1,200,000 jobs created during that same period of time.

Mr. Speaker: I think that we may have inadvertently gotten a little out of order. I will try to correct that. The Chair recognizes the Hon. Member for Essex—Windsor. I will come to the Hon. Member for Davenport in a moment.

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TRADE

CLOTHING AND PLYWOOD—CANADA-UNITED STATES DISCUSSIONS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Minister for International Trade. U.S. Secretary Baker is quoted in news reports as telling the Senate Finance Committee yesterday that he had been told by the Canadian Government that the Government would take another look at its plywood standards and would substantially reduce planned help to the clothing industry.

Will the Minister confirm that U.S. meetings did take place on Wednesday with Canadian representatives and that in fact these promises were made?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Hon. Member is aware that meetings take place between the Canadian and the U.S. administration on trade matters quite often. So there would be meetings on Monday. There may have been meetings on Wednesday as the Hon. Member suggests.

I can deal with the plywood issue by pointing out that under the free trade agreement Canada Mortgage and Housing Corporation was to rule on the technical assessment of grade C and D United States plywood to see whether they met Canadian standards in our building codes. Canada Mortgage and Housing did such a review and decided that the U.S. C and D grade levels do not meet the requirements set out in our building codes.

Under the free trade agreement should this decision be taken, as it has, there is provision for setting up a panel to review this technical evaluation. We have informed the Americans that under the terms of the FTA we are ready and willing to establish such a panel at this time.

TESTIMONY GIVEN BEFORE UNITED STATES SENATE FINANCE COMMITTEE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I want to ask the Minister if in fact she is saying that when Secretary Baker testified before the Senate Finance Committee yesterday about these commitments from the Canadian Government to retreat from positions which had been taken, those statements were incorrect and that they were some kind of mistruth?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I have not seen the statements to which the Hon. Member refers. I cannot make a judgment about them.

I can report to the House, as the Minister of Finance has reported, that there has been no final decision taken on the issue of the duty remission. We have provision to do that in the free trade agreement. We will be announcing that at the appropriate time, as the Minister of Finance has indicated.

I have explained, at more length than you, Mr. Speaker, may care to entertain, the technical provisions in the free trade agreement which allow us to deal with the plywood issue. I can repeat it for the Hon. Member—

Some Hon. Members: No, no!

Miss Carney: They say "No, no!" They ask the question, but when I give the answer they say "No, no!"

The point is that Canada Mortgage and Housing Corporation did not accept the U.S. plywood standards with respect to grades C and D. Under the free trade agreement there is provision for a panel to review that. We have informed the

Americans that we are willing to set up a panel. That is the answer to the question.

* * *

ENVIRONMENTAL AFFAIRS

TRANSBOUNDARY ACID RAIN POLLUTION—QUERY ON BILL FOR DAMAGES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is for the Deputy Prime Minister. It is a follow-up to a question I asked the Secretary of State for External Affairs.

The Secretary of State for External Affairs made a commitment to look at the possibility of preparing a bill for the damages we are suffering as a result of transboundary acid rain pollution coming into Canada and in anticipation of next month's meeting between the Prime Minister of Canada and President Reagan in Washington. Has the Government made a decision on the question of preparing a bill for Canada's damages suffered as a result of American acid rain pollution?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, no, there has not been a decision to my knowledge. However, I will make inquiries and get back to the Hon. Member as to where that particular issue stands.

Mr. Speaker: The Hon. Member with a short supplementary, please.

REQUEST THAT GOVERNMENT CONSULT AFFECTED PARTIES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I hope that the Government will not dilly-dally on this important matter. In making a decision will the Government consult the maple sugar producers of Quebec, the cottage, motel and resort owners in Muskoka, and all parties that are affected in industry, forests and farming, as well as provincial and municipal Governments downwind to American acid rain pollution? Will that consultation take place?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I find it very ironic that the Hon. Member is suggesting that we consult because so often we are criticized by other Hon. Members across the way for doing just that. Of course there will be consultation. Of course I would not want to leave the impression that nothing has been done with respect to this very important issue of the transborder control of acid rain and other pollution aspects that affect our environment.

The Government, through the Minister of the Environment, has provided strong leadership. There has been strong leadership by the Secretary of State for External Affairs, and very strong leadership by our Prime Minister.

EXTERNAL AFFAIRS

CENTRAL AMERICA—INTERVENTION BY UNITED STATES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Minister for International Trade who is answering for the Secretary of State for External Affairs. It pertains to a clarification that she made just a few moments ago when I was asking if she was announcing a change in Canadian foreign policy. I want to ask her very specifically this.

The Secretary of State for External Affairs said in the House on December 2 the following:

> We oppose third party intervention in Central America, whatever the source, and have made that position clear to both superpowers.

Is the Minister now saying that the United States is justified in intervening in the region because it signed the Rio treaty? Could we get clarification of that? Has the Government changed its policy? That is the question.

• (1200)

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I cannot add to what I have already said on this matter, and that is that it is within the right of Honduras to call in the U.S. assistance. Under the Rio Treaty it is legal for the U.S. to provide such support if an incursion has occurred, and we are informed that such an incursion did occur, which is the advice we received from our Ambassador.

I have also pointed out that our position is that we deeply regret these incidents because it is destabilizing to the region. We are calling in the American and Nicaraguan Ambassadors to express our grave concern and to indicate our continued support for the peace negotiations which are scheduled to take place on Monday.

* * *

TAX REFORM

REQUEST THAT GOVERNMENT PAY INTEREST ON INCOME TAX COLLECTED

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Finance. On February 12 I raised in the House the fact that the Government has given itself a six-month interest free loan of over $1 billion in that, although some income taxes have been reduced as of January of this year, payroll deductions do not take effect until July.

Now that the Conservative Chairman of the Finance Committee has called this situation a "rip-off", will the Government do the right thing and agree to pay Canadian taxpayers the interest due to them?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think that the Hon. Member is quite aware of the difficulty of

introducing the change in tax reform, moving from exemptions to credits, to come half way through the year.

Mr. Tobin: Justice delayed is justice denied.

Mr. Wilson (Etobicoke Centre): We have made that provision applicable to the first part of the year to avoid complexity in the Income Tax Act, as I am sure the Hon. Member would support. For fiscal reasons we are only bringing in the change in the withholding payments, the payroll deductions, as of July 1. Again, for fiscal reasons, the deductions that are made in the first part of the year will only be repaid to taxpayers when they receive their refunds in 1989.

* * *

PUBLIC SERVICE

LANGUAGE TEACHERS' DISPUTE—NEGOTIATION OF SETTLEMENT

Mr. David Daubney (Ottawa West): Mr. Speaker, my question is directed to the President of the Treasury Board. This week I met with constituents of mine who are federal government language trainers and teachers who are concerned that their long-standing dispute with the Treasury Board remains unresolved.

In light of the important service provided by those dedicated public servants to the Government and to Canada, can the Minister report any progress towards reaching an amicable settlement?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I thank the Hon. Member for his continuing interest in this very important issue. Of course I share with the Hon. Member the view that those people do provide a very important service to Canada.

I would like to tell the House that a settlement had been reached on September 10 which was subsequently rejected by the membership. On January 21 the majority conciliation report was issued which recommended that the September agreement be adopted as provided for in the original negotiating agreement.

Treasury Board has informed the group that we are prepared to sign an agreement on the basis of the majority conciliation report, and that we are prepared, willing, and able to sit down and proceed with the negotiations. I would hope that all Members would encourage that to take place, because that in effect is respecting the collective bargaining process.

Mr. Speaker: On a supplementary question, the Hon. Member for Ottawa—Carleton.

QUERY WHETHER TREASURY BOARD WILL RENEGOTIATE CONTRACT

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, my question is directed to the same Minister on the same issue.

The language teachers are very frustrated. In fact there is a demonstration outside the House today. Is the Treasury Board prepared to renegotiate the contract that the teachers have rejected?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, first, to engage in renegotiations they would have to come back to the bargaining table, and that is what we have invited them to do.

Mr. Speaker: The Hon. Member for Ottawa Centre, a single question, please.

[*Translation*]

LANGUAGE TEACHERS—REQUEST THAT MINISTER RESUME NEGOTIATIONS

Mr. Mike Cassidy (Ottawa-Centre): Mr. Speaker, is the President of the Treasury Board aware of the fact that language teachers rejected the September agreement and the majority report of the Conciliation Board, given the fact that this agreement would increase by 87 percent the number of teaching hours?

Can the Minister explain why he states, in his letter to the President of the Public Service Alliance of Canada, bearing today's date that it is not the policy of the Government to negotiate publicly and that he would rather let the negotiation process take its course although the negotiations have not resumed?

Is the Minister prepared now to go back to the bargaining table in order to arrive at a fair agreement with the language teachers of the Public Service of Canada?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, once again we are seeing the double standard of the New Democratic Party. On the one hand, it respects and supports the collective bargaining process. On the other hand, the Hon. Member wants me to become involved in the negotiations in public.

Earlier I stated that we are prepared to sit down. We have invited the group to recommence negotiations on the basis of the majority conciliation report—

Mr. Cassidy: Oh, that's the condition?

Mr. Mazankowski: I challenge the Hon. Member, rather than trying to make a political issue, to encourage the union to come back to the bargaining table.

Mr. Cassidy: What a hypocrite you are.

Some Hon. Members: Order.

Mr. Cassidy: That's not fair at all.

Mr. Speaker: The Hon. Member for Ottawa Centre has directly impugned the honour of another Hon. Member. I would ask that he withdraw.

Mr. Cassidy: Mr. Speaker, I do withdraw.

Some Hon. Members: Sit down!

Mr. Cassidy: You will understand my strong feelings on that, Mr. Speaker, although I withdraw.

Mr. Speaker: The Hon. Member has withdrawn, and that is an end to the issue.

I call upon the Hon. Minister of Communications who, I think, has something to say to this House on a matter that has been raised earlier, and I think that Hon. Members would allow me to bend the rules a little to hear her.

* * *

[*Translation*]

THE LATE YVETTE ROUSSEAU

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, Canadian women have lost a great friend. Yvette Rousseau has devoted most of her career in the trade-union movement and in politics to the enhancement of the status of women in Canada.

I remember well the period in the 1970s when she was vice-president and, later, president of the Advisory Council on the Status of Women in Canada. At that time, Mr. Speaker, I was a new Member here in Ottawa, and one of the few women sitting in this House of Commons. I have good memories of my contacts with Mrs. Rousseau during her tenure at the Council and after, at the time of her appointment to the Senate, in 1979.

I was very glad to see that she kept on with her work and efforts for Canadian women in the Senate.

[*English*]

Mr. Speaker, along with the tremendous work that was carried out by the late, great Therese Casgrain, the Province of Quebec has provided much leadership, indeed tremendous leadership. There have been many pioneers in the work of advancing the women's movement throughout the country, but particularly in the Province of Quebec there have been pioneers who have provided examples for the rest of us. Yvette Rousseau was one of those pioneers. She provided guidance, counsel, and support to the many women who are now involved in improving the political, social, and economic standing of women across this country. But more than providing that

support, guidance, and counsel she provided an example that we would all do well to emulate.

I am very saddened by her death.

[*Translation*]

Her death is a loss for Parliament and for Canadian women.

I would like to extend the Government's deepest sympathy and mine to her family.

Mr. Raymond Garneau (Laval-des-Rapides): Yesterday, Mr. Speaker, I rose pursuant to Standing Order 21 to make a statement and deal briefly with the great loss Canada has suffered when Mrs. Rousseau passed away. On behalf of the Official Opposition and the Leader of the Liberal Party (Mr. Turner), I should like to join the Minister of Communications and pay tribute to Mrs. Rousseau.

The Leader of our party has conveyed to Mrs. Rousseau's family not only the expression of our condolences, but also of our appreciation for the tremendous contribution Mrs. Rousseau has made to Canadian men and women generally.

All those who had an opportunity to know Senator Rousseau very well and to work with her can bear witness to the fact that she was a woman with a clear head, a strong will tempered with a kind heart. Between 1940 and 1945, long before the mass demonstrations of the last few years for women emancipation, Senator Rousseau was already fighting in the front lines for the emancipation of women's in the labour force. As a young woman, she had already contributed to obtain the right to vote for Quebec women. She was one of the first women to become union leaders. She had thought and written a great deal, and on top of that, she had found the time to raise a family of eight children who were for her a source of great satisfaction.

I should also like to mention her kindness for her fellow workers, her friends, as well as her generosity and understanding of people's problems. Yet, in all discussions, she always demonstrated a lot of willpower and a strong determination to achieve her objectives.

On behalf of the Leader of the Liberal Party, of all my colleagues and on my own behalf, I should like to offer Mrs. Rousseau's family our most sincere condolences in their great loss and remind all Canadians, women especially, that they have just lost a great ally.

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, I rise today to pay tribute to Senator Rousseau.

Mrs. Rousseau devoted her entire life to Canadian workers, men and women alike. She began as a simple worker in the textile industry.

• (1210)

[*English*]

She was a leader in the women's movement in Canada, founding member and President of the *Fédération des femmes*

du Québec and co-founder, with the Government of Quebec, of the Quebec Council on the Status of Women.

As the Hon. Minister has said, we have lost a great friend, and to her family we extend our sympathies. In all her work, Ms. Rousseau insisted that the significant contributions made by women in our society as home makers, as economic partners in the labour force, and as a powerful political lobby, be recognized.

"Government would be well advised", she warned, "not to underestimate the vital strength of Canadian women".

One thing which Yvette Rousseau has taught us as female parliamentarians is that when it came to women's issues she never took a partisan line. She thought it was very important to raise equity for women in our society.

In her maiden speech to the Senate Ms. Rousseau stated her intention to work for the betterment of Canada and to promote the rights, both social and political, of every individual in our regions and minority groups. The dedication with which she pursued this goal provides an inspiration to all parliamentarians now assembled and to Canadian people everywhere.

On behalf of the New Democratic Party I should like to extend our sympathy to the family of Ms. Rousseau and to say on behalf of all Canadians that I know that we are better off because she walked among us. May she rest in peace.

Some Hon. Members: Hear, hear!

* * *

PRIVILEGE

SINCERITY OF MEMBER'S APOLOGY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I think it is particularly appropriate that this question of privilege should be raised, given the comments just made in the House about an incredible woman who really did much to speak to the issue of equality for women. Unfortunately it seems that *plus ça change, plus c'est la même chose.*

You will remember last fall, Mr. Speaker, when in a committee of the House I was referred to as a "goddamned ignorant bitch". Subsequent to that statement, the Hon. Member for Burlington (Mr. Kempling) who made it stood up on Friday, October 30, and said that he wished to withdraw that remark completely.

At that time I took the Hon. Member for Burlington at his word, that he intended to withdraw that remark completely, so you can imagine, Mr. Speaker, how shocked and surprised I was to receive some correspondence which in fact indicates that his apology in the House was not believed by himself.

I should like to spend a moment reading a couple of paragraphs from the correspondence which made me seek to raise this question of privilege.

Mr. Speaker: I wonder whether the Hon. Member could give the Chair the date of the letter to which she refers. I take it that it is a letter from the Hon. Member for Burlington (Mr. Kempling) to somebody.

Ms. Copps: Yes, Mr. Speaker. The Minister made a statement in the House unequivocally withdrawing his remarks on Friday, October 30.

On November 2, a letter went to the Member from a person not known to me who was responding in a tongue-in-cheek way to try to suggest to the Member that his remarks were inappropriate.

I do not want to read the whole letter, but I will read a couple of paragraphs which I think illustrate my point. It reads:

> Dear Bill:
>
> Just wanted to touch bases with you on this Copps business. Nasty stuff, what? I think a fitting response from you would be to sponsor a Bill in the House banishing women back to the kitchen: you know the old saw, keep them pregnant in the summer and barefoot in the winter.
>
> Bill, can you imagine young Canadian women aspiring to be MPs? Mind you, now, I don't see anything wrong with elected old broads serving coffee—

Mr. Speaker: Just a moment. I just want to know that the Chair has the facts here. Apparently that is a letter written by somebody to the Hon. Member.

Ms. Copps: Right.

Mr. Speaker: Of course that in itself is not a question of privilege.

Ms. Copps: No.

Mr. Speaker: Would the Hon. Member come right to the point now.

Ms. Copps: That gives the tone of that letter which was written tongue in cheek.

Subsequently the Hon. Member for Burlington wrote a letter, dated February 11, 1988 to a Mr. Moses C. Sheppard of Timmins, Ontario, in which he stated:

> Dear Moses:
>
> Thank you very much for your letter of November 2 about "you know who". My staff and I had a real good laugh at the various comments you made.
>
> I am reluctant to circulate it in the House of Commons in case it may receive unanimous consent.
>
> Many thanks for your good wishes.

It is signed by the Hon. Member for Burlington.

If we look at the contents of the letter written tongue in cheek and the response of the Member, who is basically saying that women should not be allowed to run as MPs, women should be barefoot and pregnant in the kitchen, and women should be allowed to serve coffee, I believe that when the Member stood up and unequivocally withdrew his remarks he in fact had no intention of doing so. That is clearly in evidence by his response to this particular individual.

I received the correspondence from the gentleman in Timmins, who was so irate that he actually wrote another letter to the Member in which he stated that his apology was a fraud, that he should apologize to the House and follow up on it, and that is why I am raising it.

Mr. Speaker: I do not think what the gentleman wrote to the Member is apposite to the point the Hon. Member is making. I take very carefully the point the Hon. Member for Hamilton East (Ms. Copps) is making.

The question is whether or not the Hon. Member for Burlington was sincere in his withdrawal. The Hon. Member is not here because he is in his riding attending to other duties. When he returns I will ask him to address the matter.

If the Hon. Member for Hamilton East would keep in touch with the Chair, perhaps we could arrange a time when the Hon. Member for Burlington is here, as well as the Hon. Member for Hamilton East, and I will hear the matter further.

• (1220)

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, with all due respect, the issue was an apology and the apology was made. We are now dealing with an alleged question of privilege which does not in any way involve the Hon. Member for Burlington (Mr. Kempling) with the Hon. Member for Hamilton East (Ms. Copps).

Ms. Copps: It certainly does.

Mr. Lewis: The Hon. Member from Hamilton East chose to raise this on a Friday so that it would sit over the weekend.

Ms. Copps: No.

Mr. Lewis: I do not care if she wants to set up some other Member and practise politics that way, but I think this is an abuse of the time of the House.

Mr. Speaker: I have heard the Hon. Minister of State (Mr. Lewis). I am not going to hear any further Members on this matter at this time. I will discuss with Hon. Members how and under what circumstances the issue might be resumed. Certainly the Hon. Member for Burlington (Mr. Kempling) ought to have a chance to have his say.

Mr. Murphy: Mr. Speaker, perhaps before I start my question of privilege, could I indicate that we would like to know when this matter will return to the House so we may add any interventions that we may have.

Mr. Speaker: Let me assure Hon. Members that when the matter comes back, the Government and both opposition Parties will, of course, be notified.

I also want it clearly understood that I will deal with the point, which point is now on the record. I do not think it is in the interests of this place or of that particular Hon. Member who is complained of to turn this issue into a debate in which every Member who, for whatever reason, thinks that he or she has something to say, can do so. I just point that out as a matter of caution. Primarily, I want to hear from the Hon. Member for Burlington. Unless there is something of very great importance to be said by others, let me indicate that the Chair will exercise a certain degree of restraint in opening this matter into a full-blown debate.

However the Hon. Member for Churchill (Mr. Murphy) I believe has another point. I recognize the Hon. Member.

* * *

POINT OF ORDER

ATTENDANCE OF CABINET MINISTERS IN HOUSE DURING QUESTION PERIOD

Mr. Rod Murphy (Churchill): Mr. Speaker, it was certainly not my intent in my previous remarks to encourage a full-blown debate, but since you had given notice that the matter would be dealt with later I just wanted assurances that we would be forewarned as much as possible.

The issue on which I stand is the attendance of cabinet Ministers in the House. I want to state at the beginning that I understand they have other duties and other obligations, and we in the Opposition appreciate that. But we are in a situation today—

Mr. Speaker: Perhaps I could help from a point of view of procedure. I think what the Hon. Member for Churchill (Mr. Murphy) is raising is really a point of order. I appreciate that the Hon. Member is not taking a position that cabinet Ministers are not here because they are idle or not very busily engaged in other things. I think the point of order which the Hon. Member is trying to make, and he is speaking on behalf of his Party, has to do with the number of Ministers who may be available at any given time to receive questions in Question Period. If that is the point, I certainly will hear the Hon. Member.

Mr. Murphy: That is the point, Mr. Speaker. As I indicated in my note to you I will not draw this matter out at any length. We had 10 cabinet Ministers here today out of a Cabinet of approximately 40. This has been a problem all week and it is a situation which affects our privileges and our ability in the Opposition to act. We have a Minister away and the Parliamentary Secretary away. In my particular case, a Minister who answered on behalf of another Minister yesterday is not here today. We have matters that are important to opposition Members and it becomes very difficult and, indeed, impossible to raise issues and to get any type of answers by anybody who is even remotely related to the topic.

Mr. Speaker: Perhaps the Minister of State (Mr. Lewis) could reply.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): First, I would suggest to you, Mr. Speaker, that it is the ministry which answers questions. We have made every effort to supply acting Ministers who can stand in for other Ministers. I think you will find today that the Minister for International Trade (Miss Carney) did an excellent job of standing in for the Secretary of State for External Affairs (Mr. Clark).

The business of government involves being in the House for Question Period, that is true. It also involves being in other meetings and in other areas of the country. I think we do as good a job as any Government in the past has in answering questions. If there is any inconvenience, I will be glad to take it up with my hon. friend with respect to any particular Minister or ministry.

I would also suggest, Mr. Speaker, if you want to open up this inquiry, as my friend seems to, that there is difficulty in trying to hold committee meetings. Certain members of the Opposition are not present. I am prepared to debate that topic at any time but I do not think it is helpful today.

We supply acting Ministers. Today a question was answered on the Welland Canal by a Parliamentary Secretary. We are always in a position to answer any questions which the Opposition in its meagre numbers may wish to pose.

Mr. Speaker: However meagre the numbers may be, the Hon. Member for Churchill (Mr. Murphy) is here and wishes to rise again. I recognize the Hon. Member on a short intervention.

Mr. Murphy: Mr. Speaker, despite the fact that each of the opposition Parties has fewer Members in it in the House than the Cabinet, you will have noted today that each of us had more Members in the House than the number of cabinet Ministers.

It is not a matter of just the ministry that answers the questions. The problem is that you get notice one day and the Minister who gave notice is not here. It seems there is no one on the government side who is capable of answering these questions.

Mr. Speaker: The Hon. Member for Churchill who is speaking on this matter, not on a personal basis but, I take it, as a representative of his Party, has brought a matter to the attention of the Government. The Hon. Minister of State (Mr. Lewis) has replied, and I think absolutely correctly, that it is the obligation of the Government to answer questions. However, having said that, all Hon. Members will know that there are times, because of the press of other duties, when Ministers, who might very well prefer to be here sometimes, have to be elsewhere. On balance it is the obligation of the Government to have as many Ministers as is appropriate here at Question Period. I think the Hon. Minister of State's response was civil and reflective. He has indicated that he is prepared to discuss the matter with the Hon. Member for Churchill, and I would expect other Members if that is appropriate.

As I say, it is a point of order. Perhaps the Hon. Minister of State and the Hon. Member for Churchill can have a further discussion.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

PROTECTION OF UNBORN CHILDREN

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, on behalf of many residents of the City of Scarborough in the Province of Ontario who now avail themselves of their ancient and undoubted right to present a grievance common to these petitioners in the certain assurance that Hon. Members will, therefore, provide a remedy, I am honoured to present this petition regarding the Supreme Court of Canada's decision to strike down the Canadian abortion law. They strongly urge us as a House of Commons to recognize the rights of the unborn and the Canadian Charter of Rights and to proclaim a new law which will protect these rights from wanton aggression throughout all ages in the development of the fetus beginning at conception.

• (1230)

PROPOSED FREE TRADE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a fairly lengthy petition from my constituency which deals with the question of the U.S. trade deal. The people who have signed the petition indicate that they feel that the trade agreement would deny Canada the policy freedom to determine its own economic future and would undermine our ability to build a society distinct from that of the United States, and they therefore ask very strongly that this Government dissolve Parliament and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I ask that all question be allowed to stand.

[*English*]

Mr. Murphy: Mr. Speaker, I wonder if the Minister would confirm to the House that this is the third day in a row that the Government has been unable to answer any questions on the Order Paper, and perhaps he could explain to the House at

the same time if he is suffering because there are no cabinet Ministers in Ottawa to answer these questions.

Mr. Lewis: Mr. Speaker, in keeping with our record of answering questions on the Order Paper, and I think our record is about 87 per cent, if my hon. friend has any particular question that he is very much interested in, I would be pleased to check with officials and get back to him.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTED DAY, S. O. 82—ECONOMIC FUTURE OF REGION OF GREATER MONTREAL

The House resumed consideration of the motion of Mr. Malépart:

—That this House condemns the Government for its failure to act in matters of interest to the region of Greater Montreal, including the space agency, the development of the Vieux-Port, the planning and development of Montreal Harbour, the Soligaz project, the shipyards and the economic renewal of Montreal East as well as the economic deterioration of the southwestern part of the region.—

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, in the few minutes I have left I should like to cover a number of subjects, but I will mention just a few. I want to say something about Montreal's Vieux-Port about which the Opposition keeps saying we are not moving fast enough. I get the clear impression that the Opposition is unaware of the new developments and cannot keep track of the Vieux-Port evolution.

Last December I announced that the federal Government had endorsed the entire master plan for the Vieux-Port, a project which might trigger over-all investments ranging from $350 million to $500 million. Not only did the Government endorse the project, the Vieux-Port master plan, but it took action as well.

We have already invested $104 million in the Vieux-Port over the past few years, but the thing to note is that, unlike the previous Government which invariably acted unilaterally, it is imperative in the development of an undertaking of such significance to Montreal to seek the agreement, participation and approval of the other two Government levels. Mr. Speaker, I can assure the House and all my colleagues that it is the approach we have taken, and so far the results have been very promising. So much so that in the near future we may be in a position to unveil the over-all plan which will make it possible to complete the Vieux-Port project in time for Montreal's 350th anniversary in 1992.

I could also say something about the Montreal harbour, an important issue because, as it happened, transportation was the driving force behind the development of Montreal. We are monitoring the situation very closely because the Government intends to see this project through, and again the matter will be settled in full consultation with the various local interests.

To conclude, Mr. Speaker, Montreal is the economic motor. Montreal is Quebec's cultural motor, one of the most important elements of our collective life in Canada.

As I said at the beginning of my remarks, it is an international city, a city of high technology, a financial centre, a cultural city, a city of arts, a city for tourism, a transport centre, a manufacturing centre, a design centre.

Since 1984, we have done much more than any other previous Government for Montreal, and much more than my Hon. colleague for Montreal—Sainte-Marie (Mr. Malépart) with his three interventions, which makes one a year. What we have given Montreal is an opportunity to have its place in the sun as a great metropolis, a major Canadian centre and a great international centre, and I am proud of what our Government has been able to accomplish in the Montreal region these last three and a half years.

Mr. Malépart: Mr. Speaker, the Minister called Montreal the motor. He can no longer say that Montreal is the engine as he has brought about the closing of Bombardier as a manufacturer of railway engines. He wants Montreal to shine like the sun, but to shoot for the stars, Montreal has to become space oriented, which the Minister forgot to say. I have here newspaper articles which the Minister has certainly seen and which say things such as "Mayor Doré furious about the space agency" and "Allocation of the space program—Minister MacDonald fed up with being taken for an idiot". This same Mr. Picard, who was responsible for this issue, states that he does not understand the Government. I am not talking about the past or about what happened in such or such a case. We want clear and specific answers. Montrealers want to know.

Now that the Prime Minister has said something quite different about the space agency, now that he has said that there will be a space agency, if he did tell the truth, can the Minister tell us immediately that this agency will be in Montreal and when it will be established?

As concerns the Vieux-Port, the Government has been saying yes for three years, but it has failed to deliver. Can the Minister tell us today that there will be $130 million in new money, not in recycled funds as in the case of Montreal East, and that he will not try to make people believe, as in the case of Montreal East, that the provincial Government is to blame if the federal Government fails to deliver? You were caught short in the case of Montreal East because the provincial Government made its announcement before you did.

On the matter of the Soligaz project for Montreal East, will you now be in a position to answer: Yes, the Minister of Energy, Mines and Resources (Mr. Masse) will deal with that, and within a month that will be solved, that will be in operation?

Concerning shipyards,—note all of that down, you will have a number of things to answer on—will the contracts that Layton is supposed to be awarding for the two destroyers in the TRUMP Program next week, will both of them be going to Quebec shipyards? Yes or no? That is the point.

Concerning early retirement that people have been requesting for workers in Vickers, in Montreal East, and also for South West Montreal, is it yes? Are you going to announce early retirement, again not the one that was negotiated with Quebec, but the program you have under Unemployment Insurance? Yes or no? And lastly, concerning Southwestern Montreal, because they also have difficulty there, and they are asking for an economic renewal committee, will you be answering yes to that? This is what we want to know.

Mr. de Cotret: First, Mr. Speaker, I recognize the Hon. Member's usual talent in contradictions. Of course that is a daily situation in his own Party. So I recognize he has all the talent in the world for contradictions. Let me state that concerning the space agency, there is absolutely no contradiction. And I can tell you there will be a space agency, and I could simply repeat again what I said in this House, as recorded in *Hansard*. I am taking for granted my colleague from Montreal—Sainte-Marie (Mr. Malépart) can read.

Mr. Malépart: Montreal or Ottawa?

Mr. de Cotret: So I will let him do his own reading. But there will be a space agency that will be announced when we have determined exactly what the nature of the program will be.

Mr. Malépart: Where?

Mr. de Cotret: My colleague the Minister of State and the Prime Minister have been saying the same thing exactly. There will be a space agency, and the space agency will be announced as soon as the space program can be announced— it is before Cabinet now.

You are raising a lot of other matters, all pertinent of course but matters that are evolving, matters we deal with on a daily basis and that mesh in with any announcements we made, as I have listed in this House today, over these last few years, these last few months, announcements that succeeded in making Montreal a city on the go, while Montreal under the previous Government was a declining city, a city that was losing its role, not only as an international city, but as a national and a Quebec city because of the previous Government's inaction we inherited.

• (1240)

Mr. Langdon: Mr. Speaker, I have an interesting document which states the following: "De Cotret promises action in Montreal this autumn." This document is dated July 8, 1986. Now, after almost two years, we have seen a report from the *Comité pour la relance de l'économie et de l'emploi de l'est de Montréal* which says that all those problems remain. I would like to ask the Minister whether he is ready today to provide particulars about all those problems and the suggestions made in the committee report. For example, I would like to put to him the following question: The committee has suggested that in order to preserve existing jobs in Montreal East it is necessary to maintain for a 3-year period a policy of preferential purchases in depressed regions as far as transportation, metallic products, primary metallurgy and petrochemistry are concerned. Is it now possible for the Minister to accede to that suggestion?

Mr. de Cotret: Mr. Speaker, I would suggest to my honourable colleague that he should follow more closely what is going on. Two committees have been set up and a third is dealing with the southwestern part of Montreal. The first, for the Greater Montreal, was the *Comité consultatif sur Montréal* or the Picard Commitee; the second one, was CREEM or the so-called Pichette Committee. We have given our answer to the Picard Committee and its members are quite pleased with it because we accepted most of its recommendations and, as I said earlier, several among them have already been implemented while others are being carried out.

We have also given our answer to the Pichette committee and Mr. Pichette has said that he is quite pleased with the response of the federal Government and with that of other levels of government. We will see what will come out of the consultations going on for the other region.

So when I am asked what we intend to do, I wonder, because we said months ago what we were going to do. We said it clearly and I will be pleased to send the response documents to my hon. colleague who, unfortunately, must have lost them under huge piles of mail. But I will be happy to send him these responses which were given months ago. And we are now beginning to see the results. That is why we can talk about 114,000 new jobs since 1984. That is why we can talk about 50 000 new jobs in Greater Montreal in the last 12 months. There is action in that region. Why? Because we are implementing recommendations made by people from the area, in consultation with them, and accepted by the Government. These are positive measures, unlike the shameful inaction of the previous Government who managed to lose 4,000 jobs, in Montreal, between 1980 and 1984.

Mr. Valcourt: Mr. Speaker, considering the Minister's special interest for the Montreal economy, I have a question for him.

We know that at the beginning of 1976, the Leader of the Hon. Member for Montreal-Sainte-Marie (M. Malépart) left

politics to join the McMillan-Binch law firm in Toronto. The present Hon. Member for Vancouver Quadra and leader of the official Opposition (M. Turner) then undertook to publish a newsletter, to the cost of $15,000, aimed at a specific group of people. One issue of the newsletter dealt with the Montreal problem. He wrote that there had been long years of neglect and he predicted in very simple terms the decline of Montreal. He said that the federal Government of the time, a Liberal Government, didn't do much for the city. He also said that it was Montreal's fault and that we would have to wait till year 2000 to see things turn around.

I would like to know if the Minister shares the view expressed in 1978 by the Leader of the Liberal Party, the Hon. Member for Vancouver Quadra?

Mr. de Cotret: Mr. Speaker, this question is quite relevant since on July 14, 1978, the present Leader of the Liberal Party stated, and rightly so, that Montreal was a city on the decline and in transition. He added that its national role had diminished. That was right too, although this trend was more obvious in the last four years. He said also that Montreal had lost its financial power, that its service industries were losing ground, its harbour was not longer prosperous and the most active, its manufacturing sector was struggling for survival. Then he said that after years and years of negligence and foreign competition, its airports were no longer the main gateway to the country for international travellers and that its reputation as a congenial city was tarnished. And so on and so on. In conclusion he said that problems in Montreal did not happen overnight and that most of them were its own fault.

Mr. Speaker, I beg to differ with the conclusion of the Leader of the Official Opposition. Montreal is not really responsible for what happened. We never accepted that. The problem is that the former Government did not play its role, although Members from the Hon. Member's Party were well aware of the situation. What action did they take? My hon. colleague for Montreal—Sainte-Marie made three speeches in three years. That is it. And 4,000 jobs were lost.

When we came to power in 1984, we sat down with people at the regional level. We met with all concerned people in the cultural, industrial, artistic community or in the labour movement. We made recommendations and three and a half years later, we have managed to create 114,000 new jobs. We have a booming and striving economy. We now have a base to build on. If I were a Liberal, I would be ashamed today. How dare Liberals claim that Montreal is a victim of its own mistakes, when the city was driven to its ruin by the mistakes of the previous Government. But, the actions of the present Government are rebuilding Montreal, and making it an international capital again.

Mr. Malépart: Montreal is spatial!

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Essex—Windsor (Mr. Langdon).

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, it is difficult to justify the rage of the Minister. It might be very interesting, but it does not tell much.

I believe that if we look at this motion and the very serious problems which led to its introduction . . . It is very important to see that what we have here today is not something which results from the Conservative Government's policies. It does result from that government to some degree, but also from the Liberal Government which did not pay sufficient attention to that area of the country.

• (1250)

I believe that if we took an honest look, if we analysed the problem with some measure of reason, there is something we would have to say. We would have to say, as Gérard LeBlanc has said in the press, that one must not, as Jean-Claude Malépart has so often done, link plant shutdowns in the East directly with poverty in that area and that the entire metropolitan area is affected by the industrial crisis in Montreal East. And it is true, Mr. Speaker. It is true that what we have here is an industrial crisis which affects the entire Montreal area and in fact, Mr. Speaker, the whole country. The crisis is visible in my own riding of Essex—Windsor, where there are a lot of closures—and the same can be said of Hamilton, where shutdowns abound, and also of many regions in the province of Quebec, where a great number of plants have closed down and all this is the result of the policy void which exists with regard to industrialization in our country.

It can truly be said, Mr. Speaker, that what we have here, which is similar to what many analysts have encountered in parts of the United States, is a situation of disindustrialization, one where our manufacturing sector is in a lot of trouble. And these problems are not getting the full attention of this Government.

Mr. Speaker, I really believe that the trade agreement with the United States is a step which will result in a worsening of the situation for our industrial sector, throughout the country as well as in Montreal East. I must say, however, Mr. Speaker, although we recognize that this is not only a problem which concerns Montreal East, that there are many things which people who work in Montreal West did, very important things to support this part of the city which is very significant in the history of all countries, the City of Montreal.

If we take the example of Montreal East, we must say first that some figures really give an idea of the size of the problem, such as: about 22,000 unemployed in this part of the city, about 9,400 welfare recipients and close to 7,500 group dismissals over five years. Those figures can be found in a document released by the Comittee for the Economic Renewal of Montreal East. The situation on the Montreal East is due to the inaction of the federal Government, which is unacceptable to our Party. Montreal East wants clear answers and effective and quick action. The Committee for the Economic Renewal of Montreal East made important recommendations, and we

give our support to those recommendations, particularly: 1. We agree to the participation of the federal Government to the establishment of a $50 Million fund to assist businesses in the East, which must modernize in order to diversify. 2. We agree to the participation of the federal Government to a training or retraining fund to help workers, men and women, from the East which are affected by technological change in the plants. 3. We agree that Montreal East should be declared designated area to enable older workers to benefit from an adjustment program which would provide them with a guaranteed income.

The importance and the seriousness of the challenges to be met in the East require consultation and input from various levels of Government. It is necessary to establish a coordinating structure to rally forces and take action rapidly.

The Conservatives had promised that this government would bring about changes. Yet, anybody can see that when the Minister spoke today, he talked about jobs that were created not by this government but by the market itself, through Canadian exports and our economic growth. This is perfectly true. This government did not do anything to sustain growth, indeed, it only replaced the old patronage by Tory patronage. This is not the kind of future Canadian men and women wish for their country. This is not what our fellow citizens are demanding. We want something different.

• (1300)

[*English*]

I think if we look at East Montreal and at the problems which have developed there, the tremendous number of shutdowns which have taken place, we can see above all the failure of this Government to put in place an industrial policy which will show some direction in the auto sector, in petrochemicals and in metallurgy, parts of the economy which have traditionally supplied the jobs of eastern Montreal and the southeastern region associated with it.

The Government has not taken that direction. It refuses to provide that leadership. It says instead the answer is somehow to be found lying over the rainbow in a flawed free trade deal with the United States. That kind of approach has simply told the people of East Montreal that this Government is not interested and is not prepared to provide direction, that it is not prepared to lead.

[*Translation*]

We believe, in our party, that the survival committee put in place for Montreal East is very important. On behalf of our party, the Hon. Member for Ottawa Centre (Mr. Cassidy) gave this committee the widest participation possible, thus indicating that there are true answers to the issues involved, and not only the type of answers that consist of washing one's hands off the problem and saying: "There are already many jobs and we do not need to do anything for that part of the city".

Personally, I do not think it will be possible to carry on with this kind of Government. It is necessary to replace this Government, its policies and to develop an industrial strategy which will address the issue of jobs as well as the industrial vocation of Canada generally and Montreal East in particular. To achieve this, Mr. Speaker, it will be necessary to get rid of the trade deal with the United States, failing which we would be fighting with one hand tied behing our back in the area of industrial policies. There are so many things that we will not be able to do with this agreement namely to make our energy industry work for our industrial industry. It will not be possible with the trade deal with the United States to give many industries the necessary support to ensure the recovery of Montreal East. It is just not possible!

The Parliamentary Secretary is aware of it, because the Deputy Minister of Finance stated before a committee that we will have to change our regional development policy entirely. It is also impossible for us with the trade deal to do things in the car manufacturing industry to ensure that a company such as Hyundai buy parts here in Canada and creates jobs too.

For these reasons, Mr. Speaker, we certainly support this motion. It is a motion which tells the truth, but not the whole truth, because this Government is faced with many problems, including major ones in Montreal East which it has inherited from past Liberal Governments. As for us, we have to work as hard as possible to establish with the City of Montreal and with Montreal East a most important and profitable industry for our future economy. To do so, I hope the Government will accept this report and all the recommendations made by the Committee for the recovery of Montreal East.

Mr. Valcourt: Mr. Speaker, I have a question for the Hon. Member. When we deal with such an important issue as the economic development of Montreal and we hear the fine speeches uttered by the NDP Socialists. I feel that Montrealers, Quebecers, and Canadians generally should have at least an inkling of the NDP position.

I have a question for the Hon. Member who is always criticizing the Free Trade Agreement. In Montreal, for instance, I met with the Young Chamber of Commerce and I also met many of the people involved, and so did the Minister of Regional Industrial Expansion (Mr. de Cotret). These people, in the petrochemical industry, for instance, sell their products on the American market, which is subject to tariffs. They want access to that market and they support the Free Trade Agreement because it will give them access to that market and increase their competitivity.

The New Democratic Party reminds me of a mother looking at soldiers on parade and thinking that the only one in step is her son. The New Democrats believe that they are the only ones in step as far as economic development is concerned. Everyone else marches to a certain step, but they want to be different.

How credible is their position? After the Budget and the recovery and economic renewal plan of the Minister of Finance (Mr. Wilson) and after the tabling of the Estimates, the Leader of the New Democratic Party (Mr. Broadbent) predicted the loss of hundreds of thousands of jobs in Canada.

In fact, over 1.2 million jobs have been created in this country! How can the New Democratic Party honestly and logically stand before the House and say that it has the solution to economic development in Montreal when all its economic statements are rejected by the business sector and experience shows that its pessimistic predictions of 300,000 jobs lost because of the economic policies of this country did not come true? What is the credibility of that party?

Mr. Langdon: Mr. Speaker, I believe that it is very important that a group got together in Montreal East and decided to work very hard to find a solution. It is very important for the community to find practical economic solutions, and this is why we supported the report of the committee for renewal in Montreal East. The Government might not agree, but it should be taking the initiative.

However, if we want to be honest, we have to say that it will not be possible to do everything that this committee would like in Montreal East. It will not be possible if we have the trade agreement with the United States because this agreement includes too many things which jeopardize our future economic freedom.

We are not alone in saying so. Many people throughout Canada and in Quebec say so. For instance, there is a coalition against free trade in Quebec, and it includes more people than any such group in other Canadian provinces. This coalition includes the *Association des fermières*, workers, women, and many other groups. I think we have to say that.

The second point I want to make concerns what the Minister said about job forecasts made after the Government brought down its first Budget. Mr. Speaker, these forecasts were not made by us but by people working for the Department of Finance. That is the truth, although the Minister chooses not to interpret it that way.

Mr. Deputy Speaker: The Hon. Member for Gatineau, for questions or comments.

• (1310)

[*English*]

Mrs. Mailly: Mr. Speaker, I would like to ask the Hon. Member this question. If there were a choice to be made between his riding and Montreal for the space agency, would he encourage the Government to place it in East End Montreal in order to create jobs there?

[*Translation*]

Mr. Langdon: Mr. Speaker, that is a very interesting question. We have a Leader in our Party, and when the Leader says that certain things are important to the Party, as far as I am concerned, I trust the Leader of my Party. That may not be the case for the Hon. Member as far as her Leader is concerned. I do happen to trust my Leader, and I must say that Mr. Broadbent's answer that it was better to have the space agency in Montreal's aerospace sector, is an answer I can accept.

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Laval-des-Rapides (Mr. Garneau).

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, first of all, I would like to congratulate the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) for taking the initiative to present this motion today, condemning the Conservative Government with respect to the economic situation in Montreal East and the south western region of that city.

Mr. Speaker, usually the resolutions or motions we present in the House concern regions other than the Montreal area. Until today, motions condemning the Government tended to focus on the economic situation in the Gaspé or the Saguenay—Lac Saint-Jean area or, as in the case of the Domtar Plant in early 1985 . . .

We have now reached the point where such motions concern regions that would not normally be the focus of this kind of attention on the part of parliamentarians in their concern for regional development.

Mr. Speaker, in the Montreal area the situation has become serious enough to make the Hon. Member for Montreal—Sainte-Marie decide to propose this debate, in order to draw the attention of the Government and to focus public opinion.

We know that Montreal East—and we have been discussing the subject for quite sometime—has 22,000 unemployed and 12,000 people on welfare, and this within a territory covering only five or six ridings.

In the south west region, unemployment is mainly due to plant shutdowns. The list is a familiar one, but I would like to recall the closing of the Gulf Refinery, La Parisette, certain sectors of Bombardier, especially those related to the railways, Vickers, and the list goes on. We are talking about plant shutdowns where men and women who have been employed by these plants for years suddenly found themselves out of a job. This AIDS virus, in the form of plant closures, has spread from Montreal East to the southwest of the city. That was pointed out last Thursday March 17, in *La Presse*, a Montreal newspaper, that also gave a list of businesses that have shut down: Siemens, 163 jobs lost; Coleco, 730 jobs lost; Sherwin-William, 300 jobs lost; Building Coticelli, 225 jobs lost; Redpath Sugar, 600 jobs lost; and Northern Electric, 60 jobs lost. That list is not complete since there were other closures coupled now with that great concern about a possible closure or possible contract losses at the CN Workshops of Pointe-Saint-Charles.

Mr. Speaker, the southwestern part of Montreal is now crying for help because of plant closures and because people with 20 or 25 years of service are faced with unemployment since the skills they acquired after all those years are not easily usable in other industries.

Mr. Speaker, while rumors spread about possible closures in Montreal East, we know that a Damocles sword threatens textile workers in the southwestern part of the city. This is possibly the most serious issue that faces Montreal or, I should say, the whole Canadian garment industry.

• (1320)

Mr. Speaker, the free trade agreement with the United States will have a double-edged sequel: first it will eliminate custom duties, but then companies which produce and market high fashion clothing will find the going even rougher because most of the fabrics they use to make garments—an industry which employs tens of thousands of workers—are imported from abroad, and in most cases these fabrics are not even made in Canada because these are sought-after specialty fabrics used by a fashion-conscious industry. Canadian companies must travel the world over to find them, but under the trade agreement signed with the Americans these imported fabrics will not be allowed on the U.S. market. The point is that the Prime Minister of Canada (Mr. Mulroney), who claims that the free trade agreement with the United States will solve all our economic woes, has endorsed an agreement which does not recognize the country of origin where these products are made and which even excludes any textile product whose basic material is imported from a third country. The ultimate result is that Canadian companies, particularly those which are related to high fashion clothing—most of them in Montreal—will no longer have access to the American market. That is what we will get from the agreement which the Prime Minister of Canada has been boosting as the key to freer trade, the deal with which Canadian firms will open the doors to a market of 250 million consumers.

Among all businesses which will be affected by the free trade deal with the Americans, the clothing industry—it directly employs 110,000 people in Canada, roughly 60,000 in Quebec—will be hardest hit because as an industry it is involved in the so-called free trade agreement, yet in this particular instance it will be denied access to the U.S. market.

To make the situation somewhat less aggravating it has been decided to set a limit in the form of import quotas on these fabrics used to make clothes.

Mr. Speaker, when we talk of liberalizing trade, when we talk of an agreement that will open the U.S. market to Canadian manufacturers and when we limit the sales capacity of those businesses by restricting their ability to buy raw materials, I am wondering what kind of a trade agreement this is. We were right to say from the very beginning that if we do not have any problem with the concept of free-trade, we have considerable difficulties with the type of agreement that was signed, which is unacceptable for the Montreal region, and particularly for the garment industry.

Mr. Speaker, this Government, this Conservative Party made promises to the Canadian people during the election campaign, particularly to the textile and garment manufacturers who employ so many workers.

Mr. Speaker, during a meeting in Sherbrooke in July of 1984, right in the middle of the campaign—I have here the press releases which were then published by the Conservative Party—they talked, as can be seen on page 2, item 5 of the press relase, of rationalizing Canadian production through the use of mechanisms and remission of duties to allow Canadian manufacturers to deal with foreign manufacturers of inexpensive goods while promoting Canadian expertise in sectors like fashion, marketing, and financing of foreign-made products distributed elsewhere in the world.

Mr. Speaker, the French translation that I just read is not very good and one must read the English version to understand what it is all about since it was probably written in English in the first place. But what does that mean? The Conservative Party made a commitment with the Canadian companies importing quality textile from countries other than the United States. It would grant duty remission to reduce production costs and thus insure greater access and competitiveness on new markets. They were to benefit from Canadian duty remission not only for textile but also for clothes. That was a commitment made by the Conservative Party.

Yesterday or the day before, the Minister of Finance stated in his answers to questions by me and my colleague from Winnipeg—Fort Garry (M. Axworthy): Show us a single statement whereby the Conservative Party or the Conservative Government offered a duty remission like the one the Canadian Apparel Manufacturers Institute is asking for today, arguing that the industry needs help because if the Free Trade Agreement signed with the United States becomes effective, there will be 65,000 jobs lost in Quebec only, of which 25,000 in the Montreal region. We cannot afford to loose 25,000 jobs in an industry employing so many women who acquired skills over the years. Surely, we cannot afford to loose those jobs. People in that industry, in that private sector which is supposed to like the Conservatives, said that they will simply close their plants in Montreal to move to the United States from where, thanks the trade deal, they will be in a position so sell in Canada anyway without having to cope with all sorts of restrictions on their textile imports which are essential to produce top quality clothes.

Mr. Speaker, if we cannot believe employers crying for help to protect Canadian men and women, I wonder exactly where we can find that knowledge of the issues and where we can find the truth.

Mr. Speaker, in a letter dated November 16, 1987, the Minister of Regional Industrial Expansion (Mr. de Cotret) said to the Canadian garment industry, and I quote:

[*English*]

"With regard to duty remission programs the Government has long been on record as favouring these for both the apparel and the textile industry".

• (1330)

[*Translation*]

Mr. Speaker, the Minister of Finance was saying yesterday: Give me a quote. That reminds me of the time Mr. Bourassa asked for evidence in the National Assembly in Quebec. His own colleague, the Minister of Regional Industrial Expansion (Mr. de Cotret), said the Government had committed itself to duty remission. The $200 million a year that are involved will make the apparel industry of Canada able to compete with the Americans. But we now find ourselves in what I would call a Catch-22 situation, where the Government put us. The Americans will reject as unacceptable any duty remission our Government will grant. They will come and dictate policy to the Canadian Government and force it to maintain duties on products coming from third countries. Is that what is called political sovereignty of a country? Imagine having Washington dictate to us, Canadians who have elected our own government, the level of duties we should or could impose on products from abroad!

So, Mr. Speaker, the prospect I raised on previous occasions about the agreement the Prime Minister of Canada signed with his friend Ronald Reagan leading to a customs union sooner or later, and rather sooner than later, is exactly what we see happening in the textile and apparel sector. We are forced, under the threat of possible countervailing duties our apparel industry could be hit with by the Americans, to set our customs duties at the same level as theirs and often higher than theirs are now.

Mr. Speaker, the country of origin rule in the trade agreement normally requires, according to specific industries, between 50, 60 per cent of Canadian content to be granted access to the American market, or 30 per cent in other types; in the case of the textile industry, the percentage is null. And this is why we had to use import quotas on products, raw materials used in garments.

The Minister in charge of the Montreal area should take that situation extremely seriously because 25,000 jobs are at stake, and not only this is 25,000 jobs involving a lot of women, but this is an industry that has been for some years experiencing significant growth, thanks to programs established in the mid-70s. I think they started in 1972-73, when successive Governments in Quebec helped the industry by organizing fashion shows, so that little by little Canadian designers based in Montreal succeeded in getting a degree of international recognition that is some matter of pride for the Canadian garment industry.

Now, because of this trade agreement and the inability or impossibility of the Minister of Finance to respect his own commitments, thousands of jobs will be lost, women will become unemployed and a thriving industry will be forced to move down South to the United States.

I referred to the garment industry because it is important. We could talk about lumber because, even though the mills are obviously in the regions, the companies have their headquarters in Montreal which is the center of operations, because of its financial and commercial activities. There is presently a 15 per cent tax that the Americans have forced upon us—this Government seems to be the puppet of the White House which made us to tax ourselves. That is the big discovery of the Minister for International Trade (Miss Carney). We are flogging ourselves. We imposed a 15 per cent tax. The Americans told us: "If you increase stumpage fees, we will allow you to lower the tax". Big deal! That was orchestrated by the Americans. In British Columbia, by increasing stumpage fees enough, they managed . . .

Mr. Valcourt: Did Quebec object to it?

Mr. Garneau: I am coming to that. Mr. Speaker, the Quebec Government, the provincial Governments, had no choice, this Government had already buckled under, and not only on the principles, it had agreed. I talked about it with several provinces—we had talks with the President of the lumber industry association. Go and ask Mr. Zimmerman, you will see what he says.

Mr. Speaker, be that as it may, I do not want to rewrite history, but I think that the Conservatives will be severely blamed for that.

But let us take the example we have today. The Quebec government, under pressure from the federal Government, which in turn reacts to pressure from the White House, has raised its stumpage duties and has changed its legislation on forestry operations to force logging companies to reforest. And then, everybody goes down to Washington to ask for its blessing, because that is where evrything is settled nowadays.

There was probably a series of discussions with delegates of the Minister of Energy, Mines and Resources (Mr. Masse) or with delegates of the Minister for International Trade who travelled to Washington, where they look at all the figures. How much does it cost to plant a spruce seedling? Nine cents, 14 cents or 15 cents? Washington insists on knowing that, because only then will they be able to decide whether to accept that the federal Government reduces the 15 per cent tax it imposed on our lumber exports.

There are limits, Mr. Speaker. Our political sovereignty in matters of provincial jurisdiction is so jeopardized that, in order to decide what to do with this tax, the Quebec government will have to produce affidavits saying that it costs 14 cents and not 9 cents to plant a small tree, a spruce seedling. The only problem is that several co-ops which started reforestation programs had financial problems because they made too low a bid. And now, Washington starts telling us that according to experiences in the US, it only costs 9 cents!

We should also keep in mind that the existing tax is compounded by the strength of the Canadian dollar and instead of being a 15 per cent tax, it is really a 23 per cent tax. Meanwhile, Washington is checking to see if it costs 9 or 14 cents to plant a spruce seedling in Canadian forests.

That is the crux of the matter, Mr. Speaker. I have spoken with people who took part in the discussions, who represent the corporate sector, and that is what they told me. I do not think that they are all liars!

But the truth is, Mr. Speaker, that in key sectors such as this one, this Government has placed Canadian businesses as well as canadian and provincial jurisdictions under U. S. rule. This is because at one point some were afraid to do the right thing and bring the matter of the 15 per cent tax on lumber before the international GATT tribunal.

Mr. Speaker, the eastern and southwestern parts of Montreal were affected by the attitude of the Federal Government. I listened to the Minister for Industry, Trade and Commerce talk to us about job increases.

Mr. Speaker, I was listening to *Le Point* on the CBC French language network when a university professor pointed out that the economic recovery had started before the Conservatives came to power and that all this was not the result of initiatives taken by the Government.

Mr. Turner (Ottawa—Carleton): Three and a half years . . .

Mr. Garneau: Just wait, I can give you the date and the time of the program and you can have it out with the university professor who said that . . .

But the Minister of Finance (Mr. Wilson) himself stated right there in his Budget speech that the economic recovery had begun long before this Government took office.

Mr. Speaker, I am happy to see that some Members are starting to wake up. We probably touched the right chord! Talking about how Washington humiliated them did not bring a move, but when the question is whether the economy started to grow in 1984, early in the morning of September 5, or towards the end of 1983, they get nervous!

Mr. Speaker, one fact remains: the government has a role to play. Of course, government Members can very well boast. But if they want to boast about the jobs that were created, taking all the credit to themselves, they also have to take responsibility for the negative aspects. Plants are indeed closing down, workers are losing their jobs and some Canadian men and women are experiencing a real tragedy. The government has a role to play in an economy where free enterprise is not the sole and only golden rule but where some think that the government must also offer some balance between a free and unrestrained competition and greater social justice. Government has some responsibility as well towards older employees who lose their jobs and cannot find work elsewhere. It has some responsibility towards industries like the lumber industry and, above all, the textile industry which is highly endangered because of the trade deal and because of the inability of this government to stand up in front of the Prime Minister's friend, President Reagan.

Mr. Deputy Speaker: Questions or comments. The Hon. Minister of State (Small Business and Tourism) (Mr. Valcourt).

Mr. Valcourt: Mr. Speaker, I would like first to make a comment for the benefit of the Hon. Member who dealt with the free-trade agreement.

When we talk of free-trade, the Liberal Party says that we will lose our sovereignty. I think that Canadians and Quebecers as well as the members of this House are intelligent enough to know that when one asserts that Canada is giving up its sovereignty, one has to be logical. If we give up our sovereignty, it means that we cannot make any decision. The Leader of the Liberal Party travels throughout the country saying that we have given up the political and cultural sovereignty of our country and the irony of it all, Mr. Speaker, is that he adds: "If I am elected, I will tear up that agreement." Surely if we have lost our sovereignty, he could not tear up the agreement. Therefore his argument clearly does not make any sense and is a lot of rubbish.

The Hon. Member has tried to criticize the Free-Trade Agreement while discussing the economic future of Montreal and its impacts on the Quebec economy. As a member of the Quebec legislature he was in a position to get acquainted with the Quebec economy. I would like to put a question to him. I know that the federal Liberal party thinks that providence has conferred upon it every single quality as well as truth and a sacred right. It is difficult for them to sit in the Opposition.

Could the Hon. Member explain how come the Quebec Government, under the guidance of Premier Robert Bourassa, a good Liberal but someone who knows the Quebec economy and its strengths with his caucus and his Cabinet, how come the Quebec Liberal Party led by Mr. Bourassa supports the Free Trade Agreement contrary to the federal Liberal Party's position?

And could he also explain—since he talked a lot about textiles—the position of Jean-Guy Dionne or Eric Barry from the Canadian Textile Institute? Mr. Dionne has companies in the Beauce area and in Drummondville. Those people know the industry and support the Free Trade Agreement.

Is the federal Liberal Party saying to the Quebec Government: "Bourassa, you and Dionne are both wrong"?

Mr. Garneau: Mr. Speaker, I appreciate the Minister's question because it will give me the opportunity to raise two others aspects that I had not touched upon in my speech.

Mr. Speaker, in the case of the Free Trade Agreement, Mr. Bourassa has laid down conditions which have not yet been satisfied for him to give his final agreement to free trade.

One of the first conditions laid down by Mr. Bourassa, and my colleague will remember the press releases of the Quebec Government, is that the American bill, the *Omnibus Trade Bill* as it is called, do exempt Canada from its protectionist measures.

Mr. Speaker, it is when the bill finally becomes law, after being passed by the U. S. House of Representatives and Senate, that we will know whether this condition will actually be met.

The second condition has to do with major retraining programs for the workers who will be affected by the trade agreement. Mr. Speaker, the Minister of Finance (Mr. Wilson) has already told the House that his government and his Department would not propose any special programs or additional funds to assist in the retraining of workers.

Therefore, about that aspect you mentioned, I recognize that, from the point of view of a province that wishes to export electricity, this might prove a positive thing. I do understand the arguments of the Hon. Member who is trying to show that I am contradicting the provincial government. One thing is certain Mr. Speaker, Mr. Bourassa is entitled to his opinion. I do recognize it. I have also accepted his conditions for Quebec's final acceptance of this agreement and we will see whether these conditions will actually be met by the friends of the Minister who just asked me the question. As far as I am concerned, I think the U.S. Government will never accept to make an exception for Canada in its Omnibus Trade Bill.

As for textiles, Mr. Speaker, this is a completely different matter, and the Hon. Minister's question makes me laugh, because it is not the Liberal party which proposed during its electoral campaign to offer a remission of customs duties paid not only by Canadian textile companies but also by Canadian clothing companies. We did not make that proposal. It is the present Prime Minister, the leader of the Progressive Conservative party, who promised a remission of customs duties during his campaign. That promise, Mr. Speaker, has been reiterated by the Minister of Regional Industrial Expansion (Mr. de Cotret) in a letter sent to the Canadian Apparel Manufacturers Institute to tell them that customs duties would be remitted.

Mr. Speaker, it is the Tory Government, the Progressive Conservative party that are in hot water. The Minister can ask me about Mr. Dionne or about the textile industry, that's all right. But I will reply: What is your answer to garment manufacturers? What is your answer as a Cabinet Minister to the allegations made by the industry representatives? Fifteen of them came to see us yesterday or the day before, and they told us about a potention loss of 65,000 jobs in Canada, including 25,000 in Quebec. You can refer to Mr. Dionne or some other people, but what do you answer to Mr. Dionne when you say, for example, that you will offer a remission of all the customs duties and when he asks whether it is for textile or clothing? You are stuck with your promise. It is this Government which promised the garment industry for a $200 million remission in customs duties. We on this side of the House did not make such a promise.

Then, if you have answers to give to Mr. Dionne, if you have answers to give to the garment industry, you could ask the question to your Prime Minister, to your Minister of Finance (Mr. Wilson), to your Minister of Industry and Trade, the Minister of Regional Industrial Expansion (Mr. de Cotret) because they made commitments and they run the risk of closing garment factories in Canada, by not living up to them. I could also talk about furniture manufacturing, as we talk about free trade.

Mr. Speaker, some people come and tell us that they are for free trade, for a Trade Agreement, because now they understand better that you cannot call that free trade.

We, in the Quebec caucus, had the visit of members of the Conseil du Patronat. They came to say that they are for the Trade Agreement, with some reservations. Big deal, Mr. Speaker! If I sit and you get up and ask that those who are in favour of the Bill please rise, when I am sitting, Mr. Speaker, I have a choice. I remain seated or I rise. I do not want to rise halfway up, because you will not count my vote. So this is what it is like when you are for something with reservations; I cannot understand such a position.

Once the general statement delivered, that question was put to every furniture industry representative, mostly household, and not business, and what was the answer of the household furniture industry representative? That he would close the plant to move to Virginia. So I asked him: "Why move to Virginia"? He said that it was simply because "In Virginia, I get the building free for five years and they meet 50 p. 100 of my payroll for the first year, and they also lend me the money at prime less three". He also added: "If I go to Virginia, with the free trade deal, it will cost me $6.50 an hour for labour, and with the exchange rate right now, here, it is costing me $10.50. Since Canada is going to remove its tariffs because of the Prime Minister's Free Trade Agreement, I will be able to supply the Canadian market with the furniture I make down in the states". Then I asked him: "What will happen to your workers, then?" He said: "Well, it is either moving or going bankrupt because I would no longer be able to stand competition." That is the kind of help or the kind of agreement that is supposed to create jobs, jobs and jobs all over the country.

Mr. Speaker, since this debate began, I must confess that I was quite concerned about the agreement. But the more I look at it and discuss it with people from various sectors, the more I am convinced that my leader did the right thing.

• (1340)

[*English*]

Mr. McDermid: Mr. Speaker, I have listened to two Liberal Members today with great interest. We have heard today what they are against, not what they are for. Both stood up and both ran off a string of what they perceive to be problems, but they offered no solutions. The Hon. Member who just spoke is a

former provincial cabinet Minister. He did not speak the way he is speaking today when he was in the provincial Government.

I want to cover a couple of items about which he spoke. First, the tax on softwood lumber. The agreement was reached between the provinces and the federal Government on how to best approach this problem. There was a choice. Either the 15 per cent tax would be imposed in the United States and the Americans would collect it to pay off their deficit from our provincial resources or the provinces would receive the money for their coffers.

• (1350)

The Hon. Member is complaining about the tax. That tax money is going back to the provincial Government to be used in the many ways the province can use it. Five provinces have now settled the adjustment procedure on that particular tax. We are close to an agreement with the Province of Quebec.

The Hon. Member fails to mention that we solved the problem of U.S. logs coming into Canada and being processed by Quebec mills which no longer have a source of timber close to them. To keep them alive, they import logs from the United States, dress them here and send the finished lumber back. We have made arrangements that the tax is not on that lumber. He has failed to mention all these things.

The Hon. Member then talked about the furniture dealer who will move to the United States because of the free trade agreement. He failed to ask this fellow about the benefits his workers receive from the Canadian and provincial Governments and whether they will receive those in the United States. When he goes to the United States, he will find that he has to start paying the full cost for a health plan for the workers and he will have to pay the full cost of pension plans. He will have to look at the productivity he gets from those people as compared to the workers in Canada. He will then find that he has a hell of a good deal here in Canada. That same furniture dealer will be able to penetrate a much bigger market in the United States with those tariffs gone. That is the challenge for him, and I believe that he can accept that challenge.

I would be willing to wager that I travel around the country on the free trade agreement a lot more than the Hon. Member does. I find that the more people understand what the free trade agreement says, the more acceptance there is.

[*Translation*]

It is the same thing in the province of Quebec.

Mr. Garneau: Mr. Speaker, I do not know how much time I have left to respond to the allegations of the Minister.

[*English*]

When I was Minister of Finance in Quebec, I had in my office one day all the presidents of the pulp and paper companies asking for government intervention to help them in a very difficult situation. The Canadian dollar was trading at $1.04 U.S. We managed—

Mrs. Mailly: What has that got to do with it?

Mr. Garneau: The fact was that the Canadian dollar was not only at par but was worth more than the U.S. dollar. The U.S. market was in great difficulty.

Mr. McDermid: You don't look that old.

Mr. Garneau: It was in 1973-74. It is very good for the Government to talk about the capacity of the Canadian industry to compete with the United States when the dollar is at 70 cents or 72 cents. If and when the Canadian dollar is at par with the American dollar, all those companies that are kneeling and praying before the Government, saying that the free market should rule, will be lined up saying that the Government should do something about that. The Government will not be able to do anything because of the trade agreement it has signed. Every action of the Government will open the door to a countervailing duty.

• (1400)

[*Translation*]

Mr. McDermid: That is not true!

Mr. Garneau: Mr. Speaker, those who say that it is not true . . . I may not be that old, but I am old enough to have seen both sides of the coin, which may not be the case for the Hon. Member although we may be about the same age.

What I would like to emphasize, Mr. Speaker, is that in the case of softwood lumber—because this was the Hon. Member's main question—the Canadian Government bowed to pressure, it went down on its knees before the Americans, saying: Yes, Mr. Reagan, yes, Mr. President, go ahead and tax us. And then they went down to see him, suggesting: Look now, if we levied that tax ourselves, if we went into that self-flogging exercise, would you be satisfied? And the Americans answered: Yes, you are good boys. And Mr. Reagan added: "We had a drink together in Quebec, we sang at the Grand Theatre; didn't we?" Yes, Mr. President, wildo. And they slapped that tax, and now provinces are stuck with it. They are compelled, forced to go and negotiate their stumpage fees down in the States. The Minister, I am not quite sure how deeply he is involved in that, but if he could find a solution so that our lumber industry in Quebec can stop paying that tax, to whomever they may have to pay it, and be in a position at least to compete because now with the rise in the exchange rate, the value of the tax is 23 per cent! It is partly rebated if stumpage fees increase, and the requirement to do forestry work increases. Do you know who is going to rule on that, Mr. Speaker? The White House. Now Washington will be telling Quebec: "Look boys over there, Mr. Bourassa and company, your stumpage fees are too low. That does not make sense, you are hurting us. Raise them some more." And they will come back and raise them somewhat, and then they will ask the

gentlemen in Washington: "under forestry work, 9 cents, 10 cents per small tree planted, is that acceptable to you?

If the answer is no, they will have to start over again. And finally, even at 14 cents per small tree, there will still be 3 per cent left on the Brian Mulroney tax.

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Hochelaga—Maisonneuve (Mr. Desrosiers).

Mr. Édouard Desrosiers (Hochelaga—Maisonneuve): Mr. Speaker, I am pleased to take part in the debate on the motion of the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart). It makes me laugh when I hear those Liberals who are responsible for everything that ails our country. You know, we could talk indefinitely about Montreal East. I was born there. Our family of 15 children lived in Montreal East, in my riding of Hochelaga—Maisonneuve. I could talk about that area for a long time, Mr. Speaker. Conditions have been deteriorating for twenty years in Montreal East. All plants in that area were put out of business, but that happened under the Liberal federal Government. Of course, one of those most responsible is the Member who represents the eastern part of Montreal, the Hon. Member for Montreal—Sainte-Marie who moved today's motion. He was there and he is one of those most responsible for the terrible mess Montreal East is in. Today, he moved a motion condemning the Conservative Government.

Mr. Speaker, I can prove it, and I hope Canadians will realize what I mean: In four years, the Hon. Member for Montreal—Sainte-Marie rose in his seat three times. Three times in four years!

Mr. Valcourt: From when until when?

Mr. Desrosiers: And, Mr. Speaker, believe it or not, when he did rise he talked about housing. He never mentioned the closing of three refineries in Montreal East, where hundreds of thousands of jobs where lost. The Hon. Member for Montreal—Sainte-Marie never rose in the House to tell his colleagues, other Members and Ministers: "There is a problem in Montreal East. We are losing our jobs. Men with families don't know where to turn. We have had all kinds of problems. Plants are moving away from Montreal East to Ontario." The Hon. Member for Montreal—Sainte-Marie never rose in his seat. He never had the courage to tell his Prime Minister, Mr. Trudeau: Mr. Prime Minister, you are destroying Montreal East. What are you going to do for men with as many as 10, 12 or 15 children to support?

Mr. Speaker, the population of Montreal East, as you know, is mainly made up of low income earners, people who need support and help from the Government. The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) never stood up for them. No! He kept silent, submissively following his Prime Minister. Besides, he always got elected because he rode on his Prime Minister's coat-tails.

Mr. Speaker, you know that hearing those people who are responsible for the present situation makes me laugh. You read yourself in the CREEM report, Mr. Speaker, that Mr. Pichette and all the unions, the employers and all the people concerned suggested that things have been deteriorating for 20 years in Montreal East.

• (1410)

This appears clearly in the report and you read it, Mr. Speaker.

We were elected because the Canadian citizens were fed up. It was the same thing in my area, Mr. Speaker. My fellow citizens in Montreal East saw the light and realized they had enough of those absentee Members of Parliament and Ministers. They never listened . . .

Mr. Deputy Speaker: Order! The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) on a point of Order.

Mr. Malépart: Mr. Speaker, I knew how little inclined to openness the Prime Minister (Mr. Mulroney) was but what about the Hon. Member for Hochelaga—Maisonneuve . . . I would like to know to which page of the Pichette report he was referring when he said "20 years". Because you are never in the House I must remind you that we must speak the truth here.

Mr. Deputy Speaker: Order! This is more a question of debate than a point of order. The Hon. Member for Hochelaga—Maisonneuve (Mr. Desrosiers).

Mr. Desrosiers: You know, Mr. Speaker, these people hate to be disturbed and they try to interrupt just to play for time. We know that the House of Commons costs a lot of money. Despite of that they are loafing around all day long. It costs a fortune to run the House and I do not see why we should lose its valuable time.

Fortunately, Mr. Speaker, in Montreal East and elsewhere people realized that radical change was needed. They voted for a change and I can understand why the Liberals are hurt. It is terribly painful.

But things change in this country. Canada never did so well since we came to power.

I represent the riding of Hochelaga—Maisonneuve, Mr. Speaker, and I am very pleased that the Prime Minister (Mr. Mulroney) lived there for a while.

My Prime Minister, Brian Mulroney, is the greatest Prime Minister ever and he will go down in history as such.

As a former resident in my riding, the Prime Minister is well aware of the situation and I can assure you that we spared no effort.

Easter time reminds me, Mr. Speaker, if I may, that just like Jesus who chased the money changers out of the temple, the Prime Minister (Mr. Mulroney) and the Minister of

Regional Industrial Expansion (Mr. de Cotret) are chasing out much evil across the country. Canadian skies are getting brighter and we will know better days. We have always been left in the shade.

As you know, being a Liberal is like embracing a religion or living in a religious sect. In their mind, no one but a Liberal can lead the Government, it is almost like a dogma. But let me tell you that there are good Liberals and bad ones. Some of them can be good. But a Liberal, Mr. Speaker, is in a sense a different human being. They are different. They act somewhat strangely, they tend to be liars and are wicked people. They showed their wickedness again today, considering how much we have done for Montreal East since 1984. What they say makes no sense at all.

Mr. Speaker, I would like to give a few examples of our involvement. First of all, there was a company, Daoust, a skate manufacturer on Hochelaga Street in my riding, which had hardly some 40 employees left. If I am not mistaken, it went bankrupt. Mr. Speaker, a high-technology company was immediately set up in the riding of Hochelaga—Maisonneuve, in Montreal East, Entreprises Fournel. This company created hundreds of jobs and it just started. It invested hundreds of millions of dollars, Mr. Speaker, and the Government of Canada also supported this business with some grants.

I hear the Liberals talk about Vickers, Mr. Speaker, and all the journalists ... There are bad journalists, and there are good ones, as you know some yourself. Some are good, some are not as good, some say the truth and others say nothing at all. Some of them never talk about the Conservative Party. If they were to say that we do good things, they would recoil in embarrassment! There is a red tinge to their reporting, Mr. Speaker. I was listening earlier on to the Hon. Member for Laval-des-Rapides, for whom I have a great deal of respect. He is not a bad fellow, and he has a certain amount of talent but he is simply with the wrong people. He does have quite a lot going for him.

What he said earlier, Mr. Speaker, is that someone had said this or that on *Le Point*. But *Le Point*, Mr. Speaker, and the CBC to my knowledge, are still managed by a bunch of Grits. I have not heard of Tories being put in there. The Grits had long term mandates and we still have to bear with them. So not always hearing good news about the Conservative Party is something to be expected. The truth can be scary for some people.

In Montreal East, Mr. Speaker, Bombardier was put back on track. In April, the 2,000 employees will be back to work for several years. This is a corporation which the Liberal Party had completely neglected. There were hardly a few hundreds employees left. Now the 2,000 employees are going to work for Bombardier which is located in Montreal East. I hope that the Hon. Member for Montreal—Sainte-Marie knows at least that Bombardier is located in Montreal East and that the Canadian Government has just invested $100 million to have those 2,000 employees work in that company.

The Minister of Regional Industrial Expansion (Mr. de Cotret) had just announced that $275 million would be granted to Montreal East. The Liberals have never done that. When have they done anything for Montreal East? Never! And we are talking about $275 million. But now, they try to make us believe that there is not much new money in these $275 million. They are such liars, Mr. Speaker, that they are liable to say anything. Those $275 million, Mr. Speaker, are invested in projects which are part of scheduled programs. It's true. Those millions could also be earmarked for the whole region, but the Minister gave an order and said: No, you are going to take that money and set it aside for Montreal East. That's what he did. Therefore it is new money, Mr. Speaker. They say that the money was already there, but it wasn't there for Montreal East, it was there for the whole Quebec region. But they are afraid to say it.

We are told that the Minister has just announced the allocation of $5 million in totally new money. I hope the Hon. Member for Montréal—Sainte-Marie is aware of that fact. There are $35 million in new money for Montreal East.

Mr. Speaker, talking about Vickers, I would like to explain something that Canadians may not understand because they don't know. We hear time and again on television, on the radio, everywhere, that Vickers is going to shut down, that Vickers has shut down, that Vickers is closing shop. It is a pack of lies, Mr. Speaker. Vickers operates at 85 per cent, that is its whole industrial part. But reporters dare not say it, because they are too embarrassed, and the Liberals even less. There is a small portion of Vickers, known as the marine section, Marine Industries, that is now owner of the three dockyards, Davie-Lauzon near Quebec City, Marine Industries in Sorel, and Vickers in Montreal. It decided that shipbuilding would be carried out in Quebec City, and, although it is not cut and dried yet, it will be sharing out the work. But the Vickers plant in Montreal, Mr. Speaker, works at full capacity. We make all the submarines for the U.S., Mr. Speaker. We do that in Hochelaga—Maisonneuve, at the Vickers plant. The National Defence Department just announced the allocation of a contract for millions of dollars for the production of armoured vehicles. Again, this is not in Montreal West, but in Montreal East, at the Vickers plant, Mr. Speaker. We will make armoured vehicles for National Defence. We just gave millions again!

Mr. Speaker, from 1984 to 1987, under the Conservative Government, 104,000 new permanent jobs were created in Montreal. Under the Liberals, from 1980 to 1984, 4,000 jobs were lost in Montreal East only. From 1984 to 1987 ...

An Hon. Member: Yes, that's true.

Mr. Desrosiers: Mr. Speaker, more jobs have been created ... Listen to that, Mr. Speaker, it is important that you should know that in case someone would ask you. From 1984 to 1987, more jobs have been created in Montreal than in Sweden, Austria, Belgium, Portugal, Ireland, Finland. Isn't that great!

An Hon. Member: Just in Montreal!

Mr. Desrosiers: In Montreal only.

So, Mr. Speaker, when we hear the Hon. Member for Montreal—Sainte-Marie, the self-appointed champion of all the causes . . . I don't know if you have noticed, but as of the moment he sat in the Opposition, he discovered he had a special skill; he rises on any issue. Just about everybody and everything. Women. Orphans. He is involved in almost every fight, but he achieves nothing because he sits in the Opposition.

Mr. Speaker, when you are in Opposition, you are not in power. I know that at some point he had created a sort of Committee for the survival of Montreal East. The idea was great, but I thought it was somewhat daring on the part of a man who was responsible for the mess created in Montreal East in the first place and who can find both the time and means—it takes someone with some kind of gall to create a Committee for the survival of Montreal East when you are totally responsible for Montreal East to go to pot. It is frightening! It is unbelievable!

Fortunately, Mr. Speaker, we have a Government which listens to Canadians, and I do not mean only those from the Montreal area. I am talking about the Montreal area because my riding of Hochelaga—Maisonneuve is situated in Montreal East. If I have a little more to say about the situation there, it is because it is close to my heart. The constituents I happen to meet are well aware of what the Conservative Government is doing for them. They were having hardship. They had been completely abandoned for 20 years by various Liberal Governments. Completely abandoned. Mr. Speaker, people in my riding tell me: I could never get to see my Member of Parliament. It took me six years before I could meet him and it in a passage way. He was never available, always too busy. He had too many deals to take care of, beside looking after his riding and Montreal East.

Mr. Speaker, I should like to show you a little table to demonstrate to you and our fellow Canadians . . . A picture, they say, is worth a thousand words. So is a table. In the area of job creations, Mr. Speaker, between 1980 and 1984, under a Liberal Government . . . I hope that the camera will make a close-up of this. I will not bother you too long, gentlemen, and I know that you can make a nice close-up of my little table, so that all Canadians can see. Here, under a Liberal Government, from 1980 to 1984, job creation. Zero in on this, a little black line which exceeds a little the normal line. From 1984 to 1987, see the beautiful and fine square. It is a pity it is not blue; they used black, I do not know why. Maybe because it will show better on T.V.

Mr. Speaker, we have to tell the facts to Canadians, and these are the facts. You have the Conservative Government on one side and the Liberal, the red Government on the other.

Today, Mr. Speaker, Canadians must know the truth and I thank the Member for Montreal—Sainte-Marie (Mr. Malépart) for introducing such a motion. It is a pleasure for us because it gives us the opportunity to inform Canadians, to tell them the truth, to show them what our extraordinary ministers have done. We have a government like no government has ever been in Canada and the economy has never been so vibrant. When I visit my riding, Mr. Speaker, everybody tells me: "Mr. Desrosiers, the election of the Conservatives has been a boon. It is wonderful! Things never looked so good". Mr. Speaker, you are signalling that I should conclude my remarks. I will yield the floor to other speakers. Before I sit down, I simply want to tell you how proud I am to be a Conservative, how proud I am to have as Prime Minister the Right Hon. Brian Mulroney and to have this extraordinary group of competent Ministers who are so generous for Canadians. I am proud to belong to this Parliament and you can be sure I will be back after the next elections.

Mr. Deputy Speaker: We will begin questions and comments with the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart).

Mr. Malépart: Thank you, Mr. Speaker. You just saw why everybody in Montreal is dissatisfied. You just saw why after three and a half years of Conservative Government, the Official Opposition must put a motion forward to force the Government to deal with matters of interest to Montreal. You just saw a vivid illustration of Michel Vastel's editorial on the Lackeys. Now, you can understand why the Government didn't choose that kind of people as ministers or as parliamentary secretaries. You just saw nobody speaks for Montreal. You have just seen why Mayor Doré is furious at the federal Government's attitude, why Laurent Picard, who is not a Liberal and who has been commissioned by this Government to study matters related to Montreal, said that the Conservative Government has abandoned not only Montreal East, but all of Montreal. You have just seen the incompetence and inaction of a Member who does not even know his own riding. How can he talk about Vickers? He knows very well that Jean-Guy Beaubien, president of the union at Vickers, calls him the "Parc Lafontaine pee-wee". He has no contact with the grass-root people, he prefers to stay in Laval. You can see why Mr. MacDonald, a competent man, a Minister in Quebec, said he was tired of being taken for a fool, tired of that crazy talk from the Conservative Government? When the Hon. Member for Hochelaga (Mr. Desrosiers)—and I could say the former Member for Hochelaga because I can tell you that he is finished as a member and he is not in the House very often anyway— when he says that, according to the the Pichette Report, his Government gave $35.210 million, I wonder why he did not fight if he had really talked to his voters and knew their needs because the major problems are in Hochelaga and Montreal East. I am not asking him to fight here because when you are in power you fight from within your caucus if you are strong enough. That is the reason why I only made three speeches as he said earlier. When you are in power you

fight in your caucus. Why fight? The Member did not raise his finger to make sure that workers at Vickers in Montreal East get a pre-retirement package.

And if the Member knew his voters and had followed the recommendations made by the survival Committee, if he had talked to people at Bombardier, he would know that they unanimously wanted the Government to make arrangements for a pre-retirement package and these funds should mainly have gone to people in Hochelaga—Maisonneuve. I would also like to know where he was when the fight was going on, when the people at Bombardier wanted to see the orders for locomotives the former member Serge Joyal was able to get without having to organize demonstrations on Parliament Hill. Was he spending too much time in Laval, where he lives, instead of taking care of Hochelaga—Maisonneuve?

Mr. Desrosiers: Mr. Speaker, you can see how nasty those Liberals can be! First of all, I do not live in Laval but in Montreal East. Secondly, to answer the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) who asked me whether I had fought for Bombardier workers, I did nothing else. That is all I did and I can tell him that any action was the result of my intervention and that of Conservative Members from Montreal East. There are four of us. That is why our Prime Minister, our Minister and all other members of the Cabinet replied. We did not bail out Bombardier just for the fun of it!

I want to tell the Hon. Member for Montreal—Sainte-Marie, first of all, that I find him very arrogant when he says I was not given an appointment as minister or parliamentary secretary, and I should explain why. Mr. Speaker, for the first time ever, the Conservative Government represents people from all walks of life. This is a first in Canadian history. Within the Government, all disciplines, even the performing arts, are represented. That has never happened before. In the House of Commons we now have two members of the Artists' Union, Madam Deputy Speaker and myself. There are accountants, lawyers, architects, veterinarians . . . For the first time in our history, the Conservative Government truly represents our society. I have nothing against lawyers, but I can tell you that, formerly, almost all Members were lawyers. Until a few years ago, there were only lawyers, and perhaps they did not always realize what it meant to be poor. Luckily, today this Conservative Government is represented by a lot of people from every discipline, and this is for the better for our Canadian citizens.

As you know, the petty attacks by the Hon. Member for Montreal—Sainte-Marie, Mr. Speaker, do not change the truth. I realize it is hurting them. But the truth is we were not responsible for destroying Montreal East, they were. The Liberal Party caused Montreal East to have horrendous problems. This is like a jigsaw puzzle. And our Conservative Government is now picking up the pieces one by one, putting the puzzle back together. But that puzzle they destroyed, and this is my point to the Hon. Member for Montreal—Sainte-Marie. He should be ashamed of putting forward that motions that suggest the Conservative Government did nothing for the Montreal area. Mr. Speaker, this is tremendous cause for shame. I hope he will go to confession—the time is right, since Easter is coming.

Mrs. Finestone: Mr. Speaker, our colleague has just mentioned that the *Union des artistes* is represented in the House, and he is a member, I believe. In that case I would like to know what representations this Hon. Member has made in his own caucus with regard to matters which concern artists very closely. Some Members in his own caucus have argued for granting artists recognition under the Income Tax Act. There has been talk of maintaining . . .

• (1420)

[*English*]

—capital cost allowance that would allow for the financing of films. I would like to know what he did with respect to the film distribution Bill, as a Member and an artist in Quebec and, particularly in Montreal, where the major film industry is, where the *Le Déclin de l'Empire américain* saw the light of day, and was so wonderful, and *Un Zoo La Nuit*, and all the other films that are produced through incentive measures and risk capital. What did he say to the Minister of Finance (Mr. Wilson) to promote a film industry in Quebec and in Canada?

[*Translation*]

Mr. Deputy Speaker: Before I recognize the Hon. Member for Hochelaga—Maisonneuve (Mr. Desrosiers), I should say that that I do not recall the Hon. Member raising that matter in his speech. However, I will grant him 30 seconds, if he wants . . .

Mr. Desrosiers: Mr. Speaker, I only wanted to say that I discharged my duties as a member and I sat with the Hon. Member on the Communications and Culture Committee. I think that we have done interesting work with regard to copyright and many other issues. However, this is not the subject matter under consideration today since we are dealing with the motion of the Hon. Member for Montréal—Sainte Marie (Mr. Malépart). I think I will stick to that.

However I will be pleased to answer the points she raised in other circumstances. Today, I think that we should consider the motion of the Hon. Member for Montreal—Sainte-Marie.

Mr. Deputy Speaker: On debate. The Hon. Member for Hamilton-Mountain (Mrs. Dewar).

[*English*]

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, I am beginning to wonder this afternoon whether there is a little bit of the spirit of Friday or is it some sense of theatre in this House? Certainly, some of the debate has not been entirely on the issues of the motion. I think we all at times like to hear great praise of friends and people we know, but I think what

we would really like to address this afternoon is an economic question.

I guess some of the concerns we have are in terms of the economy, particularly. I think it is interesting that the opposition motion should be brought forward at this time because it is symbolic that we are celebrating the anniversary of what has been known as the Shamrock Summit in Quebec City. To the dismay of many Irish people in this country, St. Patrick's Day is not just the celebration of Ireland and St. Patrick any longer but the planting of the seeds of an agreement that is really going to undermine our country in the future. I guess that is something about which we are really concerned.

When we look at the economic policies of the Government, and watch what has happened, the erosion that has taken place, and when we talk about the industrial complex in Canada, we are concerned. We have seen time and time again in study after study the need for readjustment programs. If the Government is serious about implementing this dreadful trade agreement, then we should be looking at readjustment programs. We have a Government which two years ago promised adjustment programs for older workers, but we still have not seen anything like it. Every time we ask a question in the House, we are told: "It is coming, it is coming". Two years later it is still coming. I am concerned about that because I represent a community that has been deeply hurt by many of these things.

Lapp Insulators was bought by an American company. The employees of that company begged the Government to look at their financial plan and their business plan. They said they could continue to operate but, if a foreign company came in, they predicted that in two years the company would be closed. What has happened is that the company is closed. The Government had its American friends come in and buy the company, then two years later it was closed. The Americans eliminated their competition, and now they are back in the United States filling under-utilized space in the United States. I think that kind of thing is very serious. I hear the Government say it has confidence in Canadian workers. I certainly have not seen it demonstrate any confidence in Canadian workers when it will not even allow them to to put in a fair bid and have it recognized as such. That is exactly what happened in Hamilton.

I have also been looking at what has happened in the Firestone plant. We had exactly what the Hon. Member said earlier, the most efficient workers and the cost of unit labour less than the United States, but the decision was made to fill an under capacity factory in the United States. These are the kinds of things that really do—

[*Translation*]

Mr. Deputy Speaker: On a point of order, the Hon. Member for Gatineau (Mrs. Mailly).

Mrs. Mailly: Mr. Speaker, I have a lot of sympathy for the Hon. Member who is new among us, but, she started by complaining about the lack of relevancy. However, from the start, she has been talking about Hamilton when I believe the issue before us is Montreal East.

Mr. Deputy Speaker: On a question of privilege, the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart).

Mr. Malépart: The Hon. Member wanted to correct her colleague, but we are not talking about Montreal East. The motion is about the whole Montreal area. Had she been following the debate, she would know better.

• (1430)

[*English*]

Mr. Deputy Speaker: We will resume debate with the Hon. Member for Hamilton Mountain (Ms. Dewar).

[*Translation*]

Ms. Dewar: Mr. Speaker, yes I am talking about Hamilton, but it is because the situation in Hamilton is quite similar to the one in Montreal East. It is very important to know that.

[*English*]

It concerns me somewhat when we look at our cities and we see the bankruptcy of ideas and vision of the Government when it does not see the ability to put an economic strategy in place in order to have all our cities healthy. It is important that we look at what has caused some of these decisions. Many of the causes have been the result of government policy.

We have a Government that looks only at what the markets will be and at what the bottom line will be. It is using workers, people and communities as commodities that can be moved around. This is not the kind of vision that we have for the country or for the cities of our country.

When I talk of Hamilton today, I talk of Hamilton from the point of view of what has happened to workers in that community. I talk of Montreal East and the Montreal region when I visit my relatives and friends. It is the city of my birth. I understand the great transition that has gone on in Montreal and the terrible things that have happened to it. They have happened because this is an industrialized sector of our economy. This is true whether we talk of Vancouver, Halifax, Montreal, Quebec City, Toronto or Hamilton. This is an industrialized sector of our economy that is being totally eroded. We are entering a trade agreement that guarantees there will be more erosion. This is of great concern to all Canadians.

When we look at this we must recognize what has happened in Quebec. I was interested to hear the comments of the Hon. Member who spoke before me when he referred to the paper industry. I am old enough to remember when the dollar was a dollar and the pulp and paper industry was in very deep trouble. I remember when the American markets became very delicate. We know that there is now research going on in the

pulp and paper industry that will make it possible for the deep south to be able to manufacture a lot of its paper if the market is such and as our dollar is going up. The present Government refuses to lower the interest rates. We know that another Canadian market is in jeopardy.

When we talk about the trade agreement that is supposed to be so good for the East End of Montreal and for the manufacturing parts of our country, what we really need to talk about is what are the implications of the trade agreement. The implications of the trade agreement seem to get lost when the Government debates that subject. The Government attempts to defend it by saying that we will have access to the American market. It goes both ways. We have very little access to that market and there are heavy transportation costs involved. The Americans wish to be treated by national standards in our financial institutions. It is not reciprocal. It will put the whole industrialized part of our economy in jeopardy.

[*Translation*]

Mr. Speaker, this motion is very difficult. It is not really the motion which is difficult, but the situation. The economic problems in Montreal East are not new; they go back ten years.

Mr. Fontaine: Twenty years!

Ms. Dewar: We have been going through a major crisis in the last ten years. In my opinion, both the Liberal Government and the Conservative Government are to blame for this situation.

Indeed, the energy policy of Trudeau Government is largely to blame for the disappearance of our petrochemical industry. The Liberal Members were silent at that time, including the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart).

In 1984, the Conservatives took over and disaster struck, beginning with the disappearance of the Gulf refinery. In Montreal East, there are now 22,000 unemployed and 9,400 welfare recipients, and there have been 7,500 lay-offs in five years. Many committees were created. The Prime Minister appointed a Minister responsible for Montreal. The province, the city of Montreal, the employers and the unions all worked together to find solutions to the employment problem. The city of Montreal delivered by contributing $90 million, and so did the province of Quebec by promising $106 million, but, disappointingly, the federal Government only allocated $35 million dollars in new money. However, the Government is generous in its hesitations. For instance, the Government promised a space agency in the throne speech. On February 23, the Minister responsible said that the agency would be set up in 1988. On March 10, Mr. de Cotret stated that there would be no agency. On March 16, the Prime Minister announced in Baie-Comeau that there would indeed be one.

I gave this example in order to illustrate the lack of courage of the Government and its inability to make decisions. The same thing happens practically with every issue: banking centres, railways, etc.

The 31,400 unemployed in Montreal East are waiting for some action from the Government, and not for more pussyfooting. Montrealers want the prosperity back in their area and they do not want to be mesmerized by election promises. This indecisiveness on the part of the Government is bad for private investments. The Government has to make decisions, announce them and carry them out. The Prime Minister said that the development of Montreal is a priority. We ask him today, on behalf of the 31,400 unemployed, to prove it by making the necessary decisions.

It is not difficult to understand how depressed the unemployed are.

[*English*]

It is the type of thing that takes the spirit of a community. It says to people: "You really do not count. I will talk to my friends. I will make my deals with the business community but I am not going to worry about what is happening. I will make speeches so that they will elect me, but I really do not have any sense of commitment to say that these people count and are valuable".

This type of thing is happening right across the country. Millions of dollars are being spent on a sales pitch to say that we are getting into a good trade agreement with the United States. When we have set up panels and have asked for government Members to participate, they refuse to show up. During International Women's Week we had such a panel. We could not get one Conservative Member to appear on the panel. I say "we" collectively as Canadians. I am not speaking as a politician now, I am speaking as a member of the community of Canada.

The Government is allowing one of the greatest cities in the country to be undermined because it has no economic strategy. When we consider the type of programs that have gone on as well as the recommendations of a certain committee's report, we see that the recommendations are strong and valid. The recommendations in the report were formed as a result of listening to a cross-section of the community of Montreal East. When we look at those recommendations, we see that they are a valid strategy for economic development. They look at the skills that are in that community, and at how the future of that community can develop. They take the resources that are there and can be implemented. But there has to be some government help and commitment.

• (1440)

One sees the type of commitment that has been given by the City of Montreal. Certainly the Mayor of Montreal has made it a priority. He recognized the high level of unemployment and how important it is to get those people to work. He asked for readjustment programs for older workers which the Government kept saying that it was going to do, but it has refused to do. When one looks at the commitment given by the Government of Quebec and then one sees a measly $35 million from the federal Government for an area that is in dire need, it

is a disgrace. When people say that they have a commitment to the future of this country, we certainly have to look at the consequences of their policies.

When one hears Mr. Parizeau and other people talk about how good the free trade agreement is for the Province of Quebec, it is very important for those of us who feel strongly about having a country that is total to recognize the great danger of that trade agreement the Province of Quebec, as far as tying its economy into the American economy and ignoring the western part of Canada. It is important that we look at the long term effects.

I am not sure the present Government has the capacity of being able to look at the long term. It always seems to be looking at short term ad hoc decisions. For example, today there is a space agency, tomorrow there is not; the next day perhaps we do, but we are not quite sure where we are going to have it. If we take those things seriously and look at the long term for the building of this nation, and building it with a strong economy, we must look at what is happening in the east end of Montreal and recognize that the erosion taking place there will be even greater if there is not some built-in infrastructure to protect that economy now. It is very serious.

I know there has been a lot of hilarity in the Chamber this afternoon. If we were one of the 31,000 who are unemployed, we would not be laughing quite as hard and making such fun and jokes at each other. It is very serious. This part of the city had good manufacturing, textile workers, refineries, and massive employment. Now there is a whole readjustment that has to take place.

If this is the manner in which this Government is addressing readjustment, then goodness help us all when we get into a program with 500,000 jobs going down the drain. We have to look seriously at what is happening. This is a good motion to have before us. It a microcosm of what we will be looking at across the country in the future. If we are not willing to put adjustment programs in place, if we are not willing to look at the communities and what the grass roots skills are, and what their development is, then we will not be willing to look at any future economic strategy.

One can talk about getting "this in my riding, or this in the next riding", but I hope that some day we will get a New Democratic Government that understands what economic strategy and planning is to put some priorities on where people can work; to put some priorities on what is possible for people to have dignity and equality of life; to recognize the heritage and the legacy that we have in the City of Montreal, where the east end of that city is going down the drain and the Government is blinking its eyes and saying that it is not sure and it is changing its mind every day.

It seems to me that we must look at an economic strategy, and listen to committees which have made some very sensible recommendations, which have come from the grass roots, whereby people would have the ownership of their own future. If the Government were willing to implement some of those recommendations, we would all live better, be healthier, and see the east end of Montreal come back with the old vitality that it had in days of yore.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Levis (Mr. Fontaine) on a question or comment.

Mr. Fontaine: Thank you, Mr. Speaker. I would also like to thank the Member for Saint-Denis (Mr. Prud'homme) who anticipates that my comments will be interesting. That probably shows his good taste. I would like to comment on the speech of the Hon. Member for Hamilton Mountain (Mrs. Dewar) who, in passing, took a long time before actually getting to talk about Montreal and Montreal East.

The Hon. Member told us that it would take a strategy, a sensible strategy, a strategy for the future. You will note, Mr. Speaker, that these Members are constantly using rhetorics about everything, and are always suggesting theories and strategies, and speaking about the future and sensible things to do. But from a practical point of view, where were these members of the Socialist Party when we passed Bill C-22 which created 1,300 jobs in Montreal?

That legislation concerns Montreal and also Montreal East. It deals with practical matters, because it provides for a capital investment of $700 millions that will create 1 300 jobs. And you did not support the Government position on that issue. I am also wondering about your stand today on the Free trade issue. How can you argue ... I wish you would take some advise from your colleague, Madam. How can you claim to be a spokeperson for Quebec while the Premier of Quebec, Mr. Bourassa, the Opposition leader, the leader of the *Parti Québécois*, big guns such as Government Ministers in Quebec and also big guns from the Opposition party in the Province, not to mention the 57 conservative members of Parliament from Quebec who know that Quebec entrepreneurs sell currently for 20 billion dollars a year to the United States ... We want to secure a market for those entrepreneurs, and you have the gall to oppose Free trade, and even more the gall to tell Quebecers:

Well, are you going to lose markets worth $20 billion by refusing access to the U.S. market? That is what you are doing with free trade. You are telling petro-chemical industries in Montreal that you do not care about the 15,000 jobs that exist right now and could be increased if we increase our exports to the United States. You fail to recognize that refineries will considerably increase their turnover. Right now, these refineries spend perhaps $2 a barrel to refine the crude oil that they import. Then, they must spend 80 cents a barrel to export their product to the U.S. Are you aware that the Free Trade Agreement will lower their production costs by practically one hundred per cent? Are you serious when opposing free trade? Because, in fact, you are against our refineries selling their value added products to the Americans. Is that how serious you are? Then you should be a little more practical.

Are you also serious when you ignore the major engineering consulting firms located in the city of Montreal? Don't you know that Montreal has three of the five largest engineering consulting firms in the world? And you want to deny them access to the U. S. market in the future? Do you want the red tape to go on at the American border to prevent Canadian professionals from working in that country? Is that what you want? Canadians have to know that this is what you want.

And I will now ask you: You said that our Government only had short term solutions. It shows a lack of seriousness on your part and that of your Party and, particularly in your case, an obvious lack of knowledge of the province of Quebec.

Mr. Deputy Speaker: I regret having to interrupt the Hon. Member, but there are three other Hon. Members who wish to speak.

[*English*]

I will give the floor to the Hon. Member for Hamilton Mountain (Ms. Dewar) who may wish to comment on the comments of the Hon. Member for Lévis (Mr. Fontaine).

Ms. Dewar: The Hon. Member has put many statements and not very many questions, but I will attempt to respond to the statements. One thing is really important to look at. When looking at the economic development strategy, and looking practically, the Hon. Member obviously does not know that in relation to the infrastructure of cities across this country, particularly in Montreal, a study has been done that shows with investment from three levels of government, 64,000 jobs can be created. Those jobs certainly would help.

Sometimes I feel that the free trade agreement has not been read by members of the Government, because the Hon. Member does not seem to understand that in the free trade agreement there is nothing to prevent countervail against Canadian exports. I wish the government Members would understand that there is no protection against countervail.

• (1450)

When the Opposition asked for an amendment to Bill C-22 to guarantee research jobs in Quebec, the Government said: "No, just trust us". We all know where the synergy or the critical mass of research by pharmaceutical companies is done. It will not happen because the Government did not have the strength to demand it in the agreement.

Perhaps the Hon. Member should take a quiet moment some time, when he is not making statements in the House, and read a little about the agreement. He would find some interesting information.

Mr. Fontaine: You don't like my statements.

Ms. Dewar: I love your statements. What we really need to do is inform ourselves a little more. If he did so, he would find out that maybe the province of Quebec will suffer very seriously.

I feel that our role is to try to protect the future of the country before the present Government gives it all away.

[*Translation*]

Mr. Malépart: Mr. Speaker, with all due respect, I must say to the Hon. Member that her speech about Montreal was very weak and that her colleague who is responsible for Quebec, the Hon. Member for Ottawa Centre (Mr. Cassidy), must have misinformed her on the subject. It is clear that the NDP does not defend the interests of Montreal.

Since we are talking about Montreal, I will ask the same question: If an NDP Government were elected tomorrow, would it give the space agency to Montreal?

Mrs. Mailly: Half in Montreal and half in Ottawa.

Mr. Malépart: Secondly, would an NDP Government do as the Hon. Member for Ottawa Centre said concerning the frigate contract that has been entirely awarded to New-Brunswick? Would it reopen the contract and give two frigates to Quebec? What would it do? These are two important issues on which the NDP must take a clear-cut position because there is already a contradiction. The questions therefore are the following: Would you support Montreal for the space agency? Secondly, would you reopen the frigate contract?

[*English*]

Ms. Dewar: Mr. Speaker, I think that our leader has been very clear on where a space agency would go. Certainly there has been no upset in our caucus on the discussion. He has been very clear that he thought the space agency should go to Montreal.

Some Hon. Members: Oh, oh!

Ms. Dewar: I listened to him. I have confidence in my leader.

I guess what concerns me very much is that when we are making economic decisions, how do we make them? Do we make them on who has the loudest voice in their riding or on what is best for the country in total? I think it is important that we start to look at that.

Mr. Valcourt: What about Cassidy?

Ms. Dewar: The Hon. Member for Ottawa Centre (Mr. Cassidy) has clearly and publicly apologized. He said that he made a very bad mistake. When he announced it, it was certainly not a party policy that the New Brunswick frigates would be moved from New Brunswick to Quebec.

Some Hon. Members: Oh, oh!

Ms. Dewar: It is not a surprise. Obviously people do not read the newspapers if they have not heard that.

Mrs. Mailly: Quit while you are ahead.

Ms. Dewar: It was quite evident, and he said it 24 hours later.

I think it is really important for us to be looking at where our strengths are in economic development. I think there is a lot of hope for the east end of Montreal. However, the way in which present policies are going, it is being eroded.

Let us look at the amount of unemployment and the people who are on social services. It is all very well for us to make cracks at each other, but in that process the lives of people are brought into question. Montreal East was a very vital community over the years. It was seen as the heaviest, most intense labour and employment sector.

If we cannot bring about a restructuring of that economy, we might as well give up on any kind of economic planning and development. I say that to the Government because it has been very unsuccessful in being able to put anything in place.

[*Translation*]

Mr. Deputy Speaker: The debate will continue with the Hon. Member for Saint-Denis (Mr. Prud'homme).

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, how can we possibly give an overview of such an important question in just a few minutes. First of all, I want to repeat what I have always maintained: it is as a result of the great social conscience of our colleague from Montréal—Sainte-Marie (Mr. Malépart) that we could have this debate today. I remember meeting him when he became a Member of Parliament here in Ottawa, although I knew him before. But as of 1979, with the whole team of the Members from Montreal East, in the company and under the leaderchip of Monique Bégin, to whom I want to pay special homage here, meetings were held every week, I tell you, Mr. Speaker, to discuss the economy of Montreal East, and this for many years. They even signed letters to the Prime Minister of Canada, and I can assure you it is very unusual for ministers to sign a letter asking for certain things to be done, although we all know the problems we were facing at the time.

So I think the Hon. Member for Montreal—Sainte-Marie does not have to be told by anyone in this House what to do, not by our new-found saviours in the New Democratic Party and not by those who want to attack us. I know and can testify to his record and his concerns.

What troubles me as a Montrealer is a short sentence in an outstanding article by Miville Tremblay, where he says, and I am sorry, but this is the quote: "We certainly no longer expect anything from the federal Government". Another quote: "The Conservatives have not only given up on Montreal East but on the entire city ".That was a quote from Mr. Picard.

I would like to ask the House to think about this statement, because under Mr. Trudeau's Government, we had Members who were the envy of practically the entire caucus. No one can deny the determination of a Marc Lalonde, a Monique Bégin, a Gérard Pelletier, a Serge Joyal and an André Ouellet, and I refer to their determination to take care of the needs of Montreal. This was going on every week at the meetings of the Quebec Caucus. I was there regularly since I was chairman of the caucus, and I know it was one of our major concerns.

What saddens me is that Members of the House do not understand that there are differences in Canada. Jean Marchand, one of the most dynamic Quebecers, and nobody can deny that, sat in this House and always said that Montreal was the economic heart of the Province of Quebec. It is so different from the other provinces! But in Quebec we know very well that when Montreal is in the doldrums the whole province experiences difficulties.

So that is the purpose of the motion introduced by my colleague from Montreal—Sainte-Marie, this is how we try to draw the Government's attention to make decisions.

I know that the world of politics is not for the weak-hearted. There is always some rivalry among the various regions. Only the NDP Members cannot understand that. They are centralizers. With them, everything has to come from Ottawa. This is why their Party will never respond to the aspirations of Quebecers here in Ottawa, because it is a centralizing Party.

Mr. Speaker, I submit that the situation is getting serious, and I suggest the Hon. Member for Lévis (Mr. Fontaine) ought to listen to what I am saying. I am saying that the situation is getting serious when Quebec, the Province of Quebec, the Government of Quebec has to hire a lobbyist to get its fair share of federal contracts. One thing I can tell you is that we did have difficulties during the 1980-84 period, and the economic situation was not all that promising. Yet, in spite of that we never had as many complaints as we have now from people in Montreal. We never did get as many complaints as we are now receiving from people in Montreal East. However, Mr. Speaker, when a provincial government is hiring lobbyists as the Quebec government is doing because it cannot find anyone to uphold the vital interests of Montreal, the problem is indeed very serious.

I would have liked to speak at length of this issue, because I made lengthy preparations and I take my work seriously . . . However, my colleagues from Montreal—Sainte-Marie, and Laval-des-Rapides discussed that issue extensively. I merely wanted to add that the situation is urgent and that we have to understand what Montreal represents for Quebec. Conditions are not similar in other provinces.

So, I thank you, but we will certainly have more to say on the subject later on, Mr. Speaker. In closing, I would like to mention that some people have spent hundreds of thousands of dollars, including friends of the Government, Mr. Péladeau, everybody's friend, a good friend of mine, who went as far as staging a publicity campaign that cost hundreds of thousands of dollars to make the single point about the spatial character of Montreal with the slogan "*Montréal, c'est spatial*". When will that be understood? Montreal is a space industry center as other regions are automobile industry centers. The space

agency should belong to Montreal. Thanks for being so patient, Mr. Speaker.

Mr. Deputy Speaker: It being three o'clock p.m., it is my duty to inform the House that, pursuant to Standing Order 82(12), proceedings on the motion have expired.

This House stands adjourned until next Monday at 11 a.m., pursuant to Standing order 3(1).

The House adjourned at 3.01 p.m.

HOUSE OF COMMONS

Monday, March 21, 1988

The House met at 11 a.m.

Prayers

THE LATE HONOURABLE RICHARD BELL, P.C., Q.C.

Hon. George Hees (Minister of Veterans Affairs and Minister of State (Seniors): Mr. Speaker, it is with both sadness and great sorrow that I learned early this morning of the death last evening of a former Member of this House and Cabinet colleague, the Honourable Richard Bell.

My personal friendship with Dick Bell was firmly established over 40 years ago and continued to grow in strength year after year.

He served with distinction in the Cabinet of the Right Hon. John Diefenbaker as Minister of Citizenship and Immigration.

As Hon. Members know, Dick Bell was a totally dedicated parliamentarian who served Canada with compassion, honesty, and indeed with a great deal of vigour.

He will be sorely missed as a friend and confidant, and on behalf of the Government of Canada and myself I extend to his wife Ruth and daughter Judith heartfelt condolences.

Hon. Herb Gray (Windsor West): Mr. Speaker, on behalf of the Official Opposition I would like to express words of sorrow on the passing of the Honourable Dick Bell. He had a very distinguished career, beginning as a secretary to the Minister of National Revenue in the Conservative Government of the 1930s. He continued as a private secretary to the Leader of the Opposition, also in the late 1930s and 1940s.

He went on to serve with distinction as a member of this House and as Minister of Citizenship and Immigration in the Government of the Right Hon. John Diefenbaker.

I remember him as a person of good humour and goodwill, who never let his very strong commitment to the Conservative Party interfere with his very good relationships that he had with people on all sides of the House.

He was also a very distinguished citizen of Ottawa, serving in many charitable endeavours. He will be sorely missed, not only by his friends and colleagues in the Conservative Party, but by his many friends who remember him in the House of Commons and in the city of Ottawa.

I am pleased to join with the Minister of Veterans Affairs and Minister of State for Seniors (Mr. Hees) in expressing sincere sympathy and condolences to the family of the late Mr. Bell. He will be sorely missed in this city and this country.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it was with sadness that this morning we learned of the death of Dick Bell. He served this House and Canadians well for many years. He was a crucial player in the development of the Conservative Party of Canada, and had a distinguished career in the House of Commons, serving the Government of Canada and Canadians for so many years.

It was with great sadness that we learned of his passing. On behalf of my colleague, the Member for Ottawa Centre (Mr. Cassidy), and other colleagues in the New Democratic Party, I extend condolences to his wife and daughter.

ROUTINE PROCEEDINGS

[*English*]

BANK OF CANADA

TABLING OF ANNUAL REPORT

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, pursuant to Standing Order 67(4) I have the honour to lay upon the table copies in both official languages of the Annual Report of the Bank of Canada.

* * *

WAYS AND MEANS

DESIGNATION OF ORDER OF THE DAY

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, pursuant to Standing Order 84(2) I ask that an Order of the Day be designated for consideration of Ways and Means Motion Nos. 14, 26, 27 and 28.

* * *

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, pursuant to Standing Order

106(8), I have the honour to table, in both official languages, the Government's response to petitions, Nos. 332-3781, 332-3813, 332-3815, 3332-3854, 332-3855, 3323-4003, 3332-4030 and 332-4048 to 332-4052 inclusive.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

PANEL DECISIONS—GOVERNMENT'S APPROVAL

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, Canada is currently involved in three disputes under the General Agreement on Tariffs and Trade, or GATT. Two of the cases involve decisions by GATT panels against Canada. One relates to Canada's export restrictions on Pacific salmon and herring. The other deals with the practices of provincial Governments affecting the import of alcoholic beverages.

A third case involves a request which we will be making for a GATT panel on Japanese lumber tariffs. All of these cases will be addressed at the GATT Council tomorrow, March 22.

I want to take this opportunity to inform Members of the House of the Government's approach to these issues. We are all aware of how vital the GATT and international trading system are to Canada. International trade means jobs for Canadians.

More precisely, three million jobs in this country and one-third of all we produce depend on export markets. The GATT rules are the best protection for keeping channels of world trade open and protecting Canadian jobs. Without these rules, Canadian industries and Canadian workers would be exposed to indiscriminate action by trading partners. The law of the jungle would prevail in international trade. An export dependent country like Canada would be highly vulnerable.

Members of the House from all Parties recognize this reality. We all agree that the GATT system works in the interest of all Canadians and protects their employment and economic well-being. But the system is only as strong as the will of Governments to respect it. To enjoy the benefits of membership in the GATT, Canada must also be prepared to fulfil its obligations.

• (1110)

Let me turn first to the GATT panel report on salmon and herring. This emerged from an investigation under Section 301 of the U.S. Trade Act. This section allows U.S. industry to file complaints about alleged unfair trading practices. What the U.S. industry alleged was unfair, in this case, was that Canadian processors were buying up substantial quantities of Alaskan salmon and herring while U.S. processors were prohibited from access to unprocessed salmon and herring from Canada. Therefore, the U.S. took the issue to GATT, where a panel made a clear finding that Canada's export restrictions violated international trade rules.

We have made it clear from the outset, including statements in the House, that we would be seeking a solution that would be consistent with the GATT and would also protect the long-term interests of the fishing industry. We have consulted closely with all interested parties, the processors, the unions, the fishermen, the B.C. Government and, as promised, we have pursued a three-pronged strategy; first, raising our concerns in the GATT; second, exploring a possible bilateral solution with the United States and, third, considering alternative measures to ensure the integrity of Canada's West Coast fisheries conservation and management regime.

In raising our concerns in the GATT, we have not received support from other members who clearly consider the panel's findings to be valid. While discussions with the U.S. have been useful in airing the issues, we have made little progress in reaching a bilateral solution. Therefore, we will now be pursuing a Canadian solution, one which reflects Canada's GATT obligations but which also addresses fisheries management and conservation needs and protects the future viability of the industry. It is the Government's intention to allow adoption of the GATT panel report and to dismantle the GATT inconsistent export restrictions by January 1, 1989.

At the same time, we intend to enact new regulations which will require that salmon and herring caught off the Pacific coast will be landed in Canada in order to ensure accurate catch reporting, inspection, grading, and quality control. While Americans will have access to unprocessed fish landed on shore at designated landing stations along the coast, they will not be allowed to buy fish directly from Canadian fishermen "over the side". Over-all, the landing requirement will improve management of the fisheries while preserving the livelihood of the coastal communities. Of course, Canadians will continue to be able to buy unprocessed American fish from Alaska.

My colleague, the Minister of Fisheries and Oceans (Mr. Siddon), will be consulting closely with all interested parties to develop the details of this landing requirement. It will be consistent with the GATT as well as with the Law of the Sea which specifically provides for such measures. In developing the new regime we will, of course, be examining carefully the principles and practices which the U.S. itself employs in the fisheries area through such legislation as the Magnuson Act. The Minister of Fisheries and Oceans is also announcing today his intent to bring forward a national plan for a landing requirement, including provisions for inspection and quality control, to be applied for all species on both the Atlantic and Pacific coasts.

There have been calls that Canada should simply block adoption of the GATT panel report and maintain the status quo. Frankly, this is not a viable option. It would expose Canadian workers to the threat of U.S. trade retaliation which the GATT provides. This could hit East Coast fish processors, fishermen on both coasts, or any other number of Canadian industries. Of all sectors, the fisheries industry is particularly conscious of the need for fair international trading rules to be respected. More than 80 per cent of Canadian fisheries

production is dependent on export markets. If we are not prepared to play by the rules ourselves, we can hardly expect to use them to protect Canadian export interests.

I would like to point out that since the GATT began in 1947 there have been 58 panel reports submitted. Only three have not either been adopted or resolved, and two of them are the Canadian cases about which I am talking today. The third is a panel report on the U.S. trade embargo against Nicaragua. So I think you can see, Mr. Speaker, that adopting the panel report is thoroughly consistent with international practices. I repeat, the solution we have chosen on salmon and herring will respond to Canada's GATT obligations and will also safeguard the essential interests of Canada's fishing industry and the people who work in it.

Let me turn next to the panel report on liquor boards. Three years ago the European Community took Canada to the GATT alleging that Canadian liquor board practices are unfair. The measures in question here are provincial practices. The panel found that these provincial practices on pricing, listing, and distribution discriminate against imports of alcoholic beverages and are inconsistent with GATT rules. Canada has been asked to have the provinces bring their practices into line with international trade rules and to report back to the GATT before the end of this year.

Canada will not stand in the way of adoption of this report at the GATT Council meeting tomorrow. However, we recognize that the panel's recommendations, while not posing problems for the distilling industry, do cause severe difficulties for the Canadian wine industry. You may recall, Mr. Speaker, that the free trade agreement with the United States has provisions covering imports of wine from the United States which provide for a seven year phase-out of differential markups. In 1986 exports of wine from the U.S. to Canada amounted to about $10 million. By comparison, European exports to Canada are 24 times as large. They are in the order of $240 million a year. So, of course, they pose a very serious threat to the Canadian wine industry.

For this reason we attempted, in consultation with all the provinces and the industry, to negotiate a bilateral understanding with the European Community. These negotiations were unsuccessful because the Europeans set conditions which we could not accept. We will now be working with the provinces to find ways to respond to the panel's recommendations while addressing the adjustment concerns of the industry.

The Government will also be reviewing the petition submitted by the Canadian wine industry regarding European subsidy practices on grapes and wines and their impact on the Canadian market.

Our dispute with the European Community on liquor board practices has centred on wine and spirits. The European exports of beer, which account for less than .5 of 1 per cent of the Canadian market, do not figure prominently in the complaint. In view of this, and given that discussions are now under way with the provinces to address interprovincial barriers to trade, the Government is not prepared to implement any changes with respect to beer marketing practices in the foreseeable future.

Finally, I want to advise the House that tomorrow Canada will be requesting that the GATT Council establish a panel to consider a Canadian complaint against Japan. This relates to the Japanese tariff which discriminates against Canadian lumber in favour of lumber from the U.S.A. The tariff restricts Canadian access to a rapidly expanding market which we pioneered. This is a long-standing issue which we have raised with Japan at the highest levels for many years. Specifically our exports to Japan of spruce-pine-fir dimension lumber are assessed at 8 per cent tariff while exports of competing species, mostly from the United States, are allowed to enter duty free. We do not feel this is consistent with the GATT requirement to give the same tariff treatment to "like products".

We have tried to settle this issue on many occasions. The Prime Minister (Mr. Mulroney), my colleague, the Minister of State for Forestry and Mines (Mr. Merrithew), and I have all raised this issue with our Japanese counterparts. Japan has offered us limited tariff reductions but would not agree to provide Canada with the same access provided to the U.S. Therefore, we are taking this issue to the GATT.

As we have done in the past, we will be using the GATT to defend Canadian export interests and Canadian jobs. Clearly, Canada expects other countries to live by GATT rules, but we cannot do so unless we are prepared to respect these rules ourselves. The decisions I have announced today reflect this basic principle and protect Canadian jobs.

• (1120)

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, in responding to the Minister's statement I would like to underline and reinforce the strong and important commitment that this country has to the international trading system and, in particular, to GATT, and to endorse the spirit that the development and enhancement of the international trading system are essential to our own economic and international progress.

By way of example, of the nine cases that Canada has initiated under the GATT we have been successful in gaining favourable judgments in eight of them. This shows that, generally, not only have we been a beneficiary of having an international system of settling disputes but that we also have been a close and honest adherent to that system. That was the case until the Government got its wires crossed, and began to pursue obsessively a trade strategy that ran counter to that basic support of the GATT. It tried to negotiate a special deal. It tried to gain exemptions. It tried to follow a so-called two-track theory. That is when we began to go wrong. That is when we began to find that our ability to pursue successfully negotiations through the GATT system caused us to take a wrong turn.

Certainly no more serious mistakes have ever been made in the history of trade relations in this country than the refusal by the present Government not to pursue the softwood lumber issue in front of the GATT. Not only did we have a very clear case but we had the right to challenge a law that will come back to haunt us. It is this very principle that the Americans are now incorporating in their omnibus Trade Bill. It is something we could have challenged successfully, ensuring that it never applied to further Canadian softwood lumber exports.

However, the Government, for pure and simple political reasons, not wanting to disrupt its relationship with the United States during the time of negotiations, refused to pursue that matter. It has been seen clearly as not a major player in the GATT system in the last three or four years. It is evident that its mind, its interest and its energies have been elsewhere. We are now paying the price.

We have in front of us decisions which will have devastating effects on a number of Canadian industries. I refer in particular to the fishing industry on the West Coast. It has been seized with an incredible sense of fear because of a ruling initiated by the United States using the GATT system which, from the point of view of U.S. injury might have amounted to $2 million or $3 million, but which will impact on the West Coast industry to the tune of $150 million or more.

Why did the Government take the actions it did? Why did it sacrifice the West Coast fishing industry? How has it done that?

First, is it not strange that the Americans were able to gain from Canada a concession to grandfather the softwood lumber decision and have it written into the agreement but Canada was not able to negotiate successfully an American withdrawal of its application against the West Coast fishery? In light of the reasonably small impact that this had upon American fishing interests one would have thought that the great negotiator might have been able to succeed in having his American counterparts withdraw that application under the Canada-U.S. proposal. All the protests and promises we have heard that the Canada-U.S. agreement will protect Canadian interests fall hollow when we see the lack of success the Government has had in gaining the slightest concession from its American partners. That failure pales in comparison when one considers what the Government has surrendered.

Under the Canada-U.S. agreement we have abandoned our right to employ an export tax. The fact of the matter is that under GATT we could have taken the type of regulations which are presently applied to the processing of fish and replaced them with an export tax. That would be perfectly acceptable and allowable under GATT rules. But the Government negotiated away the right to impose an export tax in its relationship with the United States. Thus it took away one of the alternative means that could be used to protect Canadian industries successfully, in this case the fish processing industry. The Government negotiated away, gave away, conceded away, one of the most important defensive instruments this country has that would be essential to protect the West Coast fisheries in this case.

What has the Government replaced this with? It has been replaced by a new kind of landing requirement that will now have to be applied to the East Coast fisheries as well. There goes all the protestations that we have heard from Members opposite that in no way will the East Coast fisheries be affected.

We now have the Government recognizing that by accepting this decision it will be setting a precedent. Under the free trade agreement Americans could use this precedent to go after the East Coast fishery. It is now attempting to wriggle its way out by applying a measure that will impose new standards and new restrictions upon the East Coast fishery. Not only have the West Coast fishermen been put in jeopardy but the Government has now taken a measure that will have a major impact on the East Coast fishery, in fact on the entire fishery of Canada.

Putting itself in a box in the first place as a result of the Canada-U.S. agreement the Government is now trying to find a way to work its way out. But by working its way out it is putting itself in new boxes. It is like a maze. It is like the weird garden in Alice in Wonderland where Alice kept running from the Queen of Hearts only to find herself trapped.

The Government has trapped itself not only in the West Coast fisheries but in the East Coast fisheries as well. It is an incredible state of affairs into which the Minister for International Trade (Miss Carney) has put the fishing industry of Canada. It is quite incredible that there would be such incompetence and such tomfoolery with such a vital industry. It is really quite astounding that the Government would put itself in this type of position.

Because the agreement is not yet in place the Government could be using its leverage to say, "We will use an export tax to protect the Canadian fish processing industry," and not get itself caught in the type of trap that it has put itself into in this case. It is not a matter of simply accepting a GATT ruling, it is a matter of being able to use what is available under the GATT and putting it to work for the Canadian interest. But the Government is afraid of doing so. It is scared of doing so because it does not want to jeopardize what has become the Prime Minister's (Mr. Mulroney) great salvation for Canadian interests. This is the type of salvation which continually puts Canadian industry in jeopardy.

In saying what I have just said I must now ask what happened to the brave words of the Minister of Transport (Mr. Crosbie). Last November when the Americans imposed an embargo on certain sizes of Canadian fish he said, "We are going to take them to the GATT". The Minister on behalf of the Government said that it would use bargaining power and trading power.

Has the Minister made a statement that the Government will utilize an application to GATT against U.S. actions? On November 26 the Minister of Transport who, I presume, speaks for the Government, was quoted as saying, "We are going to challenge U.S. actions in front of GATT, dealing with a new embargo on smaller sized fish".

Once again it has backed off. We know why it has backed off. It is absolutely paralyzed when it comes to taking any kind of trade action against the United States. It realizes that in terms of the type of sellout it has negotiated with the Canada-U.S. agreement it cannot defend and protect Canadian industries legitimately for fear of having that unravelled.

• (1130)

On the second issue that we have had brought forward, dealing with the protection practices of the provincial liquor boards, once again there is a curious circumstance. In its "negotiations" the Government put itself in a box. The Americans were quite happy to leave some of those things alone because they knew there was a GATT ruling being considered. Now this opens up even further access for U.S. wines and spirits than they had before, and they did not have to give anything away in the negotiations to get it. Nothing is exempt on this issue.

Once again we are putting ourselves in the position on wine and beer where, rather than taking action, the Government states that it will review the petition from the wine industry. Why does the Minister not simply accept it and go to work on it? There is a decision due tomorrow. Have the officials put their petition down? Let us get tough on bargaining for Canadians. Let us use the GATT rules the way they are supposed to be used, not in some tippy-toe, passive, piecemeal fashion, but do so under a coherent, effective, strengthening of the rules.

The fact of the matter is that once again we have put ourselves in a bind because of the Canada-U.S. agreement, which points out the fallacy of the so-called two-track theory. The tracks keep getting crossed and the train is derailed. That is the problem with this trade strategy followed by the Government. The trains keep bumping into each other because the tracks do not run parallel but cross each other.

The final issue I wish to comment on, Mr. Speaker, and I wish to give you some notice that this will not be the last comment we have to make as we look forward with interest to Question Period, is on the application against the Japanese on dimension lumber. There is no quarrel with that; it is a useful initiative. But I wish to point out the interesting contrast as to why the Government was not prepared to do the same on the softwood lumber issue with the Americans. Is it not an interesting contrast between the two?

In fact, accepting the U.S. export tax and replacing it, as is now being done in B.C., with a new tax on the wood itself, by the new stumpage fees, our own exports to Japan are increasing in cost. The stumpage fee will apply to all exports. We are beginning to price ourselves out of the market in any event in this respect, simply because we accepted a bad decision. If we were prepared, as we should be, to challenge Japanese rules, we had equal right to challenge American rules, except for the fact that this Government was not going to to anything to get off its knees when it came to dealing with the Americans on trade.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, first I wish to thank the Minister for her early circulation of the document which we are looking at this morning. Second, I would like to make the point, on behalf of our Party, that presently a GATT negotiation is taking place which is looking at the entire range of GATT issues, both questions which had to do with what is a subsidy, questions which had to do with fair trading practices, and so forth. Especially with this GATT negotiation that is taking place, with our strong support for Canada's participation in that negotiating process, we feel that the Minister is making a serious mistake by rushing into acceptance of these two panel decisions.

In many respects I think that the set of statements made by the Minister this morning reflects the approach of this Government. It pretends to take the high road, and at the same time it applies restrictions and undercuts what it is pretending to do. It attempts, in short, to have its cake and to eat it too.

In the West Coast case it adopts the report of GATT, thereby showing itself to be the good boy scout that Canada is supposed to be. At the same time it puts into effect restrictions which will have the effect of undercutting much of what that GATT panel report aims to achieve.

The same thing is true with respect to the liquor case. It accepts the report and states, "We will not stand against the adoption of this report". In that sense it pleads guilty to the points which have been made by the Europeans with respect to our practices in this industry. At the same time the Government states, with respect to the politically powerful brewing industry, and I quote from the Minister's statement, "the Government is not prepared to implement any changes in respect of beer marketing practices in the foreseeable future".

On the one hand the Government says, "Yes, we are for what GATT has said", yet it turns around and at the same time it states, "We will not implement what GATT has told us to implement". Frankly, Mr. Speaker, that seems to me to represent what this Government has far too often done in the past, refusing to be frank and open with the Canadian people. In addition we receive a little spoonful of honey to make the medicine go down. We get the announcement that is strategically timed for today to make things somehow look a little better for the Minister's West Coast constituents, that there will be action taken with respect to dimension lumber, an area which on every trip to Japan we were told the Government had solved.

I think, and we think as a Party, that Canada should have been honest, and open, and stated that we think the vote

should be postponed with respect to each of those panel decisions. For instance, the European Community postponed vote after vote with respect to pasta subsidies. In the 1970s the United States postponed vote after vote with respect to its DISC program. Canada itself has postponed votes with respect to the cattlemen's countervail which the Government has been very anxious to put off. Therefore, Mr. Speaker, an honest, up front approach saying, "Yes, we intend to postpone this vote", is what the people of this country would much more clearly have appreciated.

First, it would have saved far more jobs in the salmon and herring industry on the West Coast. That particular case dealt with a narrow dispute with Alaska, a narrow dispute that perhaps involved a total value of $3 million to $4 million. As a consequence, a fishing industry of $150 million to $160 million has been put at risk.

• (1140)

In respect of the decision which the Minister has taken, she could have, if she wished, tried to wriggle out of what she said a few minutes before she accepted the panel report. She could have used an export tax. There is nothing within GATT and, contrary to what the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) said, it is quite possible for us at this stage to take action and put an export tax into effect. The Government should have done so.

I must say that the liquor distribution issue is even more surprising. Here we have the extra complexity of the Canadian Government being faced with an application from the wine industry for moves against the Europeans in respect of their subsidies. Surely it is a perfect reason to say that we will postpone adoption of this report until such time as these issues can be sorted out as they should be sorted out together.

I think that the Minister, with her statement that the Government will not take action in respect of the beer market, has left the country open to the very retaliation about which she complains she is concerned in following GATT by adopting reports.

In conclusion, I think that honesty and jobs are the issues facing us in this case. There are 20,000 jobs which are at stake. We should have been honest and straightforward and said that we wished the vote to be postponed as we wished the vote with regard to the countervail on cattle to be postponed. If we had done that, we would have proved to people across the country that at least the Government was prepared for once to stand and protect the interests of the country, instead of giving in, and giving in, and giving in.

That kind of direct, open, and up front position taken by a Government would have permitted further negotiation and would have led to a solution to these problems instead of the cop-out the Minister has given us.

PETITIONS

CANADA-UNITED STATES FREE TRADE AGREEMENT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my pleasure to present a petition, pursuant to Standing Order 106, on behalf of a number of constituents who are concerned that the federal Government lacks a mandate from the people of Canada to conclude a trade deal with the United States.

They believe that the negotiated trade deal threatens the very fabric of Canadian political and economic sovereignty and therefore ask Parliament to dissolve to give the people of Canada an opportunity to accept or reject the proposed trade deal during a national general election.

Mr. Derek Blackburn (Brant): Mr. Speaker, I rise, under the provisions of the same Standing Order, to present a petition from several persons in my riding, mainly in the city of Brantford, who are totally opposed to the Government's trade deal with the United States.

They call upon the Government to call an election immediately to have the matter settled once and for all. They fear that the trade deal will reduce and in the long term eliminate our sovereignty.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, the following questions will be answered today: Nos. 256 and 264.

[*Text*]

RESEARCH INTO FRESHWATER RESOURCES

Question No. 256—**Mr. Caccia:**

1. At the present time, is the government conducting research on or about freshwater resources and, if so, under what programs and, in each case involving (*a*) what expenditures (*b*) how many persons?

2. In 1987, was the water resources program cancelled and, if so, (*a*) for what reason (*b*) has it been replaced by other programs?

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): I am informed by the Departments of the Environment and Fisheries and Oceans as follows:

In so far as the Department of the Environment is concerned:

1. Yes. Research on freshwater resources is carried out under the following programs:

Canada-United States and Interjurisdictional Water Management; Water Quality Management Data; Water Quantity Management Data; Water Management Research;

Toxic Chemicals; Long Range Transport of Airborne Pollutants; and Industrial Emissions/Discharges.

The bulk of this research is carried out at three centres of research:

	(a) '000$	(b) Person-Years
National Water Research Institute	18,196	262
National Hydrology Research Institute	6,989	79
Wastewater Technology Centre	4,058	49.5

2. No.

In so far as the Department of Fisheries and Oceans is concerned:

1. Research on freshwater resources is conducted mostly in the central and Arctic region. Such research falls into four categories, plus management/support, as follows:

	(a) '000$	(b) Person-Years
Resource assessment and related research in N.W.T.	285.5	4.5
Aquaculture and enhancement science	1,347.2	25.0
Habitat assessment and related research	4,290.1	63.4
Contaminants research	4,606.3	72.0
Program management and technical support	453.3	3.0
Total	10,982.4	167.9

The above excludes work on the freshwater life stages of anadromous species. The dollar resources are expenditure ceilings for 1987/88 and include salaries (without employee benefits), operations and maintenance, and regular capital (there were no resources allocated under grants and contributions).

2. There were no water resources programs cancelled in 1987.

FUNDS ALLOCATED TO BEDFORD INSTITUTE OF OCEANOGRAPHY

Question No. 264—**Mr. Henderson:**

In (*a*) 1982 (*b*) 1983 (*c*) 1984 (*d*) 1985 (*e*) 1986 (*f*) 1987 did the government allocate funds to the Bedford Institute of Oceanography in Dartmouth, Nova Scotia and, if so, through what departments and, in each case, in what amounts?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): In so far as the Department of Fisheries and Oceans is concerned:

Listed below are the funds allocated to the Bedford Institute of Oceanography in Dartmouth, Nova Scotia.

1982-83	$32.9 million
1983-84	$36.6 million
1984-85	$44.7 million
1985-86	$41.0 million
1986-87	$38.9 million

For 1987-88, as a result of the Department's reorganization, funds are no longer allocated to the Bedford Institute specifically, but to the entire region of Scotia Fundy.

[*English*]

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

Mr. Deputy Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

[*Translation*]

Mr. Deputy Speaker: I wish to inform the House that because of the Minister's statement, the period set aside for Government Orders will be extended for thirty-five minutes, starting at one o'clock.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—ENVIRONMENTAL AFFAIRS

Ms. Lynn McDonald (Broadview—Greenwood) moved:

That this House condemns the Government for its failure to act on urgent environmental issues, especially its failure to negotiate a treaty with the United States to reduce acid rain emissions; its failure to incorporate environmental matters in major economic decisions, despite endorsing the Brundtland Report and the report of the National Task Force on Environment and the Economy; and its failure to effect a clean-up of the toxic wastes contaminating the Great Lakes Basin and the St. Lawrence Seaway.

She said: Mr. Speaker, it is my unhappy duty today as the environment critic for the NDP caucus to move a motion which condemns the Government in no uncertain terms for three major failures.

There could have been others on the list. However, in the interest of focusing on what is of highest concern for Canadians, I specified acid rain, which is a problem across the country where we do not have a treaty and do not seem to be getting closer to one; the case of toxic wastes in the Great Lakes and the St. Lawrence Seaway where we have agreements on water quality but in fact are not seeing any clean-up actually happening; and the case of the World Commission on Environment and Development, the Brundtland Report, where we have an excellent report with dynamic recommendations and a hopeful vision of the future. We have a Government which has endorsed it in principle but is not yet acting it out and, indeed, is violating its major premises in its own economic decision making.

As an Ontario Member I will deal particularly with eastern questions. Later today my colleagues from the West will be dealing with environmental issues in their areas. Certainly the environment is a prime consideration for all Canadians.

[*Translation*]

All Canadians, even in Western Canada, see acid rain as an urgent issue. To Quebecers, however, the issue of acid rain is particularly pressing. It is environmental problem number one, because of its impact: dying lakes and forests, soil acidification, and also diseases such as cancer and respiratory ailments. In the southern part of Quebec on the American border, there are maple stands where one-third of the trees have died as a result of acid rain.

The federal Government's failure to act is very sad. One must not be too cynical, but I have some doubts about the Government's good will, because while the federal Government was negotiating an agreement on acid rain with the United States, it was also negotiating a trade agreement. It could not insist too much on a strong agreement on emissions that cause acid rain because it was also anxious to sign a trade agreement. The price we pay for this trade agreement is the lack of an agreement on acid rain.

There are other costs involved with this free trade agreement, and I am thinking of jobs, our control over investment and basically, the sovereignty of this country. What is also discouraging about the free trade agreement is the fact that it will have a disastrous impact on the environment if it is implemented. According to the federal Government, the agreement is our most important economic decision in this century. However, the decision was made by the federal Government without any studies of the negative consequences for the environment, and it was taken despite the recommendations of the Report of the World Commission on Environment and Development. The federal Government and the provinces approved the Commission's recommendations that environmental matters be incorporated in economic decisions. However, the first economic decision made by the federal Government and supported by the provincial Government of Quebec was to pursue this trade agreement with the United States without considering possible negative effects on the environment and on our future economic potential.

Quebecers are worried about the quality of their water. In rural areas, we see a degradation of water quality by pesticides. The waters around Montreal are contaminated by run-off from chemical industries in New York state. In some cases, concentrations of toxic substances are higher in Montreal than they are further upstream in the Great Lakes. However, the federal Government refuses to contribute one cent to cleaning up the waters of the St. Lawrence River. Last year, the federal Minister of the Environment (Mr. McMillan) stated that cleaning up the St. Lawrence was the federal Government's first environmental priority for Quebec. Since then, the problem has not diminished but the federal Government's priority no longer exists. Instead of taking action, the federal Minister is giving advice to his provincial counterparts. It is excellent advice: raise water taxes to encourage people to stop wasting water!

I agree that the Province, the City of Montreal, and other Quebec municipalities have a responsibility to waste less and to treat waste, but the federal Government also has a role to play. In fact, this is both a national and international issue. Toxic substances originate partly in the region itself, partly in Ontario and the United States.

It is unfair to exclude Quebec from the Great Lakes water quality agreements. Ontario has received $200 million from the federal Government to fight pollution. Quebec should not be left out. The urgency of this question is demonstrated by the fact that the belugas in the St. Lawrence are dying. They are dying because they eat minute organisms which absorb toxic substances, including dioxins. The death of the whales is a danger signal to us all. Some studies have shown that the rate of cancer and birth defects among the human population of the St. Lawrence North Shore is higher than the Canadian average.

• (1150)

[*English*]

Canada has made some progress in reducing the emissions that cause acid rain, particularly sulphur dioxide, and especially in Québec and Ontario, the worst offending provinces. The federal Government has not done nearly so well with regard to nitrogen oxide, another important cause of acid rain. At meetings in Geneva attempting to get an international accord on this subject, Canada's role was absolutely shameful. Canada stalled and mimicked the Americans regarding acid rain pollution in Canada, denying the importance of the pollution, wanting more research, and not standing with other more environmentally concerned countries for tough standards and real cut-backs in emissions.

The case of toxic wastes is quite different structurally from the question of acid rain. We have not even begun to get into negotiations with the Americans. In the case of toxic wastes in the Great Lakes there are treaties already. We have had the International Joint Commission, and water quality agreements and studies have accumulated over the decades. The question is not to negotiate any kind of a treaty but a failure to get the existing agreements, which have been amended on the basis of recent research, put into practice. The Great Lakes United's Water Quality Task Force I think puts it very well in looking at this question. It reported:

> We were shocked to see many blatant violations of those promises on our tour of the Lakes . . . in 1986. Plumes of black contaminants still reach out into the Lakes. Large cities still dump sewage that has only received primary treatment. Industrial smoke stacks still belch contaminants into the air. Old dump sites continue to leak dioxins, PCBs and numerous other insidiously destructive chemicals into rivers and lakes. Agricultural run-off continues to release massive quantities of pesticides and phosphorus-laden fertilizers. Dredging operations still pour toxic sediments into open waters. Every day hundreds of trucks still dump contaminated fill into the lakes.

Citizens are still calling for government to be much more active. It is clear to the Great Lakes citizenry that zero discharge of persistent toxic substances is the only hope for our future.

Great Lakes United is quite clear about the problems, and I not think any expert would doubt it. It also points out that the International Joint Commission, to which we name half the members, has all the powers it needs. We do not need new laws or treaties. We need some real force in actual enforcement.

A total of 4.5 million Canadians get their drinking water from the Great Lakes system, specifically Lake Ontario. Only one-quarter of a million Americans do. The problem has not been the priority for the Americans that it has been for us, but it is estimated that 90 per cent of the toxic substances in that water come from American sources. The Niagara River brings in contaminated material and 85 per cent of it flows into Lake Ontario. The Niagara River picks up PCBs, dioxins, metals, and carries those substances into Lake Ontario, and because it is a continuous system, they are carried into the St. Lawrence hitting Montreal and affecting Québec as well.

Niagara Falls is the world's most spectacular toxic waste tourist attraction and it is sad that we have to look at it that way. Even the spray that greets tourists is contaminated. The contamination is thorough. The water, the sediment, the spray, the fish, the mollusks and algae are affected throughout the system. Two hundred and sixty-one artificial chemicals have been identified. Some cause birth defects and some are carcinogens. These include sewage, DDTs, pesticides, metals, PCBs, and the most deadly toxic substances yet known, dioxins.

In 1985 it was estimated by Environment Canada that nine tonnes of toxic chemicals enter the Niagara River every day. The Niagara River Toxic Committee, which has underestimated the toxic discharge in the past, reports 66 hazardous waste dump sites within three miles of the river, 61 of which are in New York State. As well there are 46 so-called inactive sites, but many of these are leaking. Hyde Park is the most dramatic example.

An estimated nine kilograms of dioxins have been detected seeping out from the Hyde Park site which get into our Great Lakes system and into the food chain. The result, Mr. Speaker? Fish consumption is restricted, obviously a necessary measure but hardly any kind of solution to the problem. This is a chemical time bomb. There are six hectares close to the Niagara River and 70,000 tonnes of chemical waste have been put into it in a 20-year period. Clearly the release of all these toxic substances is a violation of the Boundary Water Treaty.

We have an international Water Quality Agreement which should mean that we move very swiftly to zero discharge of toxic substances. These agreements to reduce discharge are not respected. Federal government action is essential for clean up. Litigation has been tried. Pollution Probe, for example, has tried litigation but it has not been successful. The Americans have a superfund but litigation manages to sidetrack it. The very pathetic progress that has been made so far is just not nearly enough.

• (1200)

The United States Environmental Protection Agency reported only in January of this year on the six tons a day leaking into the Niagara River. That may yet be an underestimation of the harm that is being caused. I cannot stress that too vigorously. I would hope that the subject of toxic wastes and the necessity for clean-up would be on the agenda for the summit meeting with President Reagan in April. It is an absolutely essential item.

I want to turn to the last part of my motion dealing with the Brundtland Commission report, this absolutely vital, important, encouraging and hopeful document in which Canada took a very important part. Canadians formed a part of the public response to it. Its recommendations are superb.

The introduction of the report deals with the nature of the problem of environmental contamination and the disastrous situation we are in right now because of our developmental practices. It reads:

> They may show profits on the balance sheets of our generation, but our children will inherit the losses. We borrow environmentalist capital from future generations with no intention or prospect of repaying. They may damn us for our spendthrift ways, but they can never collect on our debt to them. We act as we do because we can get away with it: future generations do not vote; they have no political or financial power; they cannot challenge our decisions.

That has been the shame of it.

While the federal Government has endorsed the Brundtland Commission recommendations, it immediately violated the most basic premise and recommendation of it in the free trade agreement, and that is to incorporate the environment into economic decision-making. With the trade agreement, we have a continental energy proposal, a requirement to continue to sell energy and other natural products to the Americans, regardless of concerns for conservation. It is a deal that will discourage conservation. It is a deal that will discourage the development of alternatives, the soft energy path. It is a deal that will discourage the development of jobs in areas other than the resource sector, and indeed the Government has bragged about how the resource sector will be more important under this deal.

We are, however, talking about non-renewable resources. The proposal is that we will depend more on resources to which, once they are gone, future generations will have no access whatsoever. The possibility of using those resources by having lower energy prices in Canada to stimulate certain industries that would create more jobs has been lost under the trade agreement.

There is the question of harmonization under the trade agreement in the case of pesticides. What does harmonization mean? The Americans take a different approach to pesticides than we do. Our approach needs improving as well, but theirs is based on a different premise. They allow for a cost benefit trade-off: "We will accept a certain number of deaths from pesticides if there are economic benefits". Our approach talks about unacceptable risks and puts health consequences as

something not to be traded away for dollars. Yet we have abandoned that in the trade agreement.

The Government is still spending more money subsidizing the destruction of the environment than it is repairing and caring for it. In the case of the trade agreement, that trend will continue. The Government has paid lip-service, but it is simply not acting to incorporate the environment into economic decisions, to ensure that we do not simply look at the money made by our forests but at the cost of reforestation as well. When a resource disappears, we must look at the costs involved in revising it.

There is not very much time left. Let me quote briefly from the Brundtland report. It reads:

> Industrialized countries must recognize that their energy consumption is polluting the biosphere and eating into scarce fossil fuel supplies . . . But the process must be accelerated to reduce per capita consumption and encourage a shift to non-polluting sources and technologies.

Yet the trade agreement wants more of the same. The Minister of Energy, Mines and Resources (Mr. Masse) would have us sell our easily accessible oil and gas in order to get money to so-called develop or extract and sell off our more inaccessible and costly oil and gas. This is a scandalous misunderstanding of the situation.

I simply want to say, as the Brundtland Commission said, that the time to act is now. I think Canadians are fundamentally fair and reasonable. They do not want to deprive future generations, the children whom they educate and look after, of their environment and the possibility of having livelihoods in the future. I think Canadians are reasonable and want to see action.

I would hope that the Government would stop being so cosmetic in its approach and start looking at the cosmos, become cosmological, not "cosmeticological". I would hope that it would stop taking the public relations approach and would genuinely respond to the public which places a very high priority on the environment.

The Brundtland report does give us cause for hope because it says that it can be done. We do not have to accept poverty along with saving the environment. We can have economic growth and development by incorporating economic decision-making into an environmentalist perspective. That is what we must do, but many changes would be required by the Government, including changes in its dealings with the Americans. It must have the political will to serve Canadians and to serve the interests of future generations of Canadians.

Mr. McMillan: Mr. Speaker, in her remarks on the NDP motion today, the Hon. Member for Broadview—Greenwood (Ms. McDonald) said that the Government of Canada has endorsed the Brundtland Commission report, the report of the World Commission on Environment and Development, but has paid only lip-service to the report itself through its day-to-day actions. Yet, during a visit to the United Nations in New York on the occasion of the big debate on the Brundtland Commission report, Madam Brundtland, the Prime Minister of Norway, who headed that international commission, singled out Canada for its world leadership in implementing the recommendations of her commission's report.

I ask the Hon. Member, who are the people of Canada to believe on this subject, the NDP or Madam Brundtland?

Ms. McDonald: Mr. Speaker, I have no doubt that Madam Brundtland is a very diplomatic person, and it is well known that in diplomacy, one gets further by buttering up the people one is trying to get something from than by condemning them. She is being very diplomatic.

Madam Brundtland should not be treated as being quite separate from the New Democratic Party. She herself is a social democrat and is head of the Labour Party of Norway. I am pleased to see a woman, feminist, socialist and environmentalist in that high office.

The proof of the pudding is in the eating. I hope the Minister will explain to the Canadian people why, under the trade deal, there was not one study, not one SAGIT which looked at this matter. I quoted the Brundtland report directly where it said that we must move to different uses of energy. Yet the Minister of Energy, Mines and Resources, the Minister's colleague, is adamant that using fossil fuels, oil and gas, the non-renewable energy sources, is the path the Government is directed to. That is an absolute contradiction and I am surprised that the Minister cannot see that.

Mr. Caccia: Mr. Speaker, in congratulating the Hon. Member on her fine speech, I would like to ask her if she would expand and elaborate on the question of energy and the trade agreement. She did already touch on it, but I am curious about her thoughts on what the long-term environmental implications are of the trade agreement as it affects energy export. I would like to know of other thoughts she might have on this subject.

Ms. McDonald: Mr. Speaker, I welcome that question because it is the energy aspects of the trade deal which are so attractive to the Americans. They have a desire to have access to our non-renewable energy sources, and this deal gives them that unfettered access. If we need to cut back because of some kind of crisis like an oil crisis, which has happened in the past, we will still have to continue supplying the American markets proportionately.

The American market is an enormous market. Americans are very high energy users, as are Canadians. We use 80 times the energy per capita of people in Third World countries, for example. There is no incentive in this deal for us to explore other energy options, to make better use of our energy, to get more out of less, a very, very important aspect of the Brundtland report. That is something we are trying to do in manufacturing, for example, producing more with less use of natural resources.

• (1210)

The continental energy approach is absolutely foolish and suicidal. It goes completely against the thrust of the Brundtland Commission report, which is that we have obligations to future generations. In the case of non-renewable resources, there is simply no opportunity for that undertaking to be respected. The material will be gone and we will even have given up the opportunity of obtaining the spin-off jobs in manufacturing. We have documents given to Ministers which show that non-renewable energy resources are still treated as a surplus in the mistaken mentality of the Government. We have too much of a supply so we have to get access.

I did not mention uranium in my speech, but certainly that is another very important area where the Government wants to ensure Canadian access to the American market. Yet we have no means for disposal of high level radioactive wastes. We have no adequate means of disposal of low level mine tailings. The Minister's department is aware of the concerns, yet there is no action on these wastes, and the prospect is for increased mining of uranium. We are already the world's largest producer and exporter. We even export to France, which is still conducting atmospheric testing of nuclear bombs. It is absolutely unconscionable that we should be involved in that.

The Government's concern is that we have to keep selling more. It welcomes the trade agreement with the U.S. as an opportunity to ensure access to that market. It approaches this issue strictly as a market matter. Yet what will it cost to clean up? If the Government looked at the Brundtland Commission report it would not say, "We can make some money selling uranium to the Americans and French". It would look at the cost of clean-up. Who is going to pay those costs through cancer deaths and birth defects and so on? It is the young people and their children who are going to have to pay the penalty for this very mistaken policy of our present Government.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, all too often Parliament descends to exaggerated rhetoric and intemperate partisanship. The environment is a field in which neither tone is appropriate. The stakes are simply too high given the extent to which the human race is trashing the planet's life support systems, the air we breathe, the water we drink, the soil that produces our food. What is at issue here for all of us is nothing less than survival. We owe our children and future generations not rhetoric or partisanship but the healthiest possible environment in which to live. Yet this NDP motion is not designed to shed light on the subject. It is designed to discredit genuine efforts to improve the environment.

Nevertheless, Sir, I welcome this occasion to detail the record of the current federal Government in the environmental field. I do so not to score cheap political points but to celebrate a genuine partnership that the federal Government is forging with the provinces, industry, environmental groups, labour, and others committed to environmental protection. Much remains to be done and this Government is committed to doing it in concert with our partners.

I think nothing is achieved by denying credit where credit is due. Yet that is what the NDP motion before us does as a substitute for its Party policy. Any non-partisan observer would concede that more has been done to protect the natural environment at the national level over the last three and a half years than during any previous comparable period. The record, unadorned by rhetoric and unembellished by partisanship, speaks for itself. Allow me to put the Government's achievements on the record.

When appointed Minister of the Environment in August, 1985, I said that acid rain was this country's most serious environmental problem. No one can deny that our Government has delivered on its commitment to reduce acid rain-causing emissions from Canadian sources. Last month in Halifax I signed, on behalf of the Government and people of Canada, the last of seven legally binding federal-provincial accords. Together, the accords constitute the most ambitious joint government pollution control program ever launched in Canada. By 1994, the eight-Government pact will slash industry and utility sulphur dioxide emissions by 50 per cent, a remarkable demonstration of national will. The federal Government has committed $150 million to abate acid rain emissions at source, and a further $150 million to advance the technology and research required for the task.

At the same time, we have introduced the toughest national measures in the world to control nitrogen oxide emissions from motor vehicles. Last September, allowable emissions from cars and light-duty trucks were cut by over 60 per cent. In December of this year, allowable emissions from heavy-duty vehicles will be cut by 50 per cent. We are the first country in the world to introduce such tough NOx controls. Our vehicles will now be up to six times cleaner than those of Europe.

Sir, not content to put only our house in order, we have been eager to provide world leadership on the issue. It was, after all, this Government that signed the Helsinki Agreement which committed each signatory country to reduce sulphur dioxide emissions by 30 per cent, a subject in which my friend, the Hon. Member for Davenport (Mr. Caccia), has such a keen interest.

Opposition Parties can rail against our Government for not yet achieving an agreement with the U.S. to cut the flow of acid rain across the borders of our two countries, but they ignore several facts. First, no previous Canadian Government was able to achieve an acid rain accord with the U.S., either. Success continues to elude acid rain control champions within the U.S. itself.

Second, no previous Canadian Government has given the issue a higher priority than we have. Unlike the Trudeau Government, we have not merely moralized about the issue. We have acted. Witness the strong domestic control program mentioned earlier.

Third, we intend to accelerate our efforts to achieve an acid rain agreement with the U.S. Whether or not we succeed, the Government of Canada cannot be held accountable for the record of another sovereign country in this or any other area of public policy, however much our own environment may be affected. By attacking the Canadian Government on this score, the NDP's motion is as naive as it is unfair.

If acid rain is this country's top environmental problem, and I think it is, toxic chemicals vie for that distinction. Accordingly, our Government has acted to stem the flow of toxics into our environment. A major instrument for doing so is the Canadian Environmental Protection Act, now awaiting action by Parliament at the last stages of debate. The law will consolidate much of the legislative authority of the Minister of the Environment. It will provide a framework to co-ordinate federal and provincial environmental laws. It will manage toxic chemicals through their full life cycle, from research and development to production and entry into the market-place, from transport right through to final disposal as waste. It will also create mechanisms to regulate pollution from the federal Government itself.

• (1220)

The Bill contains the toughest sanctions against polluters ever enshrined in Canadian environmental law, including $1-million-a-day fines and jail terms for corporate offenders.

A panel of top flight environmentalists is already working on a list of priority chemicals so that the law will be ready to be acted upon and enforced immediately upon royal assent.

Toward the same goal, a tough enforcement and compliance program has been devised, and the Government has approved $37 million in new money to apply the law.

While awaiting passage of the Canadian Environmental Protection Act, the Government is using existing instruments to act on specific pollution problems across the country, focusing in particular on toxic chemical hot spots. A case in point is the $34 million Sydney tar ponds excavation, the biggest of its kind in the history of Canada and the second biggest ever undertaken anywhere in the world.

The clean-up of the Windermere Basin in Hamilton harbour is another example. Such pollution measures are not being taken in a vacuum, but rather in the context of the federal water policy which we released just before Christmas. The policy covers everything from large scale water exports and major water diversion projects, which we have banned, to realistic water pricing, which we have championed.

In the same context, we have updated and fortified the Canada-U.S. Great Lakes Water Quality Agreement in concert with the U.S. Government. Such environmental watchdogs as Great Lakes United, referred to already in this debate, have helped ensure that the new agreement is as comprehensive as it is tough. For the first time, the agreement now covers all sources of Great Lakes pollution and establishes accountability mechanisms to make sure that specific reduction targets and schedules are actually met.

None of our Great Lakes targets and schedules is more pressing than those written right into the landmark accord signed last year by the Government of Canada with the Governments of the United States, New York State and Ontario. It will reduce toxic loadings into the Niagara by 50 per cent by 1996, the first time the four jurisdictions have ever been able to agree on a specific pollution abatement program for a river that provides drinking water for 4.5 million Canadians.

The Government of Canada is taking the same approach to pollution that threatens the other half of the Great Lakes Basin, the St. Lawrence River. I have been negotiating with my opposite number, Clifford Lincoln, Quebec's Minister of Environment, on a plan to mobilize resources from both Governments. The plan has not yet been completed because it takes time to correct years of neglect and indifference under previous Governments.

However, the St. Lawrence River is a priority of the federal Government, a priority of mine and of my department. If it is a priority of the NDP, as the motion suggests, it is news to everyone in this House and probably to everyone else in Canada, from one coast to the other. To my knowledge, the NDP has never before raised this issue in the House. Certainly, it has never asked me a single question in Oral Question Period on the clean-up of the St. Lawrence River.

Strong as the Government's pollution control program is, I believe future generations will remember the current Government's first mandate, in the environmental sphere, for the leadership it has provided on national parks. From 1972, when the Liberals were in power, until the time we were elected in September, 1984, not a single new national park was established. It was "the dark age" as far as parks were concerned, in the words of one large national environmental group.

Since then the Government has established four new national parks, including Pacific Rim in British Columbia, which we completed only this past week by paying off the $28 million debt for forest lands owed to the Province of British Columbia by the previous Government for 17 years.

The other three new parks are South Moresby, also in British Columbia, at Ellesmere Island in the high Arctic, and at the Bruce Peninsula in Ontario, the country's first ever national marine park under our recently released national marine park policy.

I hope that in the next year national parks will be created in the Saguenay in Quebec, in the prairie grasslands of Saskatchewan, and at Banks Island in the far North. I will be proposing such parks to my cabinet colleagues.

The amendments Cabinet has already approved to the National Parks Act constitute the first overhaul of that law since it was passed more than a half century ago. Those amendments will ensure that all parks, existing parks and ones

yet to be established, will be managed by standards that can better conserve rich ecological features while enhancing opportunities for people to appreciate and enjoy them.

Our stress on conservation includes the built heritage, an area almost totally neglected by previous Canadian Governments. The federal-provincial cost sharing agreement to restore historic sites and properties of national significance received a major infusion of new money. By the end of March we will have signed agreements to restore three major landmarks this year alone. They are George Brown House in Toronto, City Market in Saint John, and St. Paul's Anglican Church in Halifax. This is not to mention our cash contribution to the new Marconi Exhibition Centre in Glace Bay, to which the Italian community has also contributed generously.

To prevent the federal Government itself from destroying the country's precious built heritage, new internal mechanisms have been engineered. The approach involves a national registry and tough Treasury Board requirements.

There is another form of heritage that is vital to our country—it is wildlife. Our major priority in this area is the North American Waterfowl Management Plan, a $1.5 billion-15-year program to reverse declining populations in Canada and the United States. The combined contribution within Canada from all sources, including the federal Government, will be $250 million over the course of the program.

I was honoured to sign the plan with the United States Secretary of the Interior, Donald Hodel, in May, 1986. Mr. Hodel and I signed another important bi-national wildlife management plan last summer to protect the 180,000-head porcupine caribou herd in the Yukon-Alaska Range.

As well, this past year Canada established two new national wildlife areas, Polar Bear Pass on Bathurst Island in Northwest Territories and Last Mountain Lake in Saskatchewan.

Equally significant, 11 new RAMSAR sites were designated for wetland protection, bringing Canada's total to 17. That is more than any other country in the world.

With the World Wildlife Fund, Canada has launched two important initiatives. One is the endangered species recovery fund, to which we committed $1 million. The second is the wildlife toxicology Fund, now completing its third successful year after receiving to date $3 million of federal funding. Wildlife will also gain from the money that Cabinet has added to my Department's budget for pesticides management, $16 million over the next five years.

• (1230)

This Government has been among the strongest supporters of the United Nations' World Commission on Environment and Development, the Brundtland Commission, which was referred to earlier in the debate. What is more, we are practising the Brundtland ethic, the sustainable development ethic, by integrating economic and environmental decisions through both programs and funding arrangements.

Prime Minister Brundtland herself, as I pointed out earlier in my question to the Hon. Member for Broadview—Greenwood (Ms. McDonald), has singled out Canada as a world leader in implementing the report's recommendations. One of our key responses has been to launch a reform of the federal environment assessment and review process. In the same spirit, we hosted the international conference on ozone depletion, which produced the historic Montreal Protocol last September. That protocol, which constitutes the first-ever global treaty on the atmosphere, will reduce ozone-depleting chemicals by at least 50 per cent by 1999.

We are not simply preaching the Brundtland ethic. We are putting it into practice. We are weaving the Brundtland ethic into the very fabric of our decision-making and our funding.

We will also be hosting the most important international conference ever held on global atmospheric pollution problems at Toronto in late June. The Montreal conference on ozone depletion, and now a broader conference in Toronto at the end of June, dealing with the whole range of atmospheric pollution problems from Arctic haze to the greenhouse effect, to acid rain, to ozone depletion itself, reflect our Government's leadership towards an international law of the air.

Canada is providing leadership right around the globe, bringing nations together at major conferences, mobilizing policy-makers, experts and others, to see whether we can deal with all of these individual problems in a broader context in the form of what I have called an international law of the air, and we are making real progress towards that end.

My speaking time is running out so I cannot put on the record the many other significant accomplishments of the Government. Other government speakers throughout the debate will have to deal with such measures as our anti-leaded gasoline campaign, which will outlaw lead in gasoline by the end of December, 1992. By 1990, about 90 per cent of lead in gasoline will be removed. We have eliminated altogether the disparity in excise taxes on leaded and unleaded gasoline which favoured the more polluting form.

We have undertaken a public information and awareness campaign to sensitize people to the dangers to their own health and to the natural environment posed by misfueling and by tampering with anti-pollution devices. All of these things and others could be mentioned, such as the pivotal role the federal Government played on the National Task Force on the Environment and Economy. These are a credit to this Government and to the country as a whole in the environmental field. I know the speakers who follow me will be detailing them.

For my part, permit me to conclude on this one note. The Government, of which I am proud to be a member, has spent more money on the environment than any previous Canadian Governments. When all the Supplementary Estimates are in for the current fiscal year, those for my own Department and for other departments of the federal Government which are investing heavily in environmental areas under the direction of my Department, the record will speak for itself. But we are

neither complacent nor finished with the job. I urge the New Democratic Party, instead of coming into the House with motions that shroud its own lack of policy, to join us, and I urge other opposition Members to join us in meeting the challenges that remain ahead.

Ms. McDonald: Mr. Speaker, I do have some questions to put to the Minister. I know he had to pad out his address today with a whole lot of subjects that were not in my motion. certainly, I welcome the agreement on the caribou herd in the Porcupine area and the historical sites and things of that sort. However, it is because the Minister did not have enough good things to say about concrete action to get rid of toxic wastes that he went on to these other subjects.

My questions very specifically are, first, this Minister in the area of acid rain is on record as saying that an acid rain agreement with the States would be the litmus test of this Government's ability to negotiate with the Americans. Would he agree that so far his Government has failed the litmus test?

The Minister referred to water policy in his remarks. It is not a statute, it is only a policy. Will he be bringing in legislation? Specifically, will he bring in federal legislation to have drinking water standards, not mere guidelines, but standards for federal lands, including Indian reserves? Is it indeed true that the federal Government does not want to do this because it knows that the quality of the drinking water on so many Indian reserves is abominable and would fail any reasonable standards?

The Minister mentioned a number of bits and pieces of a strategic plan in his own Department. Is it not true that his own Department has abandoned having a strategic plan on the environment? Something I raised in my remarks that the Minister did not address was the subject of toxic wastes. Will the serious subject of removal of toxic wastes, actual excavation and containment in the Hyde Park site, be on the agenda for the summit meeting with President Reagan, or will any of the other toxic waste sites be on the agenda?

I would really like the Minister to address the question of a very important matter in the Brundtland Commission report, that is, the greenhouse effect, the possibility of really major climate changes from many sources, but particularly from the burning of fossil fuels. Has his Department really looked seriously at this problem and does it have any idea as to what the long-term consequences will be of this continued policy of focusing on fossil fuels for our energy?

Mr. McMillan: Mr. Speaker, I have just spoken on the Hon. Member's motion for the past 20 minutes. I would probably need an hour to respond to the half a dozen questions she has put to me, any one of which would probably take longer than the time we have for the entire question period associated with my speech.

The Hon. Member says I padded my speech with references to the Government's record in areas outside her motion. Her motion reads:

> That this House condemns the Government for its failure to act on urgent environmental issues, especially its failure to—

It then cites a few issues, by way of example. Does that imply that the very items to which she referred in her question, and which she has lambasted me for including in my speech, are not priorities of the New Democratic Party? Are such things as the North American Waterfowl Management Plan, the declining populations of waterfowl, especially in western Canada, not a priority of the NDP? Does she imply that the NDP is not interested in the built heritage? I thought the Hon. Member was a spokesperson for the NDP on cultural matters a while ago. What could be more important to the culture of the country than the built environment in which we live and work, the physical expressions of the heart and soul of this country as reflected in our buildings and other cultural sites for which I, as Minister, am responsible? I think I can refer with some pride, on behalf of the Government as a whole, to the things we have done with the provinces and with heritage groups across the land, in this field.

The Hon. Member lambastes me for including a reference to national parks in my speech. I can see why the Opposition would not want a Minister of the Crown to refer to the federal Government's record in this field. It is exemplary. But we are not self-satisfied. We are not content. Over the course of many years we have managed, as a country, to complete only half of the total national park system. As I said earlier, during the 14 years prior to our coming into power, not a single new national park was established. How can Canada complete the national park system if, for a decade and a half of Liberal administration, not a single new national park was created? Someone will have to redress that imbalance. If we do not do it as a genuine Conservative Government, as a conservation Government, then no one will do it, at least not with the priority we attach to it.

• (1240)

The Hon. Member asks me about our water policy, the national water policy, the first-ever water policy brought down by the Government of Canada. It includes the full range of issues such as water exports, interbasin diversions, pesticides, toxic chemical controls and all such issues. She went on to ask me whether we will back it up with legislation. We already have the legislative authority. What has been lacking under previous Governments has been the will to take those legal instruments and use them. We are exercising that political will, and we are using the available instruments.

The Hon. Member refers to the excavation of the Great Lakes sites, the so-called hot spots such as Love Canal, Hyde Park, S Site, 102nd Street, and so on. Those hot spots, those industrial waste sites, are included now in the agreement itself, thanks to the broadening of the Canada Great Lakes Water Quality Agreement. We are taking an ecosystem approach. We are not concentrating only on this site, that problem or this hot spot or another. We are saying that any assault on the Great Lakes system is a candidate for action by the Government of Canada with our partners, including the Government

of Ontario. All sources, among them the sites to which she has made reference, are now included in the agreement.

With respect to acid rain, no previous Government has attached the kind of importance that we have to solving this issue, both domestically and with the United States. In previous years, the policy of the Party of the Hon. Member and that of the Party of the Hon. Member for Davenport (Mr. Caccia) was simply to go down to Washington, lambaste the Americans, bang one's head on the desk, moralize, fingerpoint and all the rest of it. But we did not have the clean hands that brought to the negotiating table the kind of credibility and moral authority that made us effective. We now have those clean hands.

We are saying to the Americans, "Look, we have cleaned up our act. We are reducing by 50 per cent by 1994, based on 1980 figures, acid rain-causing emissions from industry and from utilities. We are spending half a billion dollars a year, and we will be doing so for every year up until 1994 when our progress will have been made".

In fact, by fortifying our case in that fashion we can hold our head high. We can point the finger and say to our American counterparts, "You do the same. You follow suit. Fifty per cent of our acid rain is from your country". In areas such as the Haliburton area of Ontario and Parry Sound—Muskoka, the percentage is closer to 75 per cent.

We can go to the Americans. We can point a finger. We can lecture them on their problems. We can call for a targeted and scheduled approach to acid rain because we have taken exactly that approach within our own country.

Mr. Deputy Speaker: I recognize the Hon. Member for Davenport on a short question or comment.

Mr. Caccia: Mr. Speaker, I would like to ask the Minister a brief question which goes back to the exchange in the Standing Committee on Environment and Forestry within the context of the Brundtland report and the report on the economy and the environment. I asked the Minister whether on free trade he would have any study that would be launched that would be relevant to the negotiations that were taking place at that time. At that time the Minister replied stating that the free trade negotiations and environmental questions are separate and that they should not be linked.

Would the Minister like to elaborate on the answer that he gave in light of the experience he has had since November, 1986?

Mr. McMillan: Mr. Speaker, one of the myths associated with the free trade debate, perpetuated on the floor today by some of the earlier comments of opposition Members, is that Canadians will lose their environment and their capacity to take steps to protect the environment on the high altar of free trade. Nothing could be further from the truth. Implied in the myth is that American environmental standards are much lower than those in Canada and that the free trade agreement will harmonize the environmental regimes of the two countries in favour of the lower standard, which is American.

First, there will not be any such harmonization. We could not do it even if we wanted to, and we do not. Laws in both countries, in states and in provinces and at the national level on both sides of the border, have developed in response to particular problems on either side of the border that are indigenous to the area in which the laws are being enforced. We could not have continent-wide environmental standards any more than we could have continent-wide laws. They have to be born of the culture, the geography, the climate and the other circumstances of the jurisdiction in question.

Even if there were to be such a harmonization, and there will not be under free trade or under anything else, the fact remains that it is not true that American standards in every case, or even in most cases, are weaker than those in Canada. For example, when our Government was elected in September of 1984, NOx emissions, about which the Hon. Member for Broadview—Greenwood waxed so eloquent, were three times more stringent in the United States than in Canada. But, because of action by this Government, the NOx emission standards for heavy-duty motor vehicles are currently the strongest in the world. That was accomplished at a time when the same Government of Canada was negotiating an acid rain agreement with the United States.

Given the federal Government's record that I have detailed on the floor of the House of Commons in the environmental field over the past three and a half years, where is the evidence that our efforts toward free trade have in any way circumvented our capacity to act on environmental matters? It has not. We have acted.

[*Translation*]

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I want to congratulate the mover of this motion, for it is very well drafted and timely. We are also very glad to take part in this debate.

At the same time, I should like to emphasize the fact that, on behalf of our party, the Hon. Member for Saint-Jacques (Mr. Guilbault) will participate in this debate and deal quite eloquently with the environmental issues concerning the St. Lawrence River and the Province of Quebec, focusing on the situation of the St. Lawrence River.

Later this afternoon, Mr. Speaker, the Hon. Member for Cochrane—Superior (Mr. Penner) will present the views of our party on the environmental vision of Western Canada.

The motion is well drafted, and as I said, I congratulate the Hon. Member for Broadview—Greenwood (Mrs. McDonald).

[*English*]

The debate is very timely. It lends itself to a variety of inputs. Half an hour ago the Minister of the Environment (Mr. McMillan) chastised the NDP for having written such a motion. He claimed that in Parliament we were descending to

excessive rhetoric and partisanship. To my astonishment he then launched himself indulgently into an orgy of rhetoric and a very amusing display of selective memory bouts, which must be excused considering the partisan nature of this place. But they were amusing in contrast with the warnings on the part of the Minister that we should not have excesses of rhetoric in this place. I wonder if we have here an example of preaching in one way and practising in another.

I will give the House an example of this type of selective memory bout of the Minister a few moments ago. The 1985 Helsinki Protocol, of course, was signed in 1985. It was made possible by actions taken by the Government of Canada long before the Minister was appointed to Cabinet, and long before the Government was elected.

• (1250)

I will refer to the notion of national parks by refreshing the Minister's memory as to the fact that the vast majority of national parks in Canada were created by successive Liberal Governments. I would also refresh the Minister's memory as to the fact that NOx, on which he waxed eloquently a few moments ago, the public consultations and those measures were launched in 1984. The reality of political life being what it is, it allows the Progressive Conservative Party to reap the political benefits, and that is only fair game. It is only this indulging that is rather peculiar.

Whenever the Conservative Government brought to a conclusion Liberal initiatives that were launched before it was elected, it did reasonably well, and when it departed, it did badly. There is the classic example of abandoning Canada's global role on acid rain. The Conservative Government found enough energy to drag itself to Helsinki and sign the protocol, but in all fairness, since that time there has not been leadership given by the Government on acid rain, on SO2 cuts, or on NOx. We learned from Geneva last month on the cutting of car emissions and pursuit of an international protocol that would serve Canada well that the Government is taking its cues from the United States, which is not a sign of great leadership, at least these days.

We have to move ahead in this debate and abandon an approach of exchanges of this nature, but I think it adds to the cut and thrust of the debate for the moment, and I am sure that nobody minds that. Actually, it is good to weave notions that are raised in the course of the debate rather than to start from a prepared text which has little relevance to what has been said before.

I was struck by the intervention of the Hon. Member for Broadview—Greenwood (Ms. McDonald) and by the motion. It seems to me that it hits on the major points with which the Canadian public is presently preoccupied, and with which the Government ought to be preoccupied.

The fact of the matter is, and I wish to tackle the first item in the motion, that on acid rain, that after three summits, and three and a half years later, we have nothing to point at. The Government made some serious tactical mistakes in embracing the envoy's report. At that time, the answer of the Government should have been to say that, if the United States wished to conduct its clean-coal technology programs, that is fine. It was announced as a $5 billion program. But we Canadians want the United States to sign an agreement. That is what we want. That message was lost. It was not registered. I know that in January, 1987, for the first time the Minister spoke of a specific negotiation identifying the 4 million tonnes of pollution that crosses the border, but he was alone in that. He was not supported by the Prime Minister (Mr. Mulroney). The Prime Minister got lost in the summits. Three have been held, we are at the eve of a fourth, and somehow we have been sidetracked by the novelty of the clean-coal technology program. What has been spent so far under the auspices of that particular program is $50 million in 1988. That is the extent of the money that has been invested under that particular heading, which raised enormous expectations among Canadians, and which in 1986 was heralded as a substantial breakthrough.

In a few weeks there will be the fourth summit in Washington. Inevitably, the words expressed in this Chamber by President Reagan that he will consider acid rain must be followed up by the Prime Minister. On that score, I once again urge the Minister of the Environment and the Cabinet to prepare the elements for a bill for damage suffered in Canada from acid rain emissions and pollution that comes across the border. Every year this sum is a substantial one to cover damage to monuments, structures, fisheries, forestry, agriculture, and even to human health. We have now reached a point, without having to be strident, without losing our patience, when we must talk the language that is well understood in Washington, which is the language of damage.

As I have pointed out to the Secretary of State for External Affairs (Mr. Clark)—but not to the Minister, unfortunately, because when I asked my questions we have not been in the House at the same time, not because of neglect on his part, of course, but because of the day of the week—this matter has to be pursued in economic and monetary terms. We are being damaged. We are downwind from that damage. We have launched a program with a very important set of signatures between the Government of Canada and seven provinces, to which the Minister alluded. Again, this initiative goes back to the time long before this Government was elected. Now we are launching something that will benefit the American economy. It is only fair, if Washington does not reciprocate with a similar parallel program that will provide relief to our natural resources and to our economy, that it should compensate Canada for the yearly damage suffered as a result of transboundary pollution of sulphur dioxide.

In pursuing the question of toxic chemicals in the Great Lakes, there have been many good statements made by the Government and by the Minister, in particular, but little action. The problem is that the Government mercilessly cut the budget of the Canadian Wildlife Service with the Wilson statement of November, 1984. The Canadian Wildlife Service

is engaged in a very delicate and important role in establishing toxic chemicals in the Great Lakes. Despite the fine statements, the Government eliminated from the plans and the programs of Ottawa the creation of a Toxicology Centre in Ontario. Those two factors alone are bad enough, but they are made worse by the performance of the Government in relation to the budget of Environment Canada. The performance of the Government in relation to that budget is, to borrow a phrase used earlier, the litmus test of the real intent of the Government in the environment.

No matter how many letters the Minister of the Environment writes to the *Toronto Star* outlining the $106 million that may be spent over the next eight years on South Moresby to create a park, no matter whether the Minister makes reference to the $150 million—in 1982 dollars, which should tell one when that decision was made—that will be spent over the next 10 years on acid rain abatement technology, as the Minister mentioned a moment ago in the debate, the fact remains that this year that Department is the loser in the budget allocation. It does not even keep pace with the rate of inflation.

• (1300)

If we total, as I have on several occasions in committee for the benefit of the Minister, the losses due to inflation year after year since 1984 when the Government came into power, we find a substantial loss of over 17 per cent or an amount in the neighbourhood of $70 million over the last 3.5 years to 4 years. This has resulted in losses in personnel to the tune of some 336 individuals, be they scientists, technicians, or support people. This 17 per cent loss has resulted in a reduction in the capacity of Environment Canada to pursue programs, to amplify its programs, to amplify its research, and to do the very things which the Government claims that it wants to do.

This is why the accusation is made, quite rightly, that there has been a lot of cosmetics. Public relations on the part of the Government have been pretty good. They have tended to create an impression of action but they have not been substantiated or supported by fact, and the budget of Environment Canada is proof of it.

For the Minister to claim the $150 million which will be spent over 10 years by the Department of Regional Industrial Expansion, or the $106 million on South Moresby, is another exercise in smoke and mirrors. Canadians will see through it, if they have not already done so, and will give a message to the Minister. They are enormously frustrated by the silence of the Government in relation to the call which has been made many times by the Canadian Federation of Municipalities, asking for help in the construction of badly needed infrastructure related mostly to water. There is a phenomenal backlog, and the Government has been saying "no" to the municipalities. At the same time as the Minister points his finger to problems in the St. Lawrence and in some cities, the federal Government disappears into a beautiful cosmetic cloud. As I said, this creates impressions.

The Minister made a reference to CEPA, a piece of legislation that has been in the works for some time. It is a good step in the right direction. The problem with the Bill is the Minister himself. It is the classical case of the mouse that roared. An enormous smoke-screen was created, indicating that the Bill would clean up the St. Clair River and the Niagara River, that it would deliver miracles. The fact of the matter is that the content of the Bill, as approved by the Conservative majority on the committee, is weaker than originally promised. All the things the Bill would not do would be the subject of another 20-minute speech. The money allocation behind CEPA—and here we have another Achilles heel—amounts to $37 million over five years, divided by three departments. Once we analyse it we see that the allocation of funds behind the Bill is pretty weak.

The Great Lakes Water Quality Agreement was re-signed, and no doubt the wording was improved. However, where is the political will to implement it? Again I make reference to the fact that the Minister has not been able to command the funds needed to do the job which he promised that he wanted to do. We have not seen, up until now, an indication by the Government that it will implement the Great Lakes Water Quality Agreement. Not one specific step has been funded since the signing of the new agreement.

The much heralded Niagara work plan is already behind schedule. One reason given is that the Government of Canada is one of the primary culprits in not providing adequate resources or the people needed to do the job. Again, action is missing, but there is much rhetoric, and the gap is becoming greater and greater.

The Quebec Government has announced a $3 billion clean-up scheme along the St. Lawrence River and has been knocking at the door of the Government for some help, for it to match that sum or at least come up with some funds. So far the answer has been "no". We have Quebec at $3 billion and the Government of Canada at zero.

In addition to the budgetary deficiencies of the Government and the losses due to inflation, other very important considerations must be made, namely, the fact—and this was proven in the exchange a few minutes ago—that the Government has completely missed the importance of the impact in the long term on the environment of the free trade negotiations and agreement.

During the negotiations we asked in the House whether or not studies were being conducted on the environmental impact of the free trade agreement, and the answers were negative. I raised the matter in committee and received the answer that I quoted in the exchange with the Minister a few minutes ago. It is astonishing that conceptually the Government would not be capable of putting two and two together. In committee on November 25, 1986—and I quote from the committee proceedings—the Minister said: "Freer trade negotiations and environmental questions are separate and they should not be linked". My goodness. Has the Minister read the chapter on

pesticides in the free trade agreement? They are linked. Has the Minister read the section dealing with the energy agreement? The linkage is there, and unfortunately it is massive. Therefore, the depth of commitment of the Government to the environment is shallow and superficial when we match it with the policy that it is implementing.

One must register in a debate like this one the necessity for the Government to come to its senses and see that the trade agreement will also impinge on the ability of the Government and future Governments to pass and enforce regulations protecting the environment which may be stronger than those south of the border. In future there could be Canadian industries making representations to the Canadian Government of the day asking to be relieved or asking for weaker regulations. They could claim that they need weaker legislation in order to compete with the same industries south of the border which may not be under environmental regimes at all or may be under weaker ones.

I catch your signal, Mr. Speaker, and therefore I reluctantly relinquish the floor. I thank you for your patience.

Mr. Deputy Speaker: On questions and comments I will recognize the Hon. Minister first, followed by the Hon. Member for Broadview—Greenwood (Ms. McDonald).

Mr. McMillan: Mr. Speaker, when all is said and done, the three Parties in the House of Commons probably see eye to eye on what are the major problems in the environmental field in Canada. If the truth be known, I doubt that much separates us on how we approach the different problems on which we are agreed.

What counts is whether a Government acts when it has an opportunity to act. In my speech I detailed, with some substantial documentation, how in a very short time we have acted in the environmental field, without implying that all the problems are resolved or that there was any cause for complacency. There is not.

One of the most important issues with which the three Parties must wrestle is the call of the Brundtland Commission to integrate economic and environmental decision making.

• (1310)

I have a question for the Hon. Member for Davenport (Mr. Caccia), who was the former Minister of the Environment. How does he reconcile what seems to be an inherent contradiction in the position of his Party on the subject? On the one hand, the Member embraces the Brundtland ethic that we should integrate environmental and economic decision-making and weave such an integration into the very fabric of everything we do. You cannot just embrace an ideology or a doctrine or a theology. In government, your position has to be reflected in mechanisms and budgetary figures. On the other hand, the Member lambastes the Government because many of our environmental expenditures are in the name of the Brundtland ethic outside the Department of the Environment but within the federal system under the leadership of the Department of the Environment. The Sydney Tar Ponds is a $37 million clean up, of which 70 per cent is from the federal Treasury through the budget of the Department of Regional Industrial Expansion. In this case the figures did get reflected in my Department's budget, but in other cases, they did not. Fifty per cent of the $106 million that will be spent by the federal Government on South Moresby does not come from my Department. It will not be reflected in my Estimates but will appear instead in the Estimates of the Minister responsible for western diversification.

The same is true of the acid rain program. There is $150 million for abatement and $150 million for clean-coal technology and for other research and development projects for acid rain. Those are environmental expenditures. They are no less so because they are recorded in the budgets of other departments. When the Member from Davenport totals what our Government has spent in the environmental field, he ignores literally tens of millions of dollars merely because they are outside the Main or Supplementary Estimates of the Department of the Environment. How does the Member reconcile that contradiction, Mr. Speaker? If we are going to integrate the economy and the environment, it has to be reflected in our budgeting. Yet when we do reflect it, the Member dismisses out of hand the importance of such expenditures. There is an inherent contradiction there. Would he rise in the House today and reconcile the irreconcilable?

Mr. Caccia: Mr. Speaker, it seems to me that this is a desperate attempt on the part of the Minister to turn a disgrace into a virtue. He keeps trotting out the same two tired horses. One is the South Moresby $106 million expenditure over eight years, and the other one is the $150 million over 10 years, a technological item which is in another department. Beyond that the Minister is short of breath and has to rely heavily on rhetoric.

Here we have a Department that has lost 17 per cent to inflation since 1984.

Mr. McMillan: That is not true.

Mr. Caccia: We have checked it several times and I urge the Minister to use his arithmetic, which is probably as good as mine, and he will have to come to that conclusion if his Department is frank with him. Having lost 17 per cent, he has also lost, over the years, 336 employees, so-called person-years. That is quite an important loss, I submit. Unless the Minister can tell us whether these 336 technicians, scientists and support people have emerged in other departments, we have to conclude that the 336 have been lost. At the same time—and this is something on which the Minister may want to reflect—Environment Canada is receiving a budget increase of 3.6 per cent, but the average government increases have gone up across the board by 8 per cent. What about this one? The budget for National Defence is going up by 8.3 per cent. If you look at the National Defence's basic budget, an increase of 8.3 per cent means an increase of $800 million, which is more than

the present budget of Environment Canada. The increase to one department this year entails a sum which is greater than what Environment Canada will receive this year. Maybe there are environmental measures in the Department of National Defence. I would like to hear the Minister give us some examples.

I will give him another example. The Department of Communications' budget went up by 11 per cent. Maybe there are environmental measures in there. Perhaps the Minister could let us know. What about the Department of Finance? Its budget went up by 13.5 per cent this year. Could the Minister tell us more about environmentalists in the Department of Finance who are carrying out environmental projects as a result of this increase?

The budget of the Department of Transport, even that old horse called the Department of Transport, is going up 7.5 per cent. Would the Minister tell us where the environmental initiatives and programs are that will be made possible by the increase of 7.5 per cent in the Department of Transport? Perhaps I will give the Minister a hint and thus be helpful. He should look perhaps at the Department of Agriculture. There the budget has gone up by 24 per cent. That isn't bad, is it? Maybe there are some environmental projects which the Minister can find, and I will be glad to hear from him. If the Minister is implementing the spirit of Brundtland, let the Minister make a statement in the House of Commons one of these days and tell us where in the Department of Agriculture the 24 per cent increase includes environmental measures.

I have another hint for the Minister. The budget of the Department of Fisheries and Oceans has gone up by 23 per cent. Maybe there is something there to help shore up the Minister's fragile political argument today here in the House. The fact remains that until the Minister comes up with the facts, his Department is at the bottom of the list, with an increase of 3.6 per cent, which is less than the inflation rate. Every pensioner in Canada knows what happens to you when you lose ground to inflation.

Ms. McDonald: Mr. Speaker, I welcome the intervention by the Hon. Member for Davenport (Mr. Caccia). Certainly his correcting the record on the budget is helpful. It is important to look at cost of living increases and what is happening in other government departments as well.

I have a couple of questions for the Member. He, of course, is a former environment Minister, and the present Minister was quite within his right to point out some of the failures of the previous Liberal Government.

I would like particularly to ask the Hon. Member to address the Brundtland report in the area of energy. Would he not consider that our reliance on fossil fuels does pose some problems? Is it not time to rethink that? His own Government was pretty lax when it came to looking at soft energy alternatives, renewable energy alternatives. There was some rhetoric, but in terms of firm commitments, budgets and action, it was really not very good. Would he consider himself challenged by the Brundtland report, effects on climate change, the greenhouse effect, reliance on fossil fuels?

Another major energy question I would like the Member to look at is that of uranium. His Government was very much involved in the development of uranium. That is an area in which we cannot do what the Brundtland Commission says and incorporate the full environmental costs into economic decision-making because we do not know what the costs are. We know they would be horrendously high.

Would the Hon. Member look at the question of uranium? How do we have sustainable development with a non-renewable resource and with an energy use, uranium, which has such an enormously long period of disposal time which has to be costed and paid for in the future? How does he respond to the Brundtland report in those areas?

Mr. Caccia: Mr. Speaker, the Hon. Member for Broadview—Greenwood (Ms. McDonald) has a consistent habit of raising difficult questions. I do not know whether I can do justice to them in a short time.

Of course there have been failures by previous Liberal Governments. We are all capable of that, even Liberals. I would like to stress something that clearly sticks in my mind because I happened to be in the House at the time. Maybe this precedes the time of the Hon. Member. The then Minister of Energy, the Hon. Alistair Gillespie, announced in 1978 a five-year program on renewable energy incentives, stimulants and you name it, of $400 million. It was to promote all forms of what at that time was termed solar and biomass technology and it was a substantial breakthrough, or so we thought at that time. When the five years were up, it was pretty close to election time and we were looking forward to having that torch carried by the present Government.

• (1320)

Unfortunately, the statement of the Minister of Finance (Mr. Wilson) of November of 1984 dashed our hopes. We have not seen any effort made on renewable energy through the NRC or other agencies ever since. As a matter of fact, two programs which were intended to conserve energy, CHIP and COSP, were eliminated in 1985.

The soft energy path and its objectives is a very relevant issue. Perhaps we should have done more, but certainly we did not neglect it. At that time, we did not know the name Brundtland. The theology had not yet emerged as clearly as it has now, but certainly anyone who links energy with environmental issues, as the Hon. Member frequently does, is putting the finger on the very core of what environmental safety for the globe is all about. That is where the major impact is made. It comes from energy, and we must watch those policies like hawks in addition to watching the policies of transport, agriculture and the like.

I do not want to say something that the Hon. Member knows already, but she may not know about the $400 million that was approved for the soft energy path in 1978 by the then Minister of Energy.

The other big question the Hon. Member raised on uranium as a source of energy and sustainable development is one that we have not been able to finalize in our thinking. We know that our dependence on nuclear electricity is actually increasing. We are faced here with an interesting dilemma because we know that in the short term electricity produced by nuclear energy is non-SO2 polluting. It does not contribute to acid rain.

It is actually a source of dismay to us when we learn that a nuclear station must be shut down for repairs and a coal-powered station must be activated in its place. We all know that that means additional SO2 pollution, at least in Ontario, by Ontario Hydro, as we have learned in recent weeks. But we know also that in the long term the uncertainty and the cost of disposal involved with uranium waste are enormous and are not properly taken into account by long-term decision-makers.

On that issue, we are ambivalent, or at least ambiguous. I do not have a final answer for that question because of this dichotomy and the conflict between the short and the long term. I would hope that we could accelerate as an alternative our research on fusion and come up sooner than predicted with the production of alternative energy that may be environmentally friendly though not nuclear for the benefit of generations to come.

Mr. Deputy Speaker: I am sure Hon. Members would give the choice to the Hon. Member to either begin his speech now or to begin it after Question Period. It is up to the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) to decide.

Mr. Manly: Mr. Speaker, I would prefer to begin after Question Period.

Mr. Deputy Speaker: Is there unanimous consent, therefore, to call it 1.25?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: It being 1.25 p.m., I do now leave the chair until 2 p.m. this day.

At 1.25 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

TRANSPORTATION OF DANGEROUS GOODS

WINDSOR RESIDENTS' OPPOSITION TO PROPOSAL

Hon. Herb Gray (Windsor West): Mr. Speaker, the people of the west side of Windsor, Ontario, are very concerned about a proposal by a company called BTI to move hazardous goods by trucks, some 30 an hour, through their community, over ordinary city streets, near their homes, apartments, schools and businesses, to a site on federal harbour land on the shore of the Detroit River where the trucks will be carried by barge to Detroit, Michigan.

The people of the west side of Windsor strongly oppose the proposal, as do I, because of the risks to their health and safety and the quality of life in their neighbourhood. Some 3,000 of them have signed a petition addressed to the Minister of Transport (Mr. Crosbie) opposing this proposal. Unfortunately, this petition cannot be tabled in the House because it does not meet technical requirements. I am therefore informing the House about this petition and presenting it directly to the Minister.

I urge the Government to respond to this petition within 45 days, as though it had been formally tabled here, and further, I urge that in its response the Government accept and agree with the well founded concern of the people of my community about this unfortunate truck-barge proposal.

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THE LATE HONOURABLE RICHARD A. BELL, P.C., Q.C.

Mr. David Daubney (Ottawa West): Mr. Speaker, I rise in sadness to record the passing over the weekend of a distinguished former Member of Parliament for Ottawa West, the Hon. Richard A. Bell, P.C., Q.C. Dick Bell gave over 50 years of devoted service to the Conservative Party and to Canada, beginning as Assistant Private Secretary to the Minister of National Revenue in the R. B. Bennett Government in June of 1934. He was for many years National Director of our Party, and perhaps as much as any one individual was responsible for keeping the party organization together during many years in opposition.

First elected to the House of Commons in 1957 in the old riding of Carleton, he became Minister of Citizenship and Immigration in the Diefenbaker Government.

A Bencher of the Law Society of Upper Canada and long-time member of the Ontario Law Reform Commission, Mr. Bell practised law in Ottawa, until his death, with the firm of Bell, Baker. The Baker in that firm was another outstanding member of this place, the late Walter Baker, former Deputy Prime Minister of Canada.

My condolences go to Mr. Bell's widow, Ruth, a distinguished Canadian in her own right, and to his daughter, Madam Justice Judith Oyen of the Supreme Court of Ontario.

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FISHERIES

LANDING OF FISH IN CANADA—CONSULTATION SOUGHT ON NEW REGULATIONS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, the fish processing industry must deplore the Conservative Government's decision meekly to accept the GATT panel ruling against Canadian regulations on the export of unprocessed fish. Even though the Government promised new regulations requiring that fish be landed and graded in Canada, this will not protect thousands of jobs in canning, freezing or salting the fish. At most, the Government has made it a little more difficult for Americans to take over our industry.

Why has it set January 1, 1989, as the date it will dismantle the present regulations? Why the rush when it does not yet have the alternative regulations in place? Before putting them in place there must be full consultation with the industry to minimize the damage.

For Canadian consumers an important and negative side effect of the regulations could be to prohibit direct sales from the fishing boat to the consumer. The companies will be more in control than ever. Working people and consumers will suffer.

* * *

TRADE

SOFTWOOD LUMBER EXPORTS—PAYMENT OF TAX BY SECONDARY MANUFACTURERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, federal cabinet Ministers from British Columbia, for reasons known only to themselves, continue to take actions which harm the interests of that province. On Friday I pointed out how the Minister of Fisheries and Oceans (Mr. Siddon), who is from British Columbia, mistreated the B.C. sports fishing industry. Today I want to describe how the Minister for International Trade (Miss Carney), also from British Columbia, has harmed secondary softwood lumber manufacturers.

We all remember the foolish decision of the Minister to impose a 15 per cent tax on softwood lumber exported to the United States instead of fighting the decision through GATT or before the U.S. Interstate Commerce Commission. That 15 per cent tax has now been incorporated as a permanent part of the Canada-U.S. Trade Agreement.

As if that were not bad enough, the Minister has forced 25 independent secondary softwood lumber manufacturers to pay the tax, while 20 other producers do not because they were certified for exemption. This blatant economic discrimination provoked by the Minister has cost those 25 Canadian firms millions of dollars. After more than a year of negotiations with the federal Government, those producers, known as the Coalition of Secondary Softwood Lumber Manufacturers, have been forced to take their own Government to the Federal Court of Canada.

If the Minister has any sense of fairness at all she will settle this case out of court and award compensation to those 25 Canadian producers who have been unfairly discriminated against as a result of the Minister's sheer incompetence.

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THE LATE HONOURABLE RICHARD A. BELL, P.C., Q.C.

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, the Hon. Richard Albert Bell, Privy Councillor, Queen's Counsel, Bachelor of Arts, LLD, quietly passed away at his home on Sunday.

He was first elected to the House of Commons in 1957 as the Member for Carleton, and re-elected in 1958, 1962 and 1965.

He was appointed Parliamentary Assistant to the Minister of Finance on August 20, 1957, and Parliamentary Secretary to the same Minister on November 19, 1959. He was sworn to the Privy Council and appointed Minister of Citizenship and Immigration on August 9, 1962.

During his lifetime Mr. Bell was a Bencher of the Law Society of Upper Canada, President of the County of Carleton Law Association, member of the Ontario Law Reform Commission, member of the Board of Governors of Carleton University, trustee of Queensway-Carleton Hospital, National Campaign Chairman of the Canadian Cancer Society, member of the Ontario Cancer Treatment and Research Foundation, and a member of the law firm of Bell, Baker, Oyen and Webber.

Richard Bell was a warm and generous person, a great lawyer, a great parliamentarian, a great Canadian, and a personal friend of Mrs. Tupper and myself. He reached out and touched many people during his life. He is survived by his wife Ruth and daughter Judith. I ask all parliamentarians to join with me this afternoon in extending our sympathy to Mrs. Bell and Judy. Canada has lost a great Canadian.

S. O. 21

INDIAN AFFAIRS

FUNDING OF CRISIS INTERVENTION PROGRAMS—INCIDENCE OF SUICIDES ON RESERVES

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, for the past year the Minister of National Health and Welfare (Mr. Epp) has been boasting about his so-called new initiatives on family violence, child sexual abuse and, recently, alcohol and drug research. He also released a report on suicides in Canada which identifies native people as a high risk group. Behind the glossy cover, however, he is refusing continued funding for crisis intervention programs delivered by four Indian bands in my riding. Two of these communities, Grassy Narrows and Whitedog Falls, were devastated socially, economically and spiritually following mercury pollution of the English-Wabigoon River system.

The communities of Grassy Narrows, Whitedog, Whitefish Bay and Osnaburgh House have been told that the Department cannot afford to fund this award winning program which has dramatically reduced violent deaths and suicide on these reserves. Instead, they are being forced to accept the elimination of proven social programs so they can become eligible for a native alcohol treatment facility.

The Minister of National Health and Welfare must fulfil his responsibility to Canada's native people. I urge that he and the Conservative Government immediately identify the necessary resources for treating suicide, violent death, and alcohol abuse in those reserve communities that so desperately require these services.

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SENIOR CITIZENS

CANADA MORTGAGE AND HOUSING CORPORATION'S PUBLICATION *HOUSING CHOICES FOR OLDER CANADIANS*

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, as the Canadian population ages, the relative importance of issues of special importance to the elderly will be heightened. Housing is one of these, and the Canada Mortgage and Housing Corporation is to be complimented on its timely publication *Housing Choices for Older Canadians.*

Many older people have as their major asset a paid-for home. Rather than live poor to die rich, CMHC points out the several types of home equity conversion plans which are becoming available. I would encourage our financial institutions to develop this new product line fully and our regulators to develop a workable set of rules to govern same.

CITIZENSHIP

FORTIETH ANNIVERSARY—CONSERVATIVE PARTY'S POLICY

Hon. Bob Kaplan (York Centre): Mr. Speaker, this year is the 40th anniversary of Canadian citizenship and the Government has organized an impressive celebration of that event to increase Canadians' understanding of and pride in their citizenship.

It is interesting to remember that the Conservative Party was violently opposed to Canadian citizenship 40 years ago when it was introduced. It conducted an extensive lobby across the country to try to defeat the Liberal suggestion that Canada deserved to have a citizenship of its own. It is a wonderful thing to see conversion of a political Party from a strong position of opposition to a true appreciation of Canadian citizenship. At the time Conservatives felt this would lead to our integration with the U.S.

Issues recur and one hopes, given time, the Conservative Party will begin to see the lack of wisdom in some of the policies it is promoting today which really can lead to integration with the U.S.

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IMMIGRATION

DEFIANCE OF DEPORTATION ORDERS

Mr. John Oostrom (Willowdale): Mr. Speaker, law and order are the cornerstones of all democratic societies. However, once again Canadians are witnessing another instance of individuals abusing Canada's immigration system. What is ironic is that the Turkish nationals lied about their refugee status in order to enter Canada, availed themselves of the full protection of Canada's laws, and are now indicating that they will defy the order to leave.

If these individuals are allowed to stay, Canada will send out the message that Canadian laws are made to be circumvented and that, if you lie and cheat, you will be accepted.

• (1410)

The Minister has passed good legislation to prevent abuse of our immigration system. However, the other House, by dithering and playing cheap partisan politics and delaying the implementation of Bill C-55 and Bill C-84, is responsible for creating chaos and uncertainty in our immigration system. Let us pass Bill C-84 and Bill C-55.

APARTHEID

SOUTH AFRICA—ANNIVERSARY OF THE SHARPEVILLE MASSACRE

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, today marks the 28th anniversary of the Sharpeville massacre in South Africa.

In March, 1960, the Pan Afrikanist Congress launched a peaceful campaign to demonstrate against a law requiring blacks to carry passbooks.

A group of several thousand gathered on March 21 in Sharpeville to stage a peaceful protest. Without warning, the South African police opened fire on the crowd, killing 69 and wounding 200. Among them were men, women, and children.

The brutality of this event sent a shockwave through the international community, catapulting the South African question onto the international stage and drawing the world's attention to the racist practices in that country.

The South African Government responded to the criticism, not with reform, but with further suppression. A state of emergency was declared and the African National Congress and the Pan Afrikanist Congress were banned.

Twenty-eight years have passed, but, sadly, not much has changed.

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BANKS AND BANKING

CHARTERED BANKS—CONFISCATION OF INACTIVE ACCOUNTS

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, people used to believe an old saying: "As good as money in the bank". However, that can mean today no money at all because it is possible for a bank to confiscate an inactive account if it is below a certain balance and after a certain period of time.

That is not all. An inactive account can suffer deductions due to service charges even though an inactive account seems to receive no obvious service whatsoever.

My purpose in making this statement is to give the advice that anyone with a small account that has not had much activity lately should check to see if he has anything in the bank at all. He may have less than what he started with.

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SPECIAL CANADIAN GRAINS PROGRAM

ISSUANCE OF CHEQUES TO EASTERN FARMERS

Mr. Maurice Foster (Algoma): Mr. Speaker, the Special Canadian Grains Program of the Department of Agriculture is designed to compensate Canadian farmers for losses they have suffered as a result of the U.S. Farm Bill which has had a devastating impact on Canadian farmers' income.

Eastern Canadian farmers who grow corn and soybeans are especially upset that this year the program is being run on a basis where cheques that are mailed to western farmers during February are not being sent to farmers in eastern Canada until the end of April.

For example, I heard about one farmer who was expecting a cheque for over $17,000 in February but will not receive it until the end of April. This has a special hardship on corn and soybean producers who will have to miss special discounts that are available during the month of March for such things as cash purchases of seed and fertilizers.

I call on the Minister of Agriculture (Mr. Wise) to end this discrimination and make arrangements to have all farmers receive these benefits from this program on a fair and equitable basis.

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SPRING HAS SPRUNG

BRITISH COLUMBIA SAYS IT WITH DAFFODILS

Mr. Ted Schellenberg (Nanaimo—Alberni): Mr. Speaker, the first day of spring has arrived. Once again, CKNW Radio in Vancouver is providing daffodils to Members of Parliament today.

As we all know, spring arrived many weeks ago in supernatural British Columbia, and these daffodils symbolize the reason why so many Canadians prefer to live on our evergreen West Coast.

It is sunny and 15 degrees above in lotus land today. Here in Ottawa it is minus 15 degrees, with a windchill factor to minus 25 degrees, and more snow on the way.

As we celebrate the vernal equinox today, we put our ear to the West and hear the sound of lawnmowers, bicycles, and beach parties. And we wonder why, oh why, Queen Victoria didn't place our nation's capital a few thousand kilometres to the west!

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PESTICIDES

HARMONIZATION OF CANADA AND UNITED STATES LAWS AND REGULATIONS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, for the benefit of the Minister of the Environment (Mr. McMillan) and others who have not had time to read the trade agreement, I suggest they look at Schedule 7 which refers to pesticides.

This schedule tells us that the two countries will work toward the same standards and test methods, the same residue monitoring programs, the same technical regulations, standards or certifications, and the same risk-benefit assessments and cancer policies.

The question is: Do we really want to harmonize ourselves with a system that uses more than one billion pounds of pesticides each year, 60 per cent of which leave residues on food that cannot be detected? Do we want to go with a system that samples less than two-tenths of one per cent of domestic foods for pesticide contamination?

The Minister of the Environment is mistaken in believing that free trade has nothing to do with the environment. Harmonization of pesticide laws and regulations is but one example.

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ABORIGINAL RIGHTS

THE YUKON—SETTLEMENT OF LAND CLAIMS URGED

Mr. Alan Redway (York East): Mr. Speaker, this past weekend six Progressive Conservative Members of Parliament, including myself, visited the Yukon to provide Yukoners with the facts in connection with the Canada-U.S. Free Trade Agreement, and, at the same time, to learn their problems and their concerns. We visited 14 communities in all. I personally visited Whitehorse, Watson Lake, and Teslin.

Above all else I found the major concern of both native and non-native Yukoners with whom I met to be native land claim settlements. Clearly there is a pressing need for the Government to deal with this issue in a speedy but at the same time fair and equitable way.

The cloud created by the uncertainty of land claims is holding up badly needed housing construction, delaying hydroelectric projects which will reduce energy costs, restricting business and job creation, and depriving natives of the opportunity to share fully in the economic development of the Yukon.

Let us get on with a fair and equitable Yukon land claims settlement.

ORAL QUESTION PERIOD

[*English*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

RULING AFFECTING BRITISH COLUMBIA FISH PROCESSING INDUSTRY—PROVISIONS OF CANADA-UNITED STATES FREE TRADE AGREEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, first I want to extend warm birthday greetings to the Member for Oshawa, and belated greetings to the Prime Minister who celebrated his birthday yesterday.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I say to both of them that it is likely the last nice thing I will have to say about either of them for some time.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): My question is directed to the Minister for International Trade who acknowledged this morning that the British Columbia fish processing industry was indeed part of the price Canada has paid in its trade agreement with the United States, in that it leaves us open to U.S. trade action, open to negative rulings from the GATT, and leaves us powerless to use the remedies we once had under the GATT to respond.

In her response to tomorrow's decision by GATT to rule against the B.C. fish processing industry in favour of American petitioners, the Minister ran up the white flag of surrender. Is the Minister now prepared to admit that in giving up our rights to impose export taxes under our trade agreement with the United States we have in effect been left powerless to respond to American action under the procedures that were hitherto available to us under the General Agreement on Tariffs and Trade?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I can assure the House that I said no such thing today in terms of the Right Hon. Member's preamble. He is inventing excuses to attack a decision which meets our international obligations.

The Opposition suggest that we should impose export taxes. I can point out that they do not understand the whole basis of the free trade agreement and of the need for export taxes. Export taxes are usually applied only where tariffs are escalating. They are applied when tariffs are low on unprocessed materials and higher on processed materials. Under the free trade agreement, we are eliminating tariffs with the U.S. over 10 years. Therefore it is not appropriate to use export taxes.

REQUEST THAT CANADA-UNITED STATES AGREEMENT BE SCRAPPED

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we are supporting the GATT process. We are complaining about throwing away the rights we had under the GATT, rights which were conceded to the United States under the trade agreement that would have allowed us to protect the British Columbia fish processing industry. That is why we on this side of the House oppose the trade deal. There is nothing "free" about it. We are continuing to pay the price every day for the Minister's actions.

• (1420)

Why does the Minister not just admit that unless this deal with the United States is scrapped, Canada is handcuffed and unable to exercise its legitimate remedies—which it had before under the GATT—to protect the British Columbia fish processing industry?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, as I have pointed out to you on many occasions in this House, the free trade agreement with the United States, in Part I, Chapter 1, Article 101 reads:

> The Government of Canada and the Government of the United States of America, consistent with Article XXIV of the *General Agreement on Tariffs and Trade*, hereby establish a free-trade area.

I keep pointing out in this House, but the Opposition does not hear me, that the free trade agreement is negotiated under the umbrella of the GATT and is consistent with the GATT. Therefore, the Opposition's continuous insistence that with the free trade agreement we have somehow abandoned the GATT is simply false. I would like the Opposition to state where it is on this issue.

We are bringing in landing requirements that will increase the management and the conservation of the fisheries. We are going to be doing it on a national basis. This will safeguard jobs and it will allow Canadian processors access to American fish in Alaska, as they now enjoy. If the Opposition is against that position, I want to hear it say so.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I want to draw to the attention of the Minister that under Article 408 of the proposed trade agreement between Canada and the United States, she has surrendered our rights, available formerly under the GATT, to respond to the American initiative against our fish processing industry on the West Coast.

NEW REGULATIONS ON FISH LANDINGS—NATIONAL POLICY

Right Hon. John N. Turner (Leader of the Opposition): In the absence of the Minister of Fisheries and Oceans I would like to direct a further question to the Minister for International Trade. She said this morning that Canada will deal with the GATT ruling on British Columbia fish by imposing new regulations requiring fish on the B.C. and Atlantic coasts to be landed first before export into the American market. Is the Minister of Fisheries and Oceans announcing a national landing policy today because that Minister knows, as well as this Minister, that the Atlantic fishery is now vulnerable under the GATT as a result of the success of the Americans on the West Coast?

Hon. Pat Carney (Minister for International Trade): No, Mr. Speaker. The Minister of Fisheries and Oceans will be announcing a national policy of bringing in landing requirements to increase the conservation and improve the management of our fisheries resource. He will be doing that because the Fisheries Ministers of the provinces have asked for it and the First Ministers have endorsed it. That is why he is bringing it in.

GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, what the Minister of Fisheries and Oceans and the Minister of International Trade are also announcing is the acceptance of a precedent that will now apply not only to the West Coast fisheries in terms of devastating its markets, but to the East Coast fisheries as well, and will have enormous impact on that major fishery market for Canada.

Considering that the fishing industry, the wine industry, the beer industry and the spirits industry have all specifically requested the Minister to postpone a decision in order to continue finding points of leverage and bargaining before final acceptance, why did the Government announce today that it was adopting those measures without responding to those kinds of concerns? Why are we surrendering before the battle is over?

Why are we not going ahead and using a petition against European wine subsidies? Why are we not using the leverage of an export tax against the American incursion? Why have we abandoned the instruments we have and surrendered the battle? Why are the Minister and the Government undertaking that kind of cavalier abandonment of Canadian interests?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I would suggest that the only thing devastating about today's announcement is the devastating ignorance of the Official Opposition about the West Coast fishery.

May I point out that not only do Fisheries Ministers and First Ministers endorse the landing requirements, but the Fisheries Council of British Columbia, with whom we have been working on this issue, is positive about the announcement we made today. So I can assure the Hon. Member that the measures we have taken today will be improving the fishery and will be safeguarding the jobs in the fishery.

UNITED STATES BAN ON CERTAIN SIZES OF FISH

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, just as a supplementary in terms of the devastating ignorance about which the Minister talks, I would ask her a question about the position taken by the Minister of Transport on behalf of the Government last November. He stated publicly that the Government of Canada was going to initiate a challenge to the GATT on the U.S. embargo on East Coast fisheries of certain sizes and qualities. The Minister today announced certain measures that were taken to the GATT, but somehow forgot that bold and courageous statement made by the Minister of Transport.

Why has the Government forgotten that statement? Why is it not pursuing the actions promised by the Minister of Transport to protect the East Coast fisheries further in this

matter? Is that not an example of how the Government has just abandoned the entire fishing industry of this country?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I think the House will acknowledge that all statements made by the Minister of Transport are bold and courageous.

May I respond to the issue the Hon. Member raises about postponing our reply to the GATT and remind him of what he should already know, that on the fisheries issues we have already postponed it in the past two meetings of the council? May I remind him that with respect to the liquor board practices, that dispute, which is a rancorous dispute, has already lasted for three years? May I point out to the Hon. Member that there is nothing to be gained by being a spoilsport and deciding that we will only accept those cases where we win and will reject those cases where we lose? That is the position of the opposition Parties.

MAINTENANCE OF *STATUS QUO*—VOTE POSTPONEMENT QUERY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is is also directed to the Minister and I will tell her that the people involved in the fishing industry, both on the east and west coasts, will be interested to hear the spoilsport of a Minister's answer on this serious matter.

Since the Minister has just indicated that the fishing industry is supporting her initiative, will the Minister concede that it vastly prefers maintaining the present arrangement it now has, and that it is under the gun from the Minister, and that is why it has given some kind of token support to what the Government is doing, as being better than nothing?

Since clearly the East Coast and West Coast fisheries are now going to be seriously affected, why in heaven's name did the Government not request a postponement of the decision at the GATT, a course of action taken in the past by the United States, and a course of action taken in the past by the European Economic Community? If it was good enough for them to protect jobs, why is it not good enough for Canada to protect its jobs now?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, may I point out that the fishing industry is not under the gun from the Minister, it is under the gun from the GATT. The fishing industry in British Columbia wants to preserve access to American unprocessed fish. It does not want a situation where the Prince Rupert Co-op and the north coast plants cannot access American fish. It is the abysmal ignorance of the Hon. Member's knowledge of the British Columbia industry that leads him to make these pathetic statements.

In terms of the East Coast and the West Coast, a national landing requirement is good conservation and good management and is supported by the provinces, as it is supported by the First Ministers. In terms of postponing, what is the point of postponing yet again? This decision will enhance the fisheries, safeguard the jobs, and improve the coastal communities.

REQUEST THAT GOVERNMENT SEEK POSTPONEMENT OF DECISION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister knows full well the kind of new proposals about which she is talking do not guarantee jobs at all. All they do is make provisions for the fish to pass through Canadian ports, which is quite a different thing. She also knows that the Canadian fishing industry is not insisting on keeping guaranteed access to American fish if it means that they have to get access to ours. She knows that very well.

Will the Minister answer this serious question? Since the European Economic Community has put off, as requested, indefinite postponement over a number of years, decisions it thought were disadvantageous to it, and the Americans did it for many years in the DISC programs on decisions that were disadvantageous to the United States, why in heaven's name does the Government of Canada not stand up for the Canadian fishing industry and do the same thing here at home?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I think the position of the Hon. Member is strange, to say the least. We are meeting our international obligations. That is what we have done in the past and that is what we are doing now. May I point out that in the 58 decisions in the GATT, there are only three that have been unresolved. There are only three which have not either been adopted or bilaterally negotiated. Those three are the two Canadian issues that we dealt with today. The third is the U.S. embargo on trade with Nicaragua.

We see where the Opposition would rather be on this issue, following that kind of a tactic, rather than meeting our obligations.

• (1430)

MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister is just super. She still has not answered the question. Of course, there are a few unresolved issues. Many have been resolved. They have been resolved through negotiations, often prolonged negotiations spread over a number of years, with the European Economic Community and with the United States, until something was worked out to the satisfaction of the states involved. It is only this Government that is prepared to capitulate Canadian interests in order to get compliance.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Since it is clear in all aspects of the decisions that she is talking about today that Canadian interests would be furthered by requesting a postponement rather than by capitulating, why has the Minister capitulated? That is the issue.

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, it is interesting that the Hon. Member argues that Canada has capitulated by accepting the ruling of the international trading system. Apparently the Hon. Member is in that category, along with others in the NDP, of liking to be winners only but not wanting to meet one's obligations when one loses a panel decision.

I point out that the measures that we have announced today with respect to the export of salmon and herring have the preliminary approval of the Fisheries Council of British Columbia. They are very much in the interests of the shore workers and the fishermen of B.C. who have suffered because of NDP attempts up and down the coast the last few weeks to terrify them by suggesting that they would lose their jobs if we comply with the international trading system. That is what members of the NDP have been doing. We have answered that today with a responsible system that will include the fishery.

ANNOUNCEMENT OF NATIONAL LANDING POLICY FOR FISH

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the only thing terrifying the fishermen of British Columbia and, indeed, the fishermen of Atlantic Canada is the lack of this Minister's grip on reality. She has lost a major battle on the GATT which has devastating implications for British Columbia and potentially devastating implications for Atlantic Canada. She has the audacity to try to celebrate it as a victory in the House—

Mr. Speaker: Perhaps the Hon. Member would put his preamble in terms of what is necessary for the question, and then put his question.

Mr. Tobin: Mr. Speaker, I ask the Minister a simple question. Why is the Minister of Fisheries today announcing a national landing policy for fish, both in British Columbia and Atlantic Canada? Why today, if not because the Government recognizes what it cares not to admit so far this day, that is that the reality of the B.C. GATT ruling is that Atlantic Canada can no longer count on any exemption from American trade action with respect to unprocessed fish? Is that not the reality? Has she not the courage to admit it? We are tired of insults. We want answers.

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, as I said earlier, the Minister of Fisheries is announcing today that he intends to bring in a national landing requirement because it has been requested by the provinces concerned and because it has been endorsed by First Ministers as a great step toward the improvement of the fishery and the conservation of the fishery.

I want the Hon. Member to answer this question. Is he against a landing requirement for Atlantic Canada which will ensure that fish are landed in Canadian ports, and inspected and graded for quality control before export? If he is against this measure he should say so.

PROCESSING OF LANDED FISH

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the Minister's simplemindedness about the fishery is incredible. She would not know a sculpin from a flat-fish. She would not know landing from processing.

The reality is—

Mr. Speaker: I would ask the Hon. Member to put a preamble that is necessary for the question.

Mr. Tobin: Mr. Speaker, would the Minister for International Trade, a self-proclaimed fish expert, answer the following question. Is she suggesting to the people of British Columbia and to the fishermen of Atlantic Canada that just because a fish is landed on the coastline it can no longer be exported to the United States? Is the commitment she has given the House today to the effect that any fish landed in British Columbia or in Atlantic Canada automatically can never be exported unprocessed to the United States? Is that her commitment?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, it is clear I know a lot more about the British Columbia fishery than does the Hon. Member.

Mr. Tobin: Answer the question.

Miss Carney: Thank God for that, Mr. Speaker.

Mr. Speaker: I would urge the Minister, as I urged the Member for Humber—Port au Port—St. Barbe, to stick to a proper preamble. I urge the Minister to answer the question.

Miss Carney: Mr. Speaker, I am waiting for the question.

Mr. Speaker: The Hon. Member for Essex—Windsor.

BEER MARKETING PRACTICES—GATT RULING

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to ask the Minister about some of the contradictions in her position. This morning she stated in her statement to the House that the Government is not prepared to implement any changes in respect of beer marketing practices in the foreseeable future. At her press conference she turned around and said that beer will be discussed with the provinces over the next nine months.

What is the Minister actually planning to do? Has she accepted the GATT ruling or has she in fact picked and chosen and in the process made herself a laughing-stock as far as guaranteeing us a future for those 19,000 workers in the beer industry across Canada?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I have already made it very clear that we have accepted the GATT ruling. That is what I announced today. That is what is consistent with our practices.

In the statement I made today I announced that beer was a very small part of the complaint with the Europeans. It has been under discussion with the provinces in terms of breaking down interprovincial barriers. We will not be dealing with that in the foreseeable future. That is as clear as I can be.

IMPORTATION OF AMERICAN BEER

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, will the Minister not admit, as her officials admitted in the news conference, that anything which is applied to the European Community such as accepting that we have to permit their beer to come freely into the country will apply automatically to the United States and that that threatens thousands of jobs of beer workers right across the country?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I admitted no such thing. I told the news conference and I told the Hon. Member that in discussions with the European community beer is very small beer, if I could put it that way, and that the people who would benefit the most from our acceptance of that ruling at this time would be the Americans. We did not see any reason to give the Americans a free ride on this issue at this time.

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IMMIGRATION

TURKISH REFUGEE STATUS CLAIMANTS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Employment and Immigration. It concerns the issue of Turkish refugee claimants who have been asked to leave the country.

I want the Minister to know that I am not requesting or advocating that they be given and provided with refugee status. Since it appears that they are not Convention refugees, to do so would only undermine and hurt the integrity of the refugee system. I have no inclination to do that.

Given that last year the Minister provided 16,000 ministerial permits and landed another 27,000 individuals under the Government's humanitarian program, will the Minister today at the very least undertake to consider these Turkish claimants under the criteria of the Government's humanitarian program as a possible measure that would address and hopefully resolve the Catch-22 and human dilemma that these people find themselves in?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I suggest that the question reflects an extremely serious problem and I accept the argument put forward by my honourable colleague.

The problem with the Turks who are now in Montreal, however, is that these poeple went through the whole refugee determination process, contrary to those you referred to and on whom we are making decisions in a very particular way.

When these people arrived last year, Mr. Speaker, they were advised at each of the four stages of the process, that they would probably have to return to Turkey. Each time, we took into account the assessment system, including the Immigration Appeal Board where the various cases were considered on compassionate grounds. Their applications were turned down, especially in the case of the man who received notification, and there is no way the legislation could not be applied in their case, and that is essential, I think, if we grant these people a special status.

In other words, if, in spite of their failure every step of the way, we still grant them immigrant status—we could not grant them refugee status, because they do not meet the requirements—I ask my honourable friend this: Does he feel that we should grant the same consideration to the 45,000 other people whose decisions are pending?

REQUEST THAT HUMANITARIAN PROGRAM CRITERIA BE APPLIED

Mr. Sergio Marchi (York West): Mr. Speaker, my question is again directed to the Minister of Employment and Immigration who also has to take into account that unscrupulous travel agents and legal counsels, operating in Turkey, have triggered off this latest Turkish immigration influx.

Here is my question to the Minister: Since these people have been encouraged by racketeers like those operating in Portugal and in Brazil and against whom the Government did nothing, and since these people managed to settle in this country, why could not the Minister at least consider, not guarantee, but consider applying the standards of the humanitarian program which have been applied 25,000 times last year to resolve this tragic and very emotional human problem?

• (1440)

[*English*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I would like to tell my friends that among the 45,000 people who at the present time requested the status of refugees, in other words all those who are in the backlog, 30,000 on average have to be considered likely not to be refugees. All those people arrive with false documents or no documents. Among those, it is likely that almost all of those people were misled, and all those people were brought into Canada by different ways. My friend knows this very well, every time we discuss this, all those people were almost in the same situation as are the Turks in Montreal today.

I call for the Hon. Member's understanding for all those immigrants—and this is the bottom line—who come to Canada by the regular way, all those who are waiting for years and years to bring their relatives into this country, all those people will see those queue jumping—

An Hon. Member: What about the Turks?

Mr. Bouchard: Please, may I say what I wish to say? It is very serious, Sir. I wish to explain to Canadians—

Mr. Speaker: The Hon. Member for York West has asked the Hon. Minister to give consideration, on humanitarian grounds, to what I think Hon. Members will agree is a very difficult matter. The Hon. Minister is trying to explain a difficult but nonetheless very serious question that has been asked. I think the Hon. Minister should be given a few more seconds to complete his answer.

Mr. Bouchard: Mr. Speaker, I was saying that all those people would not understand that we could allow not 40 Turks in Montreal, but many thousands of people in Quebec, and 30,000 across the country, to stay here without being refugees. Even the lawyer admitted that they are not refugees.

How can I give permission to 40 people when 20,000 will ask me, "Why those people and not ourselves?" That is the answer.

Some Hon. Members: Hear, hear!

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EXTERNAL AFFAIRS

CENTRAL AMERICA—DEPLOYMENT OF UNITED STATES TROOPS IN HONDURAS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Right Hon. Secretary of State for External Affairs, and it has to do with the deployment of U.S. troops in Honduras, which the Minister is well aware of, as are we all.

Does the Minister today stand by the oft repeated policy of both himself and the Prime Minister with respect to non-intervention by the superpowers in Central American, or was the Minister for International Trade on Friday speaking for the Government when she appeared to argue that the United States could do what it wanted in Central America, as long as it alleged it was doing it pursuant to a bilateral treaty, in this case the Rio Treaty between the United States and Honduras? What is the government policy?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I was not in Question Period, but I had the opportunity to see it on television on Friday. That is not what the Minister for International Trade said. What the Minister for International Trade indicated was what the Prime Minister had indicated in the speech that the Hon. Member quotes. That is the policy of this Government.

THREAT TO PEACE PROCESS

Mr. Bill Blaikie (Winnipeg—Birds Hill): The fact remains, Mr. Speaker, that on Friday the Minister for International Trade did mention the Rio Treaty, and did talk about the United States acting in the context of the bilateral arrangement. We all know, anyone who has been an observer of events, that it is often those types of bilateral treaties that are used to justify superpower intervention. The Soviets were allegedly invited into Afghanistan, the Americans into South Vietnam, and now the Americans into Honduras. This is the type of excuse that all right thinking Governments should criticize whenever any superpower uses it to justify intervention.

Some Hon. Members: Hear, hear!

Mr. Blaikie: There are Americans, for example, former President Jimmy Carter and others, and a great many people criticizing American action—

An Hon. Member: Question.

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

Mr. Blaikie: When is the Canadian Government going to have the guts to speak up and criticize something which obviously threatens the peace process in Central America?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it would do Canadian students of Central American and other politics in this country a great deal of good to review the question that was put by the Hon. Member. He talked about what the Minister had appeared to have said. He talked about what is often the case. In so doing he is misrepresenting both the position taken by my colleague and the position of the Government.

Surely what is at issue here is that there have been developments in Central America on the border between Nicaragua and Honduras that all of us regret. Whether it was the Nicaraguan offensive, whether it was the American response, we believe neither was helpful. That was made clear by my colleague, and that has been made clear here. What is important is that there has now been some calm brought back to the situation. The United Nations—

Mr. Broadbent: With 3,000 U.S. troops there?

Mr. Clark (Yellowhead): The Leader of the New Democratic Party is ridiculing this process toward peace in Central America.

There is a choice, Mr. Speaker. If you are interested in peace in Central America, we can work towards peace. If you are interested in simply attacking the United States on every opportunity, you can do that too, but that will not move peace forward.

[*Translation*]

IMMIGRATION

QUERY WHETHER TURKISH NATIONALS WILL BE ABLE TO MAKE IMMIGRATION APPLICATIONS FROM WITHIN CANADA

Mr. David Berger (Laurier): Mr. Speaker, I should like to get back to the Minister of Employment and Immigration concerning the matter of Turkish nationals. The Minister is talking about a backlog of 45,000 cases. I would remind him that American jurist Oliver Wendell Holmes once said that statute books are not mathematical reference handbooks. I do not have a mathematical formula to respond to his questions, but I stress the fact that each of these 45,000 individuals is entitled to a fair and equitable hearing.

Mr. Speaker: The question, please.

Mr. Berger: Here is my question, Mr. Speaker. We are not asking that they all be accepted as a whole, but will he allow the Turkish nationals to apply for immigrant status here in Canada? He is empowered to do so under Immigration Act Section 115(2). For reasons well known to the public, will he allow these Turkish nationals to apply here in Canada?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, this is the same question I answered earlier. First of all, I am surprised the Hon. Member for Laurier says that laws are not necessarily there to be applied. Glad to hear it! Delighted!

Furthermore, Mr. Speaker, and I answered this question earlier, if we let Turkish nationals apply for immigrant status in Canada, we are automatically giving the same right, and I don't see how we could do otherwise, to everybody else who wants to do the same, and in that case we no longer have a workable system for determining refugee status.

TURKISH NATIONALS—MINISTER'S RESPONSIBILITY

Mr. David Berger (Laurier): Mr. Speaker, the application of laws should be fair and universal, and that is what we want. The Minister knows perfectly well that these people were victims. They were acting in good faith. The Minister also knows he did nothing in the fall of 1986 to protect them. In fact, he let 2,000 of these people come to Canada over a period of five months before taking any action. My question therefore is this: Doesn't he admit he has some responsibility, maybe even personally but at least as a member of the Government or as Minister, for the nightmare these people are going through today?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, speaking of responsibility, we have a political party that for eight months—I said it before and I say it again—has been obstructing a Bill, and as a result, 10,000 more people have been able to enter this country—again, I am referring to people who may be phony refugees—and meanwhile, Mr. Speaker, they continue to obstruct the Bill that is before the Senate.

• (1450)

[*English*]

NATIONAL PAROLE BOARD

EARLY RELEASE OF PRISONERS WHO ARE CONNECTED WITH ORGANIZED CRIME

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Solicitor General. He is well aware of the growing rift between police departments and the National Parole Board as a result of the early release of prisoners who are connected with organized crime.

Will the Solicitor General assure the House that he intends to take immediate action to resolve this rift? Will he spell out specifically what he intends to do in order to help restore public confidence in our parole system?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, as the Hon. Member is aware, I made public the recommendations contained in the Pepino Report. Recommendations 26 and 27 of that report which I have accepted recommend closer co-operation among the Correctional Services, the National Parole Board, and the police of every major community. They urge the setting up of a common parole unit so that there can be a proper exchange of information among them. This is presently being done.

* * *

BANK OF CANADA

GOVERNOR'S POSITION ON INFLATION RATE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the Minister of Finance. Over the past year the Governor of the Bank of Canada has repeatedly made reference to his objective of bringing Canada's inflation rate to zero.

Could the Minister explain why there is no reference to a zero inflation rate in the annual report of the Bank of Canada which the Governor submitted to Parliament today? Does this mean that the Governor now expects that his policy of zero inflation was unrealistic and, if so, when will Canadians see action by the Government to reduce interest rates from their current unduly high levels?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I presume the Governor will be appearing before the Finance Committee at some time to talk on his annual report. However, if the Hon. Member looks at the report itself I think he will see that the Governor makes reference to his concerns about price pressures and the importance of dealing with price pressures early in the cycle, rather than allowing them to build up a head of steam and thereby run into the same problems which we ran into in the early 1970s prior to the oil price shocks and the final blow offs of these in the early 1980s.

I think the Governor has stated his position quite clearly, and I think that it is a very realistic position.

[*Translation*]

Mr. Cassidy: Mr. Speaker, the Governor's decision ignores the fact that in vast regions of our country, the unemployment rate is still excessive and people are living in recession conditions, despite the situation in Southern Ontario.

REQUEST THAT BANK OF CANADA GOVERNOR ACT TO REDUCE INTEREST RATES

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, Canadian interest rates have increased, and our bank rate is now 2.7 per cent higher than in the United States, despite the fact that the inflation rate in both countries is comparable. Since high interest rates are responsible for the rise in the Canadian dollar and have had a negative impact on Canada's exports and jobs, could the Minister give the House the assurance that the Governor of the Bank of Canada will follow this apparent change in policy and take steps to reduce interest rates in Canada?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not know where the Governor of the Bank of Canada has indicated any "apparent change in policy", to use the words of the Hon. Member.

The Hon. Member should understand that it is inflation which leads to higher interest rates and that expectations of inflation will lead to high interest rates.

We saw a very good example of that in the first nine months of last year when we saw a significant increase in long-term interest rates in both Canada and the United States. This was a clear reflection of the concerns of investors in both countries about what might happen to the levels of inflation.

This is what causes high interest rates. It causes high interest rates on a permanent basis. What the Governor is trying to do, in monetary policy in Canada, is head off these problems earlier rather than later.

* * *

FISHERIES

NOVA SCOTIA—ISSUANCE OF OFFSHORE LOBSTER LICENCES—REQUEST FOR MINISTER'S RESIGNATION

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Deputy Prime Minister. The Lobster Advisory Board of the Minister of Fisheries in southwestern Nova Scotia last year advised the Minister of Fisheries not to proceed with offshore lobster licences. Yet last December the Minister of Fisheries did just that, and the Advisory Board now feels betrayed. It has called for his resignation, and 14 out of 15 of its members have resigned. The wrong people have resigned. It should be the Minister of Fisheries.

When will the Government cancel these harmful licences, and when will the Government replace the present Minister of Fisheries with a Minister who has the confidence of fishermen in the fishing industry?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the present Minister of Fisheries is one of the greatest incumbents of that office, certainly of this century if not including the 19th century.

It is regrettable if the inshore lobster advisory committee or some of its members resigned. However, it is an advisory committee. It is the Minister of Fisheries who has the responsibility for fisheries policy in Canada.

He made a decision to issue new licences with a view to opening up new grounds for underutilized lobster and red crab resources in NAFO Division 4W. To protect the resource there was no increase in the total allowable catch of 720 tonnes in the existing offshore lobster fishery.

Therefore, this is a decision made in the best interest of the fishery and of fishermen. Perhaps everybody does not agree. I am afraid it is very difficult in Canada to get 100 per cent agreement on any particular fishery policy.

POSITION OF FISHERMEN

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the Government is thumbing its nose at inshore fishermen in Atlantic Canada. They have to fight the weather, the quotas, and the declining stocks. Why do they now have to fight their own federal Government?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the hon. gentleman would be up protesting if nobody got a licence, and he gets up and protests when somebody gets a licence. There isn't any way of satisfying the hon. gentleman opposite in fishery matters or in any other matter. What constructive suggestion has any member of the Opposition made in this session of Parliament?

* * *

FINANCE

CORPORATE TAXES OWED BY COMPANIES

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is for the Minister of Finance. He might be aware that government figures released last week to my office indicate that over 100,000 corporations owe some $1.1 billion to the Government in undisputed taxes. A major deficit reduction could occur if the Government would only collect those taxes.

Therefore, my question to the Minister is a very simple one. What is the Government doing to collect the taxes which are owed to it?

• (1500)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that question is more properly put to my colleague, the Minister of National Revenue, but in his absence I will respond to the question.

We have done things. We have increased the interest cost for people who delay paying their taxes. These taxes are due and owing to the Government and we want to get those taxes in. I believe the Minister has asked his officials to improve the collection efforts on behalf of the Government to ensure that those taxes do come in. I would certainly encourage some support from the New Democratic Party in that direction.

Mr. Speaker: The Hon. Member for Regina East, a short supplementary.

COLLECTION OF TAXES—REQUEST FOR NEW MEASURES

Mr. Simon de Jong (Regina East): I have a very short question, Mr. Speaker. I just wish to point out that the amount of taxes owing has increased this year over last year. Therefore, the measures the Government has taken certainly have not worked. In fact, they have done the opposite.

Very simply, is the Government prepared to look at the measures it has undertaken, which have not worked, to make certain that new measures are introduced so that the $3.3 billion in undisputed taxes can be collected and we can see either new programs or the deficit reduced?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member relates the amount which the uncollected tax has gone up but he will see that that is partly a function of the fact that over-all corporate tax revenues have gone up as a result of two things, one, the improvement in the health of the economy; second, the changes in tax policy that have resulted in a number of the corporate tax loopholes being closed so that companies are paying more tax.

Mr. Speaker: The Hon. Member for Gander—Twillingate on a single question to be followed by the Hon. Member for Nanaimo—Alberni, and that will close off Question Period.

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PUBLIC SERVICE

COLLECTIVE BARGAINING PROCESS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, demonstrations took place today throughout Newfoundland and the Maritimes by public servants who are protesting the unwillingness of the Government to negotiate collective agreements with 31 bargaining units. Under this Government a public servant has about as much job security as a Tory Cabinet Minister.

Will the President of the Treasury Board order Treasury Board to resume negotiations with these 31 bargaining units to reduce the number of bargaining tables from 31 to 7 as the union has requested, and to stop playing musical chairs with the public servants of this country?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the Hon. Member is usually well informed but I have to advise him in this particular case his information is incorrect. Treasury Board has now scheduled with the Public Service Alliance the bargaining process for some 23 groups. That is contrary to the assertion the Member made.

The Hon. Member is aware, I am sure, that my predecessor established a two-tier bargaining system. The first tier involved the non-monetary issues which were settled by binding conciliation. The second tier, which was negotiated at 31 tables, was to be negotiated and would involve items such as rates of pay, vacation, holiday time, et cetera. Those particular issues were subject to a strike. The Public Service Alliance has chosen to eliminate this master agreement of the binding conciliation approach, and wants to go back to bargaining at 7 different tables with the right to strike right across the board. That is something Treasury Board has refused to acknowledge. Notwithstanding that, as I said in my original response, the schedule has now been set for some 23 units to proceed with bargaining, and we are prepared to sit down and go through that process.

* * *

PIPELINES

VANCOUVER ISLAND NATURAL GAS PIPELINE PROJECT—REQUEST FOR PARTIAL FEDERAL FUNDING

Mr. Ted Schellenberg (Nanaimo—Alberni): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources.

Recently the Province of British Columbia selected a new route for the natural gas pipeline to Vancouver Island. It presented a request to our Government for partial funding of the project in the amount of some $150 million. In view of the fact that a previous federal Government was quick to provide hundreds of millions of dollars for a similar pipeline project in Quebec earlier this decade, is our Government prepared to consider this request from the Province of B.C. seriously?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the Government of British Columbia, through its Energy Minister, advised us of its interest in this energy project.

Subsequently, the federal Department of Energy, Mines and Resources and its officials had discussions with their British Columbia counterparts, and I shall be meeting with my provincial colleague in a matter of weeks.

We are very interested in this project, and I can assure the Minister that the Government's decision will be made in the interests of the people of British Columbia and Canada.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—ENVIRONMENTAL AFFAIRS

The House resumed consideration of the motion of Ms. McDonald:

> That this House condemns the Government for its failure to act on urgent environmental issues, especially its failure to negotiate a treaty with the United States to reduce acid rain emissions; its failure to incorporate environmental matters in major economic decisions, despite endorsing the Brundtland Report and the Report of the National Task Force on Environment and the Economy; and its failure to effect a clean-up of toxic wastes contaminating the Great Lakes Basin and the St. Lawrence Seaway.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I appreciate the opportunity to speak in this very important debate and want to thank my colleague, the Hon. Member for Broadview—Greenwood (Ms. McDonald) for bringing it forward.

The debate today has to go beyond simply condemning the Government for its inaction in the area of the environment. While we can condemn the Government for its failures, and those failures are real and serious, we need to move beyond that and look at the entire system. Twenty years from now people who read this debate will probably remark on how timid on all sides of the issue we were, how slow we were to state the truth about what is happening in our environment and how blind we were to the reality of the environment. In many ways we, on all sides of the House, are children of our times. Operating within this present system we can have better or worse governments. The record of this present Government we have to admit is abominable.

We can begin back in 1984 when the Prime Minister (Mr. Mulroney) appointed his first Minister of the Environment, a Minister who admitted she knew nothing about the environment and her attitude showed that she could not care less. The fact that she was appointed indicates very clearly that the Prime Minister himself knew little about the environment and cared less. Since that time we have had a series of cut-backs. We now have 336 fewer employees in the Department of the Environment than we had in 1984 and $71 million less is available to the Department of the Environment, important as that is supposed to be in Canadian policy. We can admit though that the present Minister is both knowledgeable about the environment and committed to it, but he is playing catch-up. He is behind the ball all the time. He is not getting the kind of support from his cabinet colleagues that he should get.

Perhaps the most obvious example has been illustrated here by previous speakers, namely, the failure of the Prime Minister to stand up for Canadian interests on acid rain. Instead he is trying to reach some cosy arrangement with President Reagan, something to satisfy the President and to reinforce the buddy-buddy system which the Prime Minister has with the American President. This is not satisfactory as far as Canadian interests in the whole area of acid rain are concerned.

What about our fisheries policy? Here the Minister of Fisheries and Oceans (Mr. Siddon) has brought in a policy of trading off one part of the environment for enhancement in another. He calls it "the no net loss policy" "or the enhancement policy". It involves selling off part of our environment with the idea that it can be compensated for by enhancement in some other part. It is a fallacious policy. We have seen the slow response of the Minister of Fisheries and of the Minister of Environment (Mr. McMillan) to the presence of dioxins near pulp mill outflows.

We had the use of an experimental driftnet fishery, which was only stopped by the Minister last year after there had been a continued loud outcry because of the very clear evidence that driftnets were responsible for the death of whales and other sea mammals. Right now the Government has before it the question of whether or not there will be drilling for oil off Georges Bank, a very important area in fisheries resource. What is going to take precedence, oil drilling or fish? We want to wait and see what happens.

In 1984, the Senate committee brought out a report called *Soil at Risk*. Let me quote as follows from its fourth conclusion:

• (1510)

> Canada risks permanently losing a large portion of its agricultural capability if a major commitment to conserving the soil is not made immediately by all levels of Government and by all Canadians.

That was a very important study which just seems to have disappeared. Absolutely nothing has happened to it.

The complexity of the issue of soil is shown by a letter I received, a copy of which the Hon. Minister received last fall. It is from a young Vancouver Island woman who is involved in organic gardening. She has tried to maintain a complete cycle by using organic manure and the like to ensure that the food she produces is healthy and wholesome. What she did not realize was that the manure she was using, which she got from a nearby farm, was mixed with bedding which was made from wood shavings, and the wood shavings contained PCPs and TCPs. She took her food to be tested and found that the food she thought was being grown in an organic way, food that would be pure and wholesome, was itself toxic.

We live in a society and economy in which environmental degradation is often linked with short-term prosperity and with the demand for jobs. When there are still large areas of

Canada with unacceptably high rates of unemployment, the pressure to accept environmentally unacceptable procedures is very great.

In British Columbia particularly, we have seen unacceptable logging methods and unacceptable mining methods. There are a number of controversies in British Columbia. Environmentalists and aboriginal people concerned with protecting their historic heritage are in conflict with resource users and resource abusers, in many cases. For example, the Lyton and Mount Currie people are involved in an attempt to protect their historic interest in the Stein River Valley. This is one of the last unspoiled areas of British Columbia.

In April of 1987 at the New Democratic Party provincial convention in British Columbia, we passed the resolution that no logging be allowed in the Stein Valley and that an immediate moratorium be called regarding the area until we have resolved the problems with the native Indians concerned. Since that time, our leader in British Columbia, Mike Harcourt, and our environmental critic, Joan Smallwood, have convened meetings in an attempt to find a rational solution to this, but unfortunately, in British Columbia there is a Government that does not know what a rational solution is. Its approach is confrontation, confrontation.

There is a similar situation with Strathcona Park, British Columbia's oldest park. Here a mining company is moving into a park. This is the new Vander Zalm approach to parks: call them recreational areas, which means that they can be mined or logged. The tailings from these operations threaten water supplies and the aesthetic value of the parks. Yet that is the policy of the provincial Government.

We have concerns about the Khutzematteen Valley in northern British Columbia, one of the last refuges of the grizzly bear in British Columbia. The logging value of the valley is negative because it will cost more to log it than the logs are worth. Unless something is done to preserve the valley, we will be pushing grizzly bears that much closer to extinction, certainly in British Columbia.

The provincial and federal Governments have failed to insist on air and water-pollution controls for mills and factories. There is a problem with dioxins, the most dangerous substances known to humanity. In the last several months, there has been increased evidence of dioxin presence near pulpmill outflows. Greenpeace has been working very hard on this issue, trying to get some provincial and federal government action on it.

Greenpeace points out that there are three major methods used in Sweden, West Germany and Japan to reduce dioxin contamination by some 80 per cent. First, oxygen rather than chlorine is used in the first stage of the bleaching process. Second, there is prolonged cooking of the pulp which separates the fibre from the lignin. This means that less bleaching is required. Third, chlorine gas is replaced with chlorine dioxide. The use of these three methods together means that the presence of dioxins can be cut by 80 per cent.

Greenpeace is calling on the pulp and paper industry to reduce its chlorinated emissions by 80 per cent within the next few years. It is also calling on the federal and provincial Governments to introduce new legislation that effectively regulates the discharge of chlorinated compounds, and is calling on the Canadian pulp and paper industry to supply the market with paper products that have not been bleached with any chlorine gas at all. Such paper will be slightly less bright than conventionally bleached paper, but tissue, writing pads and letterheads can fully serve their purposes without being fully bleached. Greenpeace is calling on the consumer to buy this new paper as soon as it becomes available. Further, as much paper as possible should be recycled and reused. It seems as though the paper from which I am reading from Greenpeace has been fairly highly bleached. This shows how involved all of us, even Greenpeace, are in the contradictions of this situation.

The logging, mining and mills policies are very shortsighted. When the resource is depleted, the industries move. Companies go elsewhere in North America or in the Third World, and all that is left is pollution, poverty and poor people.

In Canada today, there is the tragedy of a great many single-industry towns falling victim to poor resource management. Poor resource management and environmental degradation go hand in hand. They are the same thing.

The author M. T. Kelly has written a book that just won the Governor General's Award called *A Dream Like Mine*. The book tells of the kidnapping and mutilation of the manager of a pulp mill in northern Ontario. At the end of the story, which is very easy to read, the manager is promoted, the Indian who was involved in the kidnapping commits suicide, the person who tells the story, a reporter with one of Canada's national papers, is fired from his job, and there is a cash settlement for the pollution that has taken place in the river system of the Indian people living in northern Ontario. They receive a cash settlement but the pollution continues. In other words, nothing has really changed. There are similar problems on a larger scale in the developing world.

Smokey Bruyere, the leader of the Native Council of Canada, appeared before the Brundtland Commission when it was holding hearings in Canada and said:

> 'Indigenous peoples are the base of what I guess could be called the environmental security system. We are the gate-keepers of success or failure to husband our resources. For many of us, however, the last few centuries have meant a major loss of control over our lands and waters. We are still the first to know about changes in the environment, but we are now the last to be asked or consulted.
>
> We are the first to detect when the forests are being threatened, as they are under the slash and grab economics of this country. And we are the last to be asked about the future of our forests. We are the first to feel the pollution of our waters, as the Ojibway peoples of my own homelands in northern Ontario will attest. And, of course, we are the last to be consulted about how, when, and where developments should take place in order to assure continuing harmony for the seventh generation.
>
> The most we have learned to expect is to be compensated, always too late and too little. We are seldom asked to help avoid the need for compensation by lending our expertise and our consent to development.'

The kinds of problems we find in Canada are found in a magnified way in the developing world where, in the attempt to pay their debts and meet the requirements of the international monetary system, they are forced into a plantation economy. To make way for agro-industry the poor are forced off their subsistence plots of land into marginal areas. This puts ever greater pressure on the environment.

• (1520)

When poor people look at this situation and understand what is happening, they demand a bigger slice of the pie. There are a number of different responses to that. First, there can be a better division of the pie to reflect fairness. Most of us, when we were kids, if we grew up in a family with more than one or two children, were aware of how you have to be very careful when dividing a pie. We used to have a method where one person would divide and the other person would get first choice. We do not do that in the international system, we divide and we get first choice.

However, if we did have fairer shares, then the problem, a lot of people say, is that no one would have enough. With five billion people in our world it would simply mean that everyone would have a standard of poverty. As a result, for a long time people have been talking about a bigger pie. The idea is that we will both get more pie, but my share will always be bigger than your share even if I cannot eat all of my share. The problem with that, of course, is that if we keep making bigger and bigger pies we will very soon run out of ingredients. The side effect of my keeping a larger and larger share for myself is that I will soon have so much uneaten pie kicking around that it is going to start going bad, attracting flies and rats, and we will be buried under the pollution of our share of affluence, which is now happening to a large extent in North American and western Europe.

The third alternative is that we can have a different kind of pie and with that we could have fairer shares and we could also have a larger pie as well. Basically it is that different kind of pie with different ingredients and processes that the Brundtland report is talking about. It uses the concept of sustainable development. The problem here is, do we have the wisdom and the commitment to make the needed changes? Certainly we have heard a lot in this debate today about sustainable development. It has become the latest buzz-word. There is a tendency and a danger that the words "sustainable development" will become a rhetorical overlay. Everything will continue as before but we will call it sustainable development.

There is a need instead to integrate environmental concerns into every decision taken by Government. Perhaps we could use financial decisions as an analogy. Whenever a project is going to be approved by Government there has to be a financial costing. It has to be approved on that basis, and then it goes to Treasury Board for a final decision. The Auditor General looks at the whole question of how our Government spends money. Our yearly Estimates are studied by committee. We need the kind of revolution in our thinking which would demand that environmental considerations be just as important as financial considerations. We need the kind of revolution in our thinking where the Minister of the Environment would be seen to be as important in the councils of Government as the Minister of Finance (Mr. Wilson). We need a new way of auditing that will take account of environmental concerns. There have to be similar kinds of costing for private enterprise projects.

We can look at overseas development assistance because when we talk about the environment we have to realize that we do not live in a fortress North America. We live in one world. What happens in Africa, what happens in South America, what happens in Southeast Asia affects our lives and will affect even more of the lives and environments of our children and our grandchildren.

I am pleased to see that some progress is being made in this area by CIDA. Environmental assessment is being written into government programs. We are making progress in recognizing the problem. We are moving away from large infrastructural projects to human resource development, to emphasis on education and primary health care, but we are far behind. Even there it is too often just a rhetorical recognition, sometimes not even that.

Last October the Minister responsible for CIDA spoke to the Canadian Exporters Association about new strategies for development assistance, but she did not mention the environment. We all know that the official development assistance of the Government is very small in comparison to the total problem of debt and commodity prices which push the Third World into the wrong kinds of development. For example, we have the loss of rain forest. Every year an area of forest the size of Newfoundland disappears through logging, overgrazing, firewood use, and slash and burn agriculture. Because of that we are losing genetic diversity in our world. We will lose some three-quarters of a million species by the year 2000. In the next century we will lose perhaps one species in three. The effect that all this has on climate is frightening.

Many World Bank projects are involved in this kind of exploitation. Many of us in the House of Commons, certainly in our Party right now, are involved in an attempt to make the World Bank more sensitive to the environment and to ensure that sustainable development is one of the criteria for loans. We want Canadian votes on World Bank projects to take that into account.

We need changes in our thinking much more quickly, however. At the turn of the century Gerard Manley Hopkins wrote a poem in which he talked about how people degrade the environment, but then, he said, for all this nature is never spent. "There lives the dearest freshness deep down things".

I see my time is coming to an end. I just want to say that what Hopkins recognized at the turn of the century, that there lived the dearest freshness deep down things, is true only to a limited extent. When we have nuclear waste, when we have dioxins poisoning the environment, when we have the stripping

of forests and the desertification of huge areas, perhaps we will reach a point where nature will not have the ability to regenerate itself. We need a change in our thinking, and we condemn this Government for its specific failure to deal with the environment. Even more than that, we need to change the system. Unless we do, I think we need to recognize that our democracy is in crisis.

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, I have sat in this House on both sides and come to the conclusion that Opposition Days are an opportunity to rise to the heights of hyperbole, regardless of which side you are on. One side condemns the Government, the other side praises the Government. One side says we are facing a crisis, the other side says we do not have a problem at all. One side says you have done nothing, the other side says we have done everything. We have certainly had enough of that today. However, I hope that over the rest of the day we may reason together, we may focus on, not simply the problem, not simply the facile solution, but try to see the possibilities before us in the foreseeable future.

• (1530)

I commend the Hon. Member for Broadview—Greenwood (Ms. McDonald) who has brought this motion to the floor. It is right that this House and this country focus its attention on the challenge to our environment and focus its attention on the imperative need for a solution. I welcome this debate and hope that there may come out of it not something as silly as condemning the Government or as facile as to say there is nothing wrong, but that we can think together both for today and the future about the possibilities we have as Members of Parliament.

First, we must recognize that we are not only the victims, but part of the problem as a human race. As the Brundtland report makes abundantly clear, one of the fundamental causes for the environmental crisis facing humanity is simply the growth of the human race at such a rapid rate in the past few years and the urbanization of the vast majority of humanity, particularly in developed areas. For instance, three out of every four persons live in an urban community which is no longer rightly described in the term "city".

I grew up in the City of Toronto when it was a city of some 700,000 people, with clearly defined borders. One could leave it very quickly to get into the rural countryside. Today, the City of Toronto is surrounded by cities such as my own Scarborough, Mississauga, and other cities in their own right which stretch for 100 miles, from Oshawa around the west end of Lake Ontario to Niagara Falls. It stretches up into Cambridge, Kitchener and ultimately to the City of London.

This is a Canadian example of a world-wide phenomenon, namely the replacement of the city by conurbation, which is the congregating of urban municipalities which often stretch for hundreds of miles. An example of this would be the area from north of Boston to south of Washington or, in the instance of the Great Lakes, from west and north of Chicago to the east end of Lake Ontario. The result of that all over the world is a threat to the purity of the environment and the survivability of the atmosphere.

The first lesson we should learn from this is that it is not a local or regional problem, the fault for which can be linked to this person, that party or that group. It is not an ideological problem. When we consider the world situation, we find that this prevalence of conurbations and the accompaniment of pollution exists regardless of whether it is a private enterprise system, a socialist system, democracy or communism. It exists regardless of the factors to which we often look for reasons.

The fact is that there are two reasons for these conurbations. One is the rapid growth of humanity in the past 40 years and the second is the equally rapid escalation of technology as a way of meeting the human needs of the world's growing population, without which the human race cannot survive.

One does not hear quarrels about development in Third World countries. They want the development and will make every effort to achieve it because they know it is absolutely essential to their survival. The cost in terms of the threat of that development to the environment is not always taken into account.

It would seem that the human race is prepared to go through three stages. Hopefully we may be at the third stage. The first stage is predevelopment, which was enough to maintain a small, slowly growing population. The second, to which I have referred, is the escalation of development along with the escalation of pollution. The third stage is one to which reference has been made by other Members, and which is found not only in the Brundtland report but in the report of the National Task Force on the Environment and the Economy. It is sustained economic development, a way in which we will attempt to balance development and environmental concerns. We will attempt to balance technology and all that it provides for the human race along with safeguards against the threat which technology proposes for the human race. That is sustained economic development.

We cannot look to any simple panacea in order to provide the solution. For example, in the report of the National Task Force on the Environment and the Economy, the writers include among their recommendations this paragraph:

> More research is needed on the concept of sustainable economic development and the linkages between economic development and the environment so that we can better understand those linkages and apply data and information to make better decisions.

I quote that paragraph for one simple reason. It shows how counterproductive it is for any of us to stand in this House and treat this problem as a simple one which could be solved simply by changing government from one party to another, changing from one ideology to another, changing from one agenda to another.

We have before us a crisis that has been years, decades and generations in the making. It is the result not of the simplification but of the complexity of modern society. It is a problem that will not flee from us simply by saying we should go back to the good old days, that we should establish more bureaucracies to monitor what is happening.

I believe we must work out the crisis step by step. I believe that to be the intent of the Government, with the support of the majority of Members in the House. I illustrate that by particular reference to the Great Lakes region, one that should be of concern to all Canadians and certainly of concern to everyone in this House who represents a constituency within its orbit.

Almost one out of every three Canadians live in the Great Lakes Basin. Nearly 50 per cent of Canadian industrial activity and 25 per cent of agriculture production is located in the basin. If we are to do something about the environment in Canada, we have to focus on this region.

If we are to have an adequate future as a country, it must be by addressing the problems that confront us in the Great Lakes region. Indeed, the enormity of this region is limited not only to Canadian considerations. Approximately 18 per cent of the fresh surface water on earth is to be found in the basin of the Great Lakes. Surrounding those great bodies of water are millions and millions of Canadians and Americans, living in this extraordinary, dynamic, affluent conurbation that has been formed on both sides of the border because of the technology that has brought them there and the productivity that has enabled them not only to develop a life for themselves but to provide a life for others throughout the continent and overseas.

But at what price? We are informed that there is in the Great Lakes a plethora of man-made substances. About 60,000 chemicals are produced or used in the United States and Canada, and many of those substances are deposited in the Great Lakes themselves. The result of the increased commercial production and widespread use of synthetic and organic chemicals and metals since the 1940s has been the polluting of the Great Lakes.

What is the solution? It is certainly not a magic wand solution, any more than it would be an attempt to be indifferent to the threat to all of us. I submit that it must be a progressive, steadfast, reasonable, consistent development of solutions, agreements, experiments and achievements toward finding a cure for one problem and a solution for another to build up over the years a greater cleansing of the Great Lakes and the atmosphere above and around them.

• (1540)

The kind of thing to which I refer includes such agreements and actions as provisions to deal with contaminated sediments which research over the past five years has shown to be a continuing source of pollution to overlying waters. Second, initiatives on airborne pollutants involving research, monitoring and control measures on pollutants reaching the lakes via the atmosphere. Third, provisions to designate severely polluted areas around the lakes as an area of concern and stipulate the development and implementation of remedial action plans for each area.

At present there are 42 such areas identified around the lakes, 12 of which are wholly within Canada, and five are interconnecting channels between the lakes which are shared with the United States. Fourth , specification of necessary research which underpins the identification of specific pollution problems around the lakes and the development and implementation of remedies. Fifth, provisions for the control of non-point sources of pollution, calling for specific plans to abate pollution from a variety of urban and rural land-drainage areas. Sixth, new measures for the identification and control of sources of contaminated ground water to the lakes.

We should take a moment to focus on the great problem in the Niagara River itself, a great and thundering body of water which is shared by two countries. The Niagara River Toxics Committee, which was established to examine at least a dimension of this problem, has established a list of 261 man-made chemicals present in the river, its tributaries and the western end of Lake Ontario. Of these it determined that 57 chemicals require immediate attention. That is the kind of crisis, the kind of threat, which the people of Ontario, New York State and other communities face. Lake Ontario is generally acknowledged as the most contaminated of the Great Lakes in terms of diversity and levels of toxic substance. Initiatives to meet that crisis have been taken. Progress has been made.

A draft Lake Ontario toxics management plan has been prepared. At this point it is going through public consultation before the agencies intention to finalize it by July of this year. That will not be a magic wand but it is an example of positive and constructive action which built on previous initiatives, laying the ground work for future projects, which will lead us to a time when we can foresee the cleaning up of Lake Ontario and making it the place that it once was.

Toxic chemical problems have also been evident in other Great Lakes interconnecting channels consisting of the St. Mary's River, the St. Clair River and the Detroit River. Since 1984, scientists from Ontario, Canada, and Michigan in the United States have been conducting field investigations under what is called the Upper Great Lakes Connecting Channel Study. The purpose of this study is to determine the present environmental status, the sources of contaminates, the fate and effects of these contaminates, existing control programs and their adequacy and to make recommendations for remedial actions.

It is clear from such examples as I have drawn that there is no easy one-shot solution anymore than this problem came about overnight. It is equally clear that action is taking place, one initiative building upon another. We have to recognize that

the building of those initiatives, one upon the other, faces certain difficulties which should not give us an excuse to slow down, but rather should stimulate us to speed up with a determination which I find in this Government and which I find throughout this House. First, we face this kind of difficulty given the Constitution of Canada and the Constitution of the United States. Neither is a unitary country. Each involves two levels of Government, each with its own jurisdiction and authority. For almost every action that is open to us, there is a provincial authority with which we must have discussions. There are municipalities which are involved which must be consulted. So the process cannot be accelerated as much as the Government or the Opposition might wish.

The process in Canada cannot avoid the kind of protracted discussions and negotiations that are demanded. It is similar in the United States. Just about two years ago I had a meeting with a United States Congressmen during which we discussed the kind of concern we are discussing today. I chided him on the slowness of the United States Congress in recognizing this problem and co-operating with Canada in bringing about its solution. He said to me: "You may think we have done very little but where I live in the soft coal producing congressional district, the recent agreement seems like light years of action". Sometimes we have to be reminded of that.

In the United States Congress there is representation by 110 members of all the soft coal producing states in the north and the east of that country. They cannot be ignored. Political realism should tell us that. So when we are chided as a Government because we have not forced the United States to do this or do that, and when we are rebuked because we have not done it with the speed of the snap of one's fingers, let us recognize the realities that face not just this Government, but any government that would purport to lead this country.

We are confronted by the need for agreements within our own borders, by the need for agreement with other sovereignties, which cannot easily be achieved. We have to work at it with determination and with steadfastness.

In the last few minutes remaining, may I point out the obvious, namely, if we have a problem which is enormous and gargantuan in its measurements, we have it because of the simple fact that the population growth has speeded up and with it the development of industry and commerce have speeded up and we are, as it were, barreling down the road. We cannot just jump in front of it and stop it all. How does one provide a livelihood for the millions who call North America their home unless we maintain enough technological development to satisfy the needs of those people?

I submit this point to you, Mr. Speaker, which I hope will appeal to the reason of the House. Yes, it is good to prod governments and say, get on with the job. Getting on with the job is so important and crucial to the future of humanity that we must not slow down. Equally, it is vital that we in this House, and in the Parliaments that follow after us, show the divine gift of common sense that if we can achieve something this year, we will achieve more next year and more the year after that, and more a decade hence, and when we have put it all together, once more we will have a Canada and a North America our forefathers knew and which we will prize when we hold it again.

• (1550)

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I am very pleased to participate in this debate. The motion is in the name of the Hon. Member for Broadview—Greenwood (Ms. McDonald). In the motion which is before the House the Hon. Member has drawn attention, and quite correctly in my view, to the fact that in Canada major economic decisions continue to be taken without incorporating into them the necessary and vital environmental safeguards that are required.

As well, the motion reminds us that the so-called Brundtland Report, to which Canada supposedly subscribes, urges the very opposite, urges otherwise. The World Commission on Environment and Development which produced the Brundtland report bears the official title *Our Common Future*. Incidentally, the Brundtland report is named after the commission's chairperson, Gro Harlem Brundtland of Norway. Interestingly enough, this report did not in any way predict ever-increasing environmental decay, poverty and hardship in an ever-polluted world among ever-decreasing resources. Not at all.

The commission does not see the world situation regarding development and the environment as being hopeless at all. That is to say it is not hopeless if there is decisive political action now, action to begin managing environmental resources to ensure both sustainable human progress on the one hand and human survival on the other.

Rather than pointing to a dark and gloomy future the commission, on the contrary, is really rather hopeful in its tone. It sees the possibility for a new era of economic growth. However, it is one that must be based on policies that, first, sustain and, second, expand the environmental resource base.

Thus I point out to the House that the Brundtland report is not at all anti-development, not at all. Rather, it believes that growth in the world economy is absolutely essential in order to relieve the great amount of poverty that is deepening in much of the developing world, sometimes referred to as the Third World.

One of the themes of the Brundtland report which is of particular or special interest to me has to do with the process of development and its effect upon indigenous or aboriginal peoples for whom the preservation of a traditional way of life in close harmony with the natural environment is essential. Brundtland points out that the gradual advance of organized development into the more remote and isolated regions of the world where many aboriginal peoples live, regions which are often rich in valuable natural resources, has the effect of

disrupting the local environment and endangering the traditional ways of life of these people.

A case in point, one rather close at hand, one that has been referred to frequently in the House of Commons, is that of the Lubicon Indian Band in the Peace River district of northern Alberta. Once a self-sufficient and proud people living in an undisturbed traditional economy they now, because of extensive resource development of oil and gas, and latterly pulp development, have been pushed aside. They have been generally excluded from any of the benefits of resource development. Consequently, they have had destroyed for them the basis of their traditional pursuits: fishing, hunting and trapping.

As a result, the Lubicon people have been reduced to a state of abject poverty. They have become welfare recipients, shack dwellers and sick. They have been stricken by an epidemic of tuberculosis which is almost unheard of anywhere else in Canada. They are depressed and hopeless.

Brundtland speaks of the increasing vulnerability of such groups left out of the processes of economic development. I quote briefly from the Commission's report which states:

> Social discrimination, cultural barriers, and the exclusion of these people from national political processes makes these groups [indigenous and aboriginal people] vulnerable and subject to exploitation. Many groups become dispossessed and marginalized and their traditional practices disappear. They become the victims of what could be described as cultural extinction.

The commission goes on to describe the situation as being one of great pity, a tragedy. It is a great pity and a tragedy because these indigenous or aboriginal peoples and communities are the repositories of traditional knowledge and experience that links our humanity with its ancient origins. That is not something to which most developers ever give a passing thought. After all, resource development is a procedure engaged in primarily for profit. But Brundtland reminds us that in pursuing economic development and destroying these people there is a loss that is suffered by all of us.

Again, I quote:

> Their disappearance is a loss for the larger society which could learn a great deal from their traditional skills in sustainably managing very complex ecological systems.

If we could learn that, would that not be a great step forward for humanity?

What sort of an approach or policy is needed in a nation to prevent these disasters to aboriginal and indigenous peoples from occurring? These are disasters which are directly related to the processes of resource development which no one wants to stop. I repeat again, Brundtland is not antidevelopment in its major over-all themes. What the Brundtland report calls for, interestingly enough, is a policy of self-government or self-determination for aboriginal peoples. Again, I quote from the report which states:

> The starting point—is the recognition and protection of their traditional rights to land and other resources that sustain their way of life.
>
> These groups [must have] their own institutions to regulate rights and obligations that are crucial for maintaining the harmony with nature and the environmental awareness characteristic of the traditional way of life.

● (1600)

Hence, the report goes on to say, that the "recognition of traditional rights must go hand in hand with measures to protect the local institutions that enforce responsibility in resource use. This recognition must also give local communities a decisive voice in (all matters related to) resource in the area". That is exactly, precisely what the Lubicon people in northern Alberta are asking for; it is exactly what the Nishga people in British Columbia are demanding, and there are many other instances of that kind.

By way of illustration, let me refer to the Nishga people of the northwest part of British Columbia. These people have, since time immemorial, responsibly defended, governed, managed and shared the land and the resources of the Nass River watershed.

In July, 1983, a pamphlet was published by the Nishga Tribal Council. The question was asked: "Are the Nishga people opposed to development?" They give the following answer, which I quote from the pamphlet:

> We are for development. We have always seen the development of our resources as a way of enhancing our culture and traditional values. Like most concerned Canadians, we do not support the kind of development which imposes tremendous negative impacts while offering few benefits. We are for orderly, rational development which is in tune with our culture, economic interests, and long-term survival.

A period of time before this pamphlet was written the same Nishga Tribal Council did a study within the Nass River Valley on forest resources. Remember, Mr. Speaker, that we are talking now about their traditional lands, lands to which they make a very legitimate claim, lands to which they state that they have aboriginal title. This study that they undertook carefully looked at current management resources. Here is what they found.

Up to 36,000 acres of the area logged and said to be reforested is not satisfactorily reforested; 73 per cent of the best quality logged area is choked with brush; 25 per cent of the soil in logged areas has been severely damaged; high-grading has occurred, that is, the accelerated removal of the best forests; requirements for reforestation, timber utilization, forest management, planning, and protection of the environment, all of those requirements have, in many instances, been relaxed.

The answer to this type of problem, this situation, is clear. The answer is in keeping with the ethics of the Brundtland Commission, that is, a recognition of the aboriginal rights of those people, and the aboriginal title of the Nishga people. This recognition by Canada and by the Government of British Columbia ought to lead to negotiation and a satisfactory settlement of this outstanding claim.

Finally, Brundtland suggests that earnings from traditional activities can be increased through the introduction of

marketing arrangements that ensure there is a fair price for the produce from aboriginal communities. Apropos to this point, I believe a few comments would be in order concerning Canada's oldest industry, that of fur trapping. For many native people today trapping remains an essential part of life. This traditional pursuit is consistently conducted with a clear eye to conservation. Yet, trapping is coming under increasing attack from the animal rights movement which is opposed to any kind of animal use.

In the 1970s the seal industry was challenged and it was all but destroyed. The result of that was to deprive many northern Inuit communities of the main basis of their livelihood. Now the fur industry faces exactly the same threat. Recently, the British Minister of Trade indicated to the United Kingdom House of Commons that he was preparing a measure to force retailers to label some wild fur products indicating that they are derived from trapped animals. The Grand Council of the Cree said to the British Government, regarding this proposed legislation, that unlike the seal ban, not only the Inuit communities are targeted now, but aboriginal people throughout and across Canada.

Georges Erasmus, the Canadian Co-chairman of Indigenous Survival International, recently stated before a parliamentary committee that studied the fur issue that aboriginal peoples have always seen that it is possible to play a responsible productive role in nature, and it is possible for human societies to be a part of the balanced ecosystem. The animal rights group cannot accept that as a premise.

I conclude by referring again to a very important point made by the Brundtland Commission, namely, that larger societies can learn a great deal from those who practise traditional skills in sustainably managing very complex ecological systems.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I am very pleased to participate in the debate on the consideration of an opposition motion moved by my colleague, the Hon. Member for Broadview—Greenwood (Ms. McDonald):

> That this House condemns the Government for its failure to act on urgent environmental issues, especially its failure to negotiate a treaty with the United States to reduce acid rain emissions; its failure to incorporate environmental matters in major economic decisions, despite endorsing the Brundtland Report and the report of the National Task Force on Environment and the Economy; and its failure to effect a clean-up of the toxic wastes contaminating the Great Lakes Basin and the St. Lawrence Seaway.

That is the motion we are debating, Mr. Speaker, and there are a great many things that could be said, beginning with acid rain. I see that the Hon. Member for Parry Sound—Muskoka (Mr. Darling) is present. He and I had the opportunity to serve together for some three years on the Special Committee on Acid Rain which he chaired, and as far as I know he stills chairs. It was a matter of great concern to the committee then, as I am sure it is now, that there has been no treaty on acid rain with the United States.

After all is said and done, after the summits and the Envoy's reports, and the mention of the possible negotiation of a treaty by President Reagan when he was here last year, at the end of the day we are really no further ahead with respect to actual reductions in American emissions that affect the Canadian environment.

In fact, some of us would argue that we are actually worse off because of some of the actions taken by the Conservative Government. Why are we worse off? One of the things that became clear to all committee members, whether or not they are willing to admit it, is that the Canadian Government, and particularly the Prime Minister (Mr. Mulroney), by accepting the clean-coal technology approach of President Reagan, accepted a view of the acid rain problem which played into the hands of those on the American side who do not wish to see immediate action on acid rain.

• (1610)

I believe it was last June that the special committee on acid rain went to Washington. The following points were made to us over and over again by people who were our friends and allies in the States, that is to say, the people who were trying to get legislation that would actually mandate specific reductions. They said that our Prime Minister wittingly or unwittingly—that is not the point—had actually played into the hands of the very people they were fighting against, that is, the coal lobby in the United States; that it was the coal lobby that was behind the kind of approach to which the Prime Minister and the President agreed; and that we were actually making life more difficult, not less, for those whom we perceived as our allies in Congress and elsewhere in various environmental groups in the United States.

I think that is as true today as it was in June, 1987 when we were there. Nothing has come of President Reagan's last minute add-on to his speech in the House of Commons in respect of an acid rain treaty. We all know—those of us who know anything at all—that it was added as kind of a face-saving gesture so that the Prime Minister would have something to point to. I suppose that is understandable in the larger world of political images and whatnot.

However, the fact remains that if our bottom line concern, to use a phrase which I do not actually like, is whether or not there is any less acid rain falling down on Canada as a result of the policies of the Government, the conclusion must be that that is simply not the case. Maple trees continue to die in Quebec. Lakes in Ontario continue to get worse, many thousands of them to the point of being dead lakes. I would say in respect of acid rain that government policy has been a perfect failure.

As some Hon. Members will know, I was the NDP environment critic for three years. Now I am the external affairs critic and deal with things such as arms control, disarmament, regional conflicts in the Middle East and Central America, and all kinds of such things. Despite the obvious difficulty and

threat to human life and to peace in the world that these situations present, they produce much less despair in one than trying to deal with environmental issues. One thing overtook me in three years as one of the people responsible in this place for trying to bring about and to keep environmental issues on the environmental agenda when they were there. It was the fact that most of the problems about which we are talking are incremental, cumulative, and keep on doing damage to the environment every minute of every day of every week of every month that we sit here and concern ourselves with other things that I would contend are often much less important than the fact that we are persistently poisoning ourselves and the environment and putting at risk the future health of creation and of future generations. It just keeps happening. It makes one want to cry out: "Why, why can't we muster the same kind of concern about these things as can be mustered around other issues?"

A good example, as far as I am concerned, is the one on which I spoke in the House the other day in the context of a Private Member's Bill, the question of the ozone layer. We know that when styrofoam breaks down it produces or releases chlorofluorocarbons that eventually gather at a certain level in the atmosphere and break down the ozone layer. This increases the possibility of skin cancer and does other damage to the environment. Yet in one's daily life one is constantly confronted with the use of these substances, not for essential purposes. It is not as if we are talking about having to use this substance for purposes for which no other substitute can be found.

Just this morning on my way here on an Air Canada flight from Winnipeg, I noticed that all the place-mats on the plane were styrofoam. Here in the lobby of the House of Commons all the coffee cups are styrofoam. It is not just the case with Air Canada and the House of Commons. If one goes to almost any church in the country, one will be served a cup of coffee in a styrofoam cup. We are not talking about something that is essential. We are talking about something that could be easily done with something else. I flew on aircraft from Winnipeg to Ottawa for seven years without styrofoam place-mats. I never knew I missed them. There are so many things like that. We cannot even muster the collective moral will to eliminate the very small ways in which we contribute to a serious environmental problem like the erosion of the ozone layer. It seems to me that that is cause for wailing, lamenting, and gnashing of teeth. If we cannot even do those small things, how will we ever do the big things that are required and will be required whether or not we like it? It is only a question of whether we are going to wait until we are up to our necks in garbage before we do something or whether we will decide to do something today, yesterday preferably.

There was a program last night on television—and in fact there was one a couple of weeks ago—about the problem of land fill. We are running out of places to put all this stuff. It is not as if no one was saying these things 10, 15, or 20 years ago. People who complained at that time about the fact that we would have to find alternatives to constantly producing non-recyclable materials and things that go straight into the garbage were considered to be just a bunch of counter-cultural hippie nuts to which nobody should pay any attention; they were against progress. I know because I was one of those counter-cultural hippie guys who were against so-called progress. The fact remains that we were right. If many of the problems to which we pointed then had been dealt with, it would have been a whole lot easier than dealing with them now when we are at the point when we must deal with things in an emergency situation.

The City of Toronto is sitting there, not knowing what it will do next year with its garbage. It is not a very good situation. Certainly it is something that could have been prevented had there been the political will and, for that matter, the political intelligence to do so. The fact remains that there are all kinds of things that are packaged for no reason other than marketing strategies. For the sake of marketing strategies we have polluted the planet. It is because these things sell better when they are individually packaged and have a plastic this and a plastic that.

I am talking about a lot of unnecessary things that we do. It does not involve any moral dilemma; it is just the question of one generation, our generation, placing our personal, economic, material convenience higher than the well-being of future generations and higher than the well-being of creation itself.

• (1620)

The story the other night dealt with plastic in the oceans, with fish, marine mammals and birds literally choking to death on all the plastic that we have dumped in the oceans because it would cost too much to do something about it. Individual companies and governments, be they socialist or capitalist, it does not matter, have been guilty because they could not be bothered. It is short term efficiency. But this kind of short term efficiency has dragged us down into what will turn out to be the most inefficient thing that we ever did as a human community. Literally, in the name of these short term efficiencies, we will wipe out, if we do not smarten up, the very things which sustain us environmentally and economically. It is impossible to talk about a healthy economy without talking and acting at the same time about having a sustainable environment. That was one of the points made over and over again by the Brundtland report.

Over the years we have externalized environmental costs or they have not been paid at all, they have just been lying there waiting to be paid. Things like clean air, clean water, fertile soil and naturally occurring forests and everything else have not been figured into the cost of doing business, into the cost of our economic way of life. So whoever happened to get there first, whoever happened to get to the clean air, the clean water or the naturally occurring forest first and got the rights from the Crown or whatever the case may be would do just whatever liked. That may have worked for 50, 60 or 70 years, the very short time that we have just done what we pleased with

our air, soil, water and forests. It will turn out to be historically a very short period of time but a very historically significant time if we do not change our ways. The people of the future will look back and say: "Would you believe those guys in the 20th century?" Would you believe what they did between 1910 and 1990?" Or whatever the period may be. "Would you believe the incredible lack of foresight or the incredible moral responsibility of what they did in a period of 80 to 90 years to that which took thousands and thousands of years to build up?" Woe I say to the generation that is able to be accused of that. Yet that is exactly the kind of accusation which can be made against the people of the 20th century. We can only hope that in the latter days of this century we will smarten up and do everything that is in our power to do in order to rectify the very terrible situation in which we have got ourselves.

There have been a few victories, I suppose, Mr. Speaker. They should not go unmentioned. The resolution of the problem with respect to South Moresby is the one little victory and a significant one that comes to mind. But people are still camped out at Strathcona Park on Vancouver Island trying to protect one of the oldest provincial parks in British Columbia from the kind of mining exploration which the provincial Government has decided to permit. The battle goes on.

The Hon. Member for Cochrane—Superior (Mr. Penner) mentioned something on which I hope I still have some time to comment, namely, the whole question of the fur lobby and that in the past a very successful campaign was waged against the seal hunt. That campaign has now been extended by animal rights groups and others to all fur products, and the appropriate cabinet Minister in the British Government is considering some kind of action which would discourage people from purchasing Canadian fur products.

I want to put on the record my opposition to this kind of action by the animal rights groups and by the British Government, if it chooses to take this kind of action.

To the extent that the environmental movement has been involved in this, although some groups like Greenpeace appear to be pulling back from their activity and participation in the anti-fur lobby, they have participated in something which has undermined the economic viability and the traditional lifestyles of people who are their natural allies. It seems to me that the native people and environmentalists are in many ways natural allies. I have always regretted the extent to which some in the environmental community have participated in the anti-fur lobby. I am glad to see that many in the environmental movement are coming to perceive that this is an inappropriate course of action for them. One of the things I think is important to the over-all sustainability of the environment is the sustainability of native lifestyles and native communities.

I notice, Mr. Speaker, you were signalling that I have little time left, and the Minister of Transport (Mr. Crosbie) is nodding in agreement. With that, I will bring my remarks to a close.

Mr. Berger: Mr. Speaker, I thank the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) for his contribution to this debate. In particular I paid attention to the part where he referred to his plane trip this morning and the styrofoam cups that we use here in the House. I decided to make a quick inquiry about his comment on the cups to see whether the Member was right, but I do not know the answer. This is the kind of problem consumers have. Members of Parliament are supposed to be particularly well informed about issues of this nature. As I said, I made some quick inquiries and was told that styrofoam cups are okay, that CFCs are not used as an agent for blowing in making these cups. Instead they use hydrocarbons such as propane or butane. While I asked my interlocutor how can one identify what cups have CFCs and which do not, I was told that cups which break up into little chunks and bubbles when you pick away at them are okay, that CFCs are not involved in them. Apparently the ones that use CFCs are smooth. I have part of a cup here that we use in the lobby. I started to rip it apart. If they rip like paper, apparently they are supposed to contain CFCs. I suppose you can guess, Mr. Speaker, that I am somewhat confused in that it is difficult to determine what kind of cups contain CFCs and what kind of cups do not.

• (1630)

This reminds me of a point I made when speaking in a debate on the environment several weeks ago. I said that one of the things the Government could do, even if it did not want to ban outright the use of CFCs, would be to require that products containing CFCs be labelled as such, allowing consumers to make intelligent decisions about whether they want to purchase such products or not. It is a point I felt that I would like to raise in this debate, and I invite the Hon. Member to respond if he would care to.

Mr. Blaikie: Mr. Speaker, there are kinds of foam that do not contain CFCs, and part of the problem, as the Hon. Member has said so well, is that one is not always aware what foam is which. The idea of labelling is certainly a good half measure but the best thing would be not to permit these products to be made in the first place, particularly if there are alternatives, and there are. However, even if hydrocarbon or something else is used as a blowing agent rather than CFCs, there is still the secondary environmental problem which is that these are non-biodegradable substances. In fairness, though, that is not what I was talking about when I was speaking.

The Hon. Member made a good point. Just recently in my home province, the Government announced an aid package for a company that was making styrofoam egg cartons. If those styrofoam egg cartons are being made with the kind of foam that contains CFCs, then this is hardly an instance of integrating environmental and economic decisions. I cannot say for sure exactly what process will be used—

Ms. McDonald: They're going to use the good stuff.

Mr. Blaikie: I am told by the Hon. Member for Broadview—Greenwood (Ms. McDonald) that it was the good stuff, not the stuff with CFCs.

Ms. McDonald: But it wasn't cardboard either.

Mr. Blaikie: In any event, at least it was not CFCs. Had it been, that would have been a classic example of economic and environmental decisions being at odds with each other. The fact that the process does not use CFCs is certainly something I am glad to hear. I see that the Hon. Member for Broadview—Greenwood checked that out.

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, I am pleased to add some input into what I think is an extremely timely and very important motion which is before the House today. The Hon. Member for Broadview—Greenwood (Ms. McDonald) and members of her Party have been constantly supporting issues that relate to the environment.

Someone said to me the other weekend that we should start treating Canada as if we planned to stay here for a while. Indeed, we do. As the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) just mentioned, those who come after us will look back and ask why we did this, why we did that and why we were so concerned about resource exploitation. They will ask why the Government of the day was not focusing more aggressively on issues of immediate impact on the environment.

The environment knows no partisan politics. I invite all Hon. Members to bone up on environmental issues because I think it will be a major point of confrontation during the next election campaign. If Members or candidates are not conscious of the environment in their own neighbourhoods, provinces and country, they will be facing pretty tough questions from their constituents or their potential constituents.

I want to speak briefly today on securing sustainable development in Canada with the following points of view. I want to talk about the Government's record on implementing the principles of sustaining development as described in the report of the World Commission on Environment and Development and Canada's national task force on environment and the economy.

Almost a year ago, the world commission, commonly known as the Brundtland Commission, released its landmark document entitled *Our Common Future*. Canada called for this commission and Canada generously supported and funded it throughout all of its work. We commend those who produced the final report.

In the broad sense, the Brundtland report is not one of despair. Rather, it is a message of hope. Simply stated, the commission argued that every nation must integrate environmental considerations into economic decisions. *Our Common Future* envisions a new era of growth through sustainable development.

In his speech to the United Nations last fall, our Minister of the Environment (Mr. McMillan) said the following to the assembly:

> The environment and economy cannot be addressed as two separate global problems; only by viewing the two as one can either be resolved.

The federal Minister of the Environment went on to say at the assembly in his recommendations that the concept of sustainable development should be supported and that UN agencies and affiliates should ensure that their programs reflect that concept.

Canada worked very hard within the assembly to ensure unanimous support for a resolution passed last December calling upon all Governments, the United Nations and multilateral and development institutions to review and ensure that their policies and programs contribute directly to sustainable development. Canada has already been successful in having the food and agricultural organization and the UN industrial development organization adopt a resolution on the concept of sustainable development.

As Hon. Members know, at the Commonwealth heads of Government meeting in Vancouver last year, the Prime Minister (Mr. Mulroney), along with all of the other Commonwealth leaders, agreed that the goal of environmentally sustainable development should be central to national and international economic policy. As we have seen recently, an announcement was made a few weeks ago indicating that CIDA, our Canadian aid program, will try to do everything it can to concentrate aid on projects that would ensure that sustainable development is realized in countries throughout the world to which we give assistance.

Hon. Members might recall that years ago, I lived and worked in eastern, central and southern Africa in the areas of national parks, wildlife and tourism. Aside from having a remarkable learning experience, I was impressed by the fact that the Tanzanians, Kenyans, Zimbabweans and Malawians recognize that within the context of their own environmental development, their wildlife resources and national parks play a very important part in sustaining the future of their countries.

I recently returned there, just three months ago, after being away for 11 years. Although these countries face great hardships, their leaders, Ministers and Members of Parliament with whom I met continue to underline the value of the land and the value of their natural resources to the sustainable growth within their own countries. Let us recall that these are very, very poor countries. It would be easy for them to just brush that aside and develop the land, cut down all the trees and kill all the wildlife. These people live from day to day and from week to week, but they have recognized the importance of maintaining sustainable growth in their own countries.

Last September, Canada hosted a diplomatic conference at which 22 countries signed what is now called the Montreal Protocol on substances that deplete the ozone layer. Canada's effort will continue to focus on the management of the global commons in the atmospheric sector, mainly through support

for the development of a law of the air. Canadians are also deeply concerned about global climate change, and Canada will host an international conference in June in Toronto that will address the issue among other atmospheric issues. The conference is called "The Changing Atmosphere: Implications for Global Security" and is another example of Canada's commitment to the Brundtland Commission's call for prudent management of the global commons.

I want to talk a bit about something that has been very important to the over-all context of the environment and important to me and to the people of Ottawa—Carleton. The international co-operation to secure an abundance of wildlife as recommended by the Brundtland Commission is already evident through co-operation between Canada and its neighbour, the United States. In 1986, Canada and the U.S. signed a $1.5-billion North American waterfowl management plan to restore and enhance waterfowl populations.

The plan, which is a milestone in multilevel government and private-sector co-operation, aims principally at conserving habitat beneficial to both wildlife and agricultural interests. I underline that it is of benefit to both wildlife and agricultural interests. It will be of extreme importance in western Canada, the breeding grounds of the North American waterfowl. Once this plan is fully implemented, enhanced water-fowl populations will make a valuable economic contribution to all regions of North America.

• (1640)

We have heard reference to acid rain here today. We all know how serious that problem is. The Hon. Member for Parry Sound—Muskoka (Mr. Darling) has been leading the charge for many years to get not only his Government and our country to recognize the importance of this transboundary problem, but to get the Americans to recognize its importance as well. Last year at a conference in Quebec City a report was released by a man named Paul Hansen from the Izaak Walton League of America. It is called *Acid Rain and Water-Fowl: The Case for Concern in North America*. In the forward to the report he refers to this devastating problem and I quote:

> Now comes this report from Paul W. Hansen of the Izaak Walton League of America, pointing to the involvement of acid rain in the welfare of breeding ducks. Based upon preliminary research by Canadian and U.S. biologists, this report presents sobering information on the adverse effects of acid rain on Black Duck and other duck populations.

In North America, particularly eastern North America, since 1955 the Black Duck population has declined by 60 per cent. This beautiful bird used to be called the Crown Prince of the Atlantic Flyway. It has been conclusively proven by these researchers that acid rain is having a very negative impact on the breeding habits and habitats of the Black Duck. That is a barometer which says we have to act and act quickly. When you see that kind of a reduction in the number of water-fowl, you know we have a serious environmental problem.

World Wildlife Fund Canada has been working aggressively in co-operation with the federal Government, provincial Governments and the private sector in many important areas of wildlife habitat and restoration. In fact, they are working on what is called the Canadian Endangered Species Program. Last year the federal Government announced a new program within the context of the Endangered Species Recovery Fund involving $1 million over the next four years. Let me just quote a word or two from the last annual report of the fund concerning this work:

> In 1986, a rather sad Canadian milestone was reached. The national list compiled by the Committee on the Status of Endangered Wildlife in Canada officially exceeded 100 species.

That should not be happening. For whatever reason, 86 per cent of all Canadians have expressed the view that saving endangered species is important to them. The federal Government made a commitment to spend $1 million to assist with these programs. Whether it be the Bald Eagle, the bison in Wood Buffalo National Park, or other endangered species, many projects are being pursued and we are going to continue to co-operate in an effort to enhance the potential of our wildlife resources throughout the country.

The World Wildlife Fund Canada is also involved in administering the Wildlife Toxicology Fund which is fully funded by the federal Government. They submitted a report to the Minister of the Environment last April. Monte Hummel, the Executive Co-ordinator of the fund, concludes, based on this federal support, and I quote again:

> The first 19 months of operation of the Wildlife Toxicology Fund have been immensely successful by any measurement. The quality and diversity of work supported is second to none, and we have achieved the desired leverage effect of using Environment Canada funding to secure financial support from others.

An excellent example of co-operation between federal funds and the private sector administered through a third party organization, the very well-known and successful World Wildlife Fund for Canada. I congratulate Mr. Hummel and all of his colleagues for their efforts and we look forward to expanding those efforts.

The Canadian Council of Resource and Environment Ministers put together a national task force on the environment in the economy. The Prime Minister and all provincial Premiers discussed and endorsed the report of that task force at the conference of First Ministers last November. The Prime Minister stated that we must encourage economic growth in harmony with our environment. That addresses very clearly and concisely the concerns brought forward by the Hon. Member for Broadview—Greenwood in her motion which we are now debating.

As was recently referred to by the Hon. Member for Winnipeg—Birds Hill we had a significant achievement last year with the magnificent archipelago off the West Coast of British Columbia known as South Moresby. The islands contain some of the last virgin rain forest in Canada. It contains many unique plant and animal species. These islands are also home of the Haida Nation, a nation rich in cultural heritage. The economic value of the timber contained in the rain forest on the islands created for Governments and the

forest industry a difficult trade-off between short-term and long-term interests, and between regional and national values.

Through co-operative efforts of Government, industry and the people of South Moresby, environmental and economic goals were finally reconciled and a national park will soon be created there as part of a multimillion dollar economic development strategy for the area. This is based on the sustainable development concept which ties directly into the discussion we are having today in reference to the Brundtland Commission report. The Haida's role in the strategy will be central. Canada will be working to develop similar demonstrations of how environmental and economic considerations can be successfully integrated through this kind of partnership and co-operation.

Reference has also been made to energy and how it relates to not only Canada's use, needs, future and present, but also within the context of the free trade agreement. The Hon. Minister of Energy, Mines and Resources (Mr. Masse) should be congratulated for his success in applying the Brundtland message in his area of responsibility. The department has an impressive action plan to integrate environment and economy which addresses the inclusion of environmental considerations in cabinet documents and the rigorous application of environmental assessment. This approach can be considered as a progressive model for government departments at all levels. Indeed, the federal agenda calls for the integration of environmental considerations into the policies of all federal departments.

Within the context of sustainable development, to meet this challenge as well in the agriculture sector, for example, federal and provincial Governments have collaborated in developing a national agriculture strategy. This strategy acknowledges that soil and water resources must be protected and improved through conservation and development programs, thereby guaranteeing agricultural productivity for future generations.

We have also seen a national policy for managing fish habitat instituted pursuant to the federal Fisheries Act. Its long-term objective is an over-all net increase in the productive capacity of fish habitat, to be achieved through conservation, restoration, and the development of habitat for aquatic plants, fish, shellfish, crustaceans, and marine animals in general.

• (1650)

Recently, the federal Government announced a new national water policy. I am pleased that it has done so, as I am sure you are, Mr. Speaker, The water in the Hamilton area is not exactly drinkable.

Witnesses recently appeared before the legislative committee studying the environmental protection legislation. They were extremely concerned about the pollutants, chemicals, waste and toxins that are not only killing the Niagara River but the Great Lakes and the St. Lawrence. Canada used to be known as a country with beautiful lakes, rivers and wildlife. These are finite resources and can only withstand a certain amount of punishment. They have been punished for decades.

We must recognize that in order to achieve sustainable economic growth there must be an environmental component to every project we undertake, whether it is a housing project, a mining project, a forestry project, the creation of a national park or the utilization of our rivers for hydroelectricity.

We must never lose sight of the importance of the environment. The national water policy is very timely. The Rideau River flows through the City of Ottawa and empties into the Ottawa River. When I was young, I used to swim in the Rideau River at an area known as Mooney's Bay.

Today, at best there are 40 days during the summer when one can go in the water. I will be asking the federal Government to work closely with the Province of Ontario, the Regional Municipality of Ottawa—Carleton and the Cities of Ottawa and Nepean to clean up Mooney's Bay under its national water policy. They will spend a lot of money this year through Parks Canada, the National Capital Commission and the Regional Municipality of Ottawa Carleton to develop a marina at Mooney's Bay which is sorely needed. Today, anyone who falls into Mooney's Bay may have to be rushed to the Riverside Hospital for a tetanus shot. We need to enhance the tertiary treatment to our storm sewage drainage system. In that context the Brundtland Report even touches the Rideau River.

The Member for Parry Sound—Muskoka is well aware of the importance of the tourism industry in his riding. It is absolutely essential. Tourism is vital in all of Canada. It is the second largest employer in the National Capital Region.

If we do not enhance the quality of our lakes and rivers, we will face serious consequences in the future. Last spring I had the privilege of visiting for the first time a northern part of Canada. I spent a week at Tuktoyaktuk and had an opportunity to visit Holman and Victoria Islands. Although the North is magnificent and quite beautiful, where I experienced 24 hours of daylight for the first time, what I saw were barrels, drums, oil spills, garbage, boards, piles of steel and used fencing lying everywhere. That was not my vision of the North.

I spoke to the Minister responsible for natural resources in the North and talked to the Minister of Indian Affairs and Northern Development (Mr. McKnight), and to the Minister of the Environment. I said it is necessary to work together because places like Tuktoyaktuk will not sustain themselves if we do not protect the fragile environment.

This is a very important motion before the House today and all Members should take heed. If our environment dies, we will die with it.

Adjournment Debate

PROCEEDINGS ON ADJOURN MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Kempling): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Davenport (Mr. Caccia)—Environmental Affairs—Acid Rain—United States President's Announcement/Request for Signing of Canada-United States Agreement; the Hon. Member for Trinity (Miss Nicholson)—Financial Institutions—International Banking Centres—Minister's Position; Toronto City Council Resolution; the Hon. Member for Capilano (Mrs. Collins)—Unemployment Insurance—Maternity Benefits—Request for Amendments—Retention of Babies in Hospitals.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—ENVIRONMENTAL AFFAIRS

The House resumed consideration of the motion of Ms. McDonald:

> That this House condemns the Government for its failure to act on urgent environmental issues, especially its failure to negotiate a treaty with the United States to reduce acid rain emissions; its failure to incorporate environmental matters in major economic decisions, despite endorsing the Brundtland Report and the Report of the National Task Force on Environment and the Economy; and its failure to effect a clean-up of toxic wastes contaminating the Great Lakes Basin and the St. Lawrence Seaway.

• (1710)

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I shall, if I may, take a few moments to speak in this debate on the environment, the subject raised in an Opposition motion presented here in the House.

It is perfectly true that the people of my province, that Quebecers are very concerned about the quality of the environment, and I would say that concern is increasing.

I realize that Canadians on the whole are becoming increasingly concerned about the environment, but last month, the results of a public opinion poll conducted by the firm Léger et Léger in Quebec, showed that Quebecers are even more concerned about the environment then we thought. I will mention some of the facts discovered by this well-known polling firm which published the results of the survey in the *Journal de Montréal* of February 10. People are now very much concerned about the quality of the environment in Quebec, as much as 83 per cent. We can say this has now become a major political issue.

People were asked: Generally speaking, what kind of pollution do you think is most harmful? Of the persons surveyed, 33 per cent mentioned acid rain; 28.8 per cent thought all forms of pollution were harmful, and I think they are right; 19.5 per cent thought air pollution was most harmful, while 13 per cent mentioned water pollution. When people were asked what they thought was mainly responsible for pollution, 70 per cent put industry first. One of the most important and surprising discoveries was how people answered the following question: Would you be in favour of separating your garbage into waste paper, plastic and glass, for recycling purposes? Seventy-seven per cent of respondents said yes.

This demonstrates that people are not only concerned about the environment but are also prepared to make an effort to clean up their surroundings. They are prepared to go even further, as we see in the answer to the following question: Would you be willing to pay a special anti-pollution tax to improve the quality of the environment? Usually when taxpayers are asked whether they want to pay an additional tax, the answer is no. In this case, 59.3 per cent said yes, they were willing to pay a special tax to fight pollution.

Finally, I think the House would also be interested in the answer to another question. People were asked: Do you think environmental regulations in Quebec are strict enough or not strict enough? Not strict enough, said 83 per cent.

That is how important the quality of the environment and cleaning up the environment has become to our Quebec constituents. It is not surprising, because the headlines in the media are increasingly bringing major problems to our attention. For instance, here is one headline, and I have several that go back one or two years.

In *La Presse* of February 26, 1987: *Le Québec est devenu la fosse septique des Grands Lacs* (Quebec, the Great Lakes' Septic Tank). No wonder people were getting concerned when more recently, in November 1987, *Le Devoir* mentioned the renewal of the Great Lakes water quality agreement between Canada and the United States, it pointed out that the St. Lawrence was not included. The St. Lawrence was not included as part of the Great Lakes system, although all environmental experts had recommended this long ago.

Here is a headline from March 5, 1987. That was a year ago, but I will get back to this one because "a year later, we still have the same situation". Here we have a headline showing a photograph of the Minister of Environment (Mr. McMillan), who said on the subject of cleaning up Quebec's waterways that: "Ottawa won't spend a cent".

According to one study, Quebec is the province most severely threatened by acid rain. No wonder Quebecers are becoming increasingly concerned about environmental issues. This study was released and discussed at the end of an international forum on acid rain held in Montreal. This was in February, which means last month. "The federal Minister of the Environment", said the article, "refused to take part in this seminar organized by *l'Union des producteurs agricoles* (UPA). Officially, the Minister had declined", the article read, "because he had to accept an award from the Governor

General in Toronto. However, it was rumoured in UPA circles that the Union's opposition to free trade had caused a breakdown in relations between the UPA and the Minister of the Environment". The result was, of course, that the Minister failed to participate in an important conference on acid rain.

Meanwhile, the Quebec Minister of the Environment was doing his best to go it alone.

Here we read: "Lincoln will set up an action committee to clean up the St. Lawrence". Lincoln was of course prepared to spend a lot of money, but he expected the federal Government to do its share. A year ago in June 1987, we read: "Lincoln is sure Quebec will get $100 million from Ottawa to clean up the St. Lawrence River."

In a few minutes I will tell you what Lincoln said on a television broadcast exactly six days ago. He was still negotiating to get his $100 million.

I have here a cartoon that appeared in *Le Devoir* on February 19, 1988. We are not supposed to show pictures here in the House so I will describe it. It shows a huge grey cloud drawn to represent the American flag, with stars and stripes in dark and light grey. We see drops falling on a forest which are actually miniature missiles, piercing maple leaves. This picture reflects the message Quebec's farmers, through their union, *l'Union des producteurs agricoles*, have tried to get through to the federal Government several times. In January 1987, the UPA wrote to the Hon. Member for Brandon—Souris (Mr. Clark) at the House of Commons, commenting on the report of the Standing Committee on Environment and Forestry.

Quoting statistics, the UPA said that if we compared the number of maple taps in 1986 to the number of taps in the eight, previous years, already 2 million taps had been lost during that time, largely due to acid rain. This is important when we realize that, in Quebec, usually 14 million trees are tapped annually. This means one-seventh has already been lost.

The UPA, very direct in its strategy unlike any other movement in this country, presented the federal Government with a bill for the loss in revenue suffered by farmers. It did so because the federal Government had so far failed to do enough, especially in the area of research. If we compare the work done in this area to what the federal Government has done, says the UPA, the Government's efforts are not only insufficient but laughable, unless we consider that a total of $30,000 spent in 1986 on research on the impact of acid rain on maple trees is worth mentioning.

According to the UPA, the Government of Quebec was practically bearing the total cost of research on the decline of maple stands and deciduous forests, a forecast $1 million for that year.

It was then the UPA decided to take the unusual step of sending a bill to the federal Government. However, six months later the Minister of the Environment said before a Committee of the House that he never heard about it. At this point I would like to quote from a letter that Bernard Duval, first vice-president of the UPA, wrote to the Minister of the Environment, in which he said: "We were astonished at what you said". In answer to a question from Mr. Penner, a Liberal Member who was on the Committee during the hearings of the Special Committee on Acid Rain, the Minister said on December 2: "Mr. Chairman, I must confess I am not aware of any overture made by the industry directly to the Government for assistance. I am unaware of the application from the industry for assistance from the federal Government to compensate, or to make up for the decrease of productivity." However, six months before, in a letter to the Prime Minister and to Mr. Merrithew (Minister of State (Forestry and Mines)), the UPA wrote, and I quote: "—sent a bill for $87 million, for losses incurred by maple producers." This goes to show what the UPA is up against when it tries to deal with the very serious problems they are facing in Quebec.

Nevertheless, I must give the Minister of the Environment some credit on acid rain. Granted, the Minister was unable to make the United States realize that we must be prepared to spend money on fighting acid rain, but he may have been able to make the U.S. acknowledge the fact that acid rain can cause damage. The Minister has managed to conclude agreements between the federal Government and the provinces under which, here in Canada, we are committed to reducing SO_2 by 50 per cent between now and 1994. However, the Minister is having trouble convincing the Americans to set similar standards for emission reduction. If the Minister is to be credited for concluding certain agreements with the provinces, I think we should also give credit to the previous Minister, the Hon. Member for Davenport (Mr. Caccia), who started negotiations with the provinces in 1984 before the present Government came to power.

I am willing, therefore, to give some credit to the current Minister, but I suggest I should also give some credit to the previous Minister who had initiated the process of nitrogen oxyde reductions by adopting regulations which were finally implemented in late 1984. These regulations make it compulsory to use catalytic converters to reduce the level of nitrogen oxydes in the atmosphere. These devices are standard equipment on all 1988 new car models sold in Canada.

In 1983, the Hon. Member for Davenport was already doing his share by starting the progressive removal of leaded gas. This type of gas is still sold, but less and less, and modern vehicules now use unleaded gas, which is advantageous.

I would like to remind the House that the last two provinces—New Brunswick and Nova Scotia—have just signed these emission limitation agreements.

Mr. Speaker, I would like to return to the cleaning of the St. Lawrence river, a river which is very important not only for navigation, but also because a very large portion of the Quebec population lives on its shores. Metropolitain Montreal, with nearly one third of the Quebec population, is surrounded by the St. Lawrence River. I remember with melancoly the time

when, as a young boy, I used to swim in the St. Lawrence when it was still possible to do so. Needless to say, Montrealers have been deprived of this pleasure for many years, but we hope, because of the efforts made by the Hon. Clifford Lincoln, our own Quebec Minister of the Environment, to see the day when it will be possible again to go for a swim in the St. Lawrence River.

Minister Lincoln has announced a $3 billion investment project over a 10 year period which could clean up the St. Lawrence river by 80 per cent. At the same time, it is seeking from Ottawa a meagre contribution of $100 million over the next five years which he has not been able to obtain so far, unless, unknown to me, he obtained it in an agreement signed last night.

I have here a written transcript of the *Mid-day* program of March 15, 1988—six days ago—during which the Hon. Cliff Lincoln explained his $3 billion clean-up and investment project. He was asked:

[*English*]

"How much are you getting from Ottawa?" Was is the question. The answer was, "Well, we are not yet getting money. We are just talking to Ottawa right now. We are talking to Ottawa for a $100 million contribution over five years".

[*Translation*]

So that is what Minister Lincoln was doing or had begun doing a year ago. There is no reason to say that the Minister of the Environment has been overzealous when it comes to cleaning up the St. Lawrence River.

And what most irks Montrealers, Mr. Speaker, is that when this Minister of the Environment comes to Montreal he does so to brag about his accomplishments. I recall that during one such visit about a year ago he practically insulted Montrealers by telling them that, as he saw it, the St. Lawrence River was so polluted that it looked like an open sewer. I agree with the Minister that the St. Lawrewnce is like an open sewer in the Montreal region. But as Montrealers, what is the percentage in listening to the Minister telling us that our river is dirty if he has to be coaxed to make a much smaller contribution than the amount the Government of Quebec is prepared to put up. In fact, if the Quebec Government is ready to put up $3 billion over ten years, this works out to $300 milion a year. They are asking Ottawa for $100 million over five years, or $20 million a year.

That is much less, like fifteen times less. So I would suggest to the Minister of the Environment that if he should come back to Montreal he might indeed make resounding pronouncements if he is so inclined, but I wish he would also bring his wallet and tell us how much money he is prepared to spend to clean up our river—the wish of all Montrealers—instead of always cutting the funds earmarked for the environment, down 17 per cent as they are now when compared with what was available in 1984 when the Conservatives took over.

[*English*]

Mr. Les Benjamin (Regina West): Mr. Speaker, I rise to take part in this debate because it is a subject about which I have always felt very strongly. I grew up in the Prairies of western Canada and spent a great deal of time in British Columbia and Central Canada. I have watched and was one like all the rest of us who was guilty of the ruining of our environment, the polluting of our air and water, and the degradation of our lands and forests.

I am not rising to point a finger of blame at any one person, any one Party or any one Government concerning the state of our environment and our ecology. I point a finger of blame at all Governments at all levels for failing to act. That includes Governments of all Parties. I point a finger of blame at these Governments for failing to act sufficiently.

"By their deeds shall you know them". The deeds of us all as individuals, of Governments at all levels as well as corporations, farm organizations and unions are all guilty of failure. The point is that from this day on what will we do about it?

It will cost money. It will cost a great deal of money. It will cost profits. It will cost a great deal of profits. However, if we really mean what we say, and I have listened to Members from all sides of the House today, then we must be prepared to pay those costs.

I said that I would not point fingers. I do not cite the following figures just at the Conservative Government of today. I cite them only as an example of what previous Governments have done in Ottawa, as well as what previous Governments have done in the provinces. They are only meant as an example. I hope the Government and all other Governments of all other Parties at all other levels have learned some lessons from these figures.

I believe that all political Parties have made excellent policy statements on the environment. I believe that they mean what they say in those statements. Let us learn a lesson from what the Government did by, let us say, inadvertence, because the concern over the deficit took priority over the concern of the welfare and the priorities of the environment.

In the fall of 1984 when the ink was hardly dry on the ballots, $33.6 million was cut from the Department of the Environment, which wiped out 416 positions. Many of those positions were held by internationally known and recognized researchers. The Canadian Wildlife Service was cut by 23 per cent. A research program monitoring toxic pollution of the Great Lakes, which led to the initial identification of dioxin contamination, was eliminated. I have listened to several speakers today complain about the toxin levels in the Great Lakes. The darn program was eliminated in the fall of 1984.

The Wildlife Interpretation Centres were closed. National park expansion and improvement programs were slashed by just about $20 million. Support for the Toxicology Research Centre in Ontario was withdrawn. In a related move, the environmental secretariat at the National Research Council

was closed. The centre employed 17 scientists and support staff. It was conducting important studies, including the effect of lead poisoning on young children. If something is going to be done about lead poisoning, there must be research. Well, Mr. Speaker, it was closed.

• (1720)

I started off by saying that this is going to cost money. Anyone who does not recognize that fact does not intend to do anything about it. It is going to cost money even if it means an increase in the deficit. It is the type of increase that is not an expense but an investment in the future of this nation and in the future of our environment.

I put the question to my colleagues in this House, I put it to every citizen in Canada of this present generation, my generation, the generation of my colleague, the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) who is a generation after me, and to the generation of my hon. friend from Bow River, who is the generation ahead of me—actually he looks younger than I am. There are three generations of Members in this Chamber and I put the question to all of us: Who do we think we are? We have no right, not even a privilege to leave the type of mess that our children will inherit a lot of already, and our grandchildren and great grandchildren will inherit. We have no right to leave that. We have no right to pass on all of those costs of cleaning up our environment to those generations. We must put hundreds of millions of dollars a year starting this year, now, into cleaning up the mess that we have left.

It seems to me that Governments of all political stripes have been influenced too much by what I call the industrial and economic development syndrome which, if there is a buck to be made, that takes priority. The evidence is there for anyone to peruse; "anything to make a buck". It means misusing our forests, our water, and our air, but if we can get another plant, another industry, some more jobs, we will do it. Any one of us can throw out facts and figures in the House of Commons about how many more jobs have been created without looking at what has been done to our air, our water, our land, and our forests in the meantime.

It seems to me that those who would put development ahead of anything else are the ones, in my opinion, who would dig a mine over their mother's grave, if they thought they could make a buck. They are the ones who would deplete our forests, ruin our air or ruin our water if it made for a good bottom line on the annual report and the dividends to the shareholders, no matter what harm they had caused for succeeding generations and the costs that succeeding generations would have to pay.

In my opinion, the person who is operating a mine, or operating a forest industry, should be required by law to put as much or more back into the environment as they took out. They have to be required to do so by law, otherwise they should not be allowed to operate. There are a number of countries in western Europe where that has been done for years, and they are of various political stripes. I know that that flies in the face of the U.S.A. version of what North America should be, that it should be wide open for the entrepreneur, and the bottom line profit syndrome. But I do not think, in fact I am convinced, that the overwhelming majority of Canadians do not want that type of attitude in this country. Of course, it is an international problem. That is no excuse for us not doing what we should and can do in cleaning up our own mess within the territorial boundaries of Canada.

What about our water, for example all the very modest programs that we used to have on sewage treatment, and for the last number of years it has been impossible to receive any type of federal assistance for the treatment of sewage. Yet, there are still metropolitan areas in Canada that pour raw sewage into the rivers. Under the Constitution that is a violation of what is in the best interest of the nation as a whole. Ottawa could say to the municipalities, the metropolitan areas, and the provinces that are allowing this to happen, "If you do not stop it, we will step in and stop it for you and you will pay your share". That has to do with what I believe the Constitution calls the good order and the good works for the benefit of Canada. What is done that is deleterious and deteriorating to the people along the St. Lawrence River or the Great Lakes harms not only those people, but harms the whole nation.

I would say to those who are harvesting our forests that it must be treated like a harvest and in no other way. For every tree they cut, they must plant two or three more, because some of them will not survive. That has to be a cost of their doing business. It should not be necessary to give them some kind of a tax benefit for reforestation. If they cut the tree down, they must plant at least two in its place. If they are not prepared to do that, they should then be asked to leave and we will let someone in who will do that. No one should have to receive a tax benefit for leaving the environment the way they found it, no matter what enterprise they are involved in.

I would say the same thing about land use on the Prairies, where I come from. We keep misusing land and farming land that should never have been farmed. Some of it should be returned to grass and prairie. Some of it should be replanted to trees that were cut down by our fathers and grandfathers.

• (1730)

We should be required to use good tillage practices so that the top few inches of prairie soil is not turned into something that looks like flour which, when the wind blows and it does not rain, moves about in the air and drifts into the ditches.

A moment ago I talked about water. Technology has been in place for years, a tertiary sewage treatment system, whereby we can convert common, ordinary sewage into water which is almost drinkable. I see my good friend opposite smiling, but he knows that I am right; it is almost drinkable. However, we can return it to the environment at a point where it will not cause any further harm to the waters which receive that treated sewage. Technology is also in place to use semi-treated sewage

as a fertilizer or left where it is. I know that that does not make fertilizer or chemical companies very happy, but that is too bad.

I do not think there is any point in the Government continuing to consider the Department of the Environment as a minor or junior department. The fact of the matter is that it is a major department which needs to be treated as such. It needs the funding which it deserves. Whether the Conservatives, the Liberals, or the New Democrats are in power, any one of the three Parties that does not do so deserves the condemnation of the entire population of Canada. We need the political will to do it.

I close by repeating what I said earlier. Who do we think we are that we can leave the kind of mess that the present generation is creating to future generations to pay for? We caused it. We should pay for it. We should clean it up.

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, I am more than pleased to enter into the debate today. I commend the Hon. Member for Broadview—Greenwood (Ms. McDonald) for bringing this matter forth on an opposition day.

Needless to say, I feel that the Government has achieved a great deal. However, I am also well aware that there is more we can achieve and more we must do.

Let me begin by agreeing that indeed acid rain is a very serious threat to the environment, especially to the economy of the country including the economy of Ontario, the industrial heartland. Quite literally the facts speak for themselves.

More than 350,000 lakes in eastern Canada are vulnerable. Tens of thousands of them have lost 60 per cent to 80 per cent of their neutralizing capacity. Approximately 150,000 lakes have a PH level of less than 6.0, the acidity level at which detrimental effects begin to occur. Some 14,000 lakes have already been acidified. This means that they have a PH level of less than 5.0 and are essentially devoid of normal aquatic life.

I am well aware that the figures are pretty large when it comes to lakes. However, Ontario and Quebec are indeed very fortunate. It is estimated that Ontario has 800,000 lakes, more or less, and that Quebec has in excess of one million. More than 50 per cent of eastern Canada's forests grow in areas where rainfall is acidic. More than 80 per cent of all Canadians live in areas where acidic deposits exceed acceptable levels.

As if this litany of environmental concerns were not enough, economically acid rain is endangering the natural resource base in an area of eastern Canada which measures about 2.6 million square kilometres. This resource base sustains approximately 8 per cent of Canada's Gross National Product and some 255,000 jobs.

I am proud to remind the House that the Government has tackled this threat to the Canadian environment and economy head on. In March, 1985, the Prime Minister (Mr. Mulroney) announced the implementation of a comprehensive national acid rain abatement program which will slash Canadian sulphur dioxide emissions by 50 per cent of 1980 allowable levels by 1994 at the latest.

Essentially the Canadian abatement program was designed to address three objectives. First, Canadian emission reductions will reduce the damage we are causing to ourselves. Second, the Prime Minister recognized that Canada must have clean hands if we expect the United States to take action. Third, Canada has a responsibility to reduce the damage to which it is contributing in the northeastern United States.

The federal Government has set a clear and straightforward yardstick against which to measure progress on the acid rain issue. We have determined that acid fall-out must be reduced to less than 20 kilograms per hectare in all vulnerable areas. Our scientists have found that damage occurs when acid rain fall-out is above this amount. I am pleased to say that they have also found evidence that when acid fall-out drops below this threshold number, recovery of the environment starts to take place.

Calculations have been done which tell us how many tonnes and where sulphur dioxide emissions must be cut to achieve the 20 kilograms per hectare per year objective. We have concluded that total annual sulphur dioxide emissions from the Saskatchewan-Manitoba border eastward must be reduced to 2.3 million tonnes, and that the transboundary flow of sulphur dioxide into eastern Canada must be reduced to about 2 million tonnes.

The federal Government has shown great leadership in developing Canada's part of the bargain. As a measure of the Government's ability to work constructively with provincial counterparts, all seven federal-provincial agreements required to implement the Canadian acid rain abatement program have been signed.

The Minister of the Environment (Mr. McMillan) is certainly to be commended in this regard. Some of them had to be hauled in, almost kicking and screaming, before we got their signatures on the line. All these agreements specified that the required reductions will be achieved by 1994 at the latest.

Current sulphur dioxide emissions in eastern Canada are about 2.8 million tonnes, 35 per cent less than they were in 1980. This illustrates that Canada is well on its way to achieving the necessary reductions in its sulphur dioxide emissions. We can all be proud of our abatement program. We will all benefit from the results.

• (1740)

The federal Government has also put into place strong nitrogen oxide emission controls. Cars and trucks account for about 40 per cent of total Canadian NOx emissions. As of September 1, 1987, all new cars and light trucks sold in Canada were required to meet the most stringent emission standards, requiring the use of the state of the art control technology. The standards for heavy duty trucks take effect

December 1, 1988 which is, in fact, nine months sooner than in the United States. These will reduce NOx emissions from mobile sources in Canada by up to 45 per cent by the year 2000. I will admit, Mr. Speaker, that I was one of those who was pushing the Government very hard in 1985 to see if at all possible those controls could be applied on the 1987 model cars, but I was not successful. However, in 1988 we will. As the Minister remarked in his comments this morning, leaded gasoline will be outlawed by 1992. That will also certainly help the NOx emissions.

Once fully implemented, the Canadian Acid Rain Abatement Program is estimated to cost the private sector and provincial utilities about $500 million annually. This comes on top of our comprehensive local ambient air quality program. I believe a similar figure for the United States is about $5 billion a year. As my hon. friend, the Hon. Member for Regina West (Mr. Benjamin), said pollution control is pretty expensive. It certainly does not come easy. Canada will achieve its clean air objective in ways that are appropriate to the Canadian situation and way of doing business. Some of our detractors in the United States say that we have not done it in the American way and question our good faith. To them and to all Members I say, look at the bottom line. Look at the results. Canada has achieved clean air with respect to sulphur dioxide. Now we are taking the action necessary to clean up acid rain.

The transboundary aspects of the acid rain problem can only be solved through the negotiation of a bilateral accord. However, to be effective, to be useful, the accord must call for more than further problem definition and further study. I think most of us are aware that the acid rain problem has been studied to death in the United States. Now is the time for action and control legislation.

The nature, the cause and the solutions to the acid rain problem are already abundantly clear. Unless Canada and the United States can talk about emission control targets and schedules, then we are not talking about a solution, only that the problem exists. One need only open the history books on transboundary environmental issues to see the utility of pollution control targets and schedules. The first Canada-U.S. Great Lakes Water Quality Agreement signed in 1972 contained targets and schedules to reduce phosphorous loading in the lakes. These important waters are healthier today than they were 15 years ago, and improvements continue to be made because of additional targets and schedules in subsequent agreements.

To be acceptable to Canada, a Canada-U.S. acid rain accord must have definite targets and schedules for acid rain reduction. Specifically, the flow of U.S. sulphur dioxide to eastern Canada must be reduced to 2 million tonnes by 1994, a time frame compatible with our own program. I believe that would be about a 50 per cent reduction.

Canada's objective is based on sound scientific information and existing principles and obligations under international law which both Canada and the United States support. Under international law, states must ensure that activities within their jurisdictions do not cause damage to the environment of other states. This principle was applied in the development of Canada's abatement program, which will reduce the amount of sulphur dioxide that Canada exports to the United States from about 1.5 million tonnes, the 1980 level, to about 800,000 tonnes by 1994.

The United States currently dumps about 3.2 million tonnes of sulphur dioxide on eastern Canada every year, less than the 1980 level of four million tonnes. At least the level is down a bit. As a result of actions taken in the United States, principally to control local air quality, it is already 40 per cent along the course Canada wants it to travel. The federal Government acknowledges that how the United States goes about reducing its transboundary pollution flow to 2 million tonnes is its own business. Canada's interest is in the extent to which transboundary pollution flows are and will be reduced. The federal Government will judge all U.S. initiatives against this yardstick.

The federal Government also acknowledges the realities of the U.S. situation on acid rain. Its regional divisiveness, its potential impact on the high sulphur coal industry, just to mention a couple. We also know that the power to take the necessary action is divided between the executive and the legislative and that these two branches do not always see eye to eye. Indeed, even factions within either branch may not see eye to eye. However, it is up to the United States. It is its obligation to solve them, not Canada's, and to bring the reductions in by 1994.

As a Canadian Member of Parliament with some experience on the acid rain issue, I am forever impressed with the Americans' ability to generate misinformation. The U.S. National Acid Precipitation Assessment Program, commonly known as NAPAP, interim assessment on the causes and effects of acidic deposition is a classic example.

The federal Government has soundly criticized the conclusions of the NAPAP report which can only be described as bizarre in the face of a wealth of conclusive and compelling evidence that has been accumulated on the nature, causes and solutions to the acid rain problem. The executive summary portrays the problem of acid rain as neither serious nor in need of any intervention. It minimizes what is known about the matter, over-complicates what is uncertain and describes a market driven future in unreasonably optimistic terms.

The Minister of the Environment on several occasions has pointed out the flawed, misleading and incomplete nature of the NAPAP report to its U.S. counterpart, to other members of the U.S. administration, the members of the U.S. Congress and to the American people. The Minister has told American decision-makers that scientific information can only assist in public policy making. Science cannot and should not be the sole determinant of public policy. To think so is to put scientific investigation in a role for which it is neither designed nor equipped to do.

The international protocol on the stratospheric ozone depletion, signed in Montreal last September, is an excellent example of the role of science in public policy making. Science gave us the evidence that we had a serious problem with the ozone layer and indications of what is causing the problem, namely, releases of CFCs, chlorofluorocarbons, into the atmosphere. To say we know far more about the science of acid rain than we do about the science of stratospheric ozone depletion is an understatement. Yet the international community, including the United States, was able to band together to slash world-wide releases of CFCs, and Canada played a leadership role in this example of international co-operation to protect the environment.

U.S. decision-makers supported actions to protect the ozone layer. I assure Hon. Members that the Government will continue to make every possible effort to get our American neighbours to accept the need for similar action on acid rain.

• (1750)

The federal Government has a reasoned and reasonable three-pronged strategy for getting U.S. action on acid rain. First, it will continue to work with the U.S. administration. Some Members opposite might ask why we should continue to do so when, despite our best efforts, we have not been very successful to date. The reason is simple and straightforward. If we cannot negotiate with the U.S. Congress, with the American public or with any other American institution, what are we to do?

Second, we will continue to ensure that Congress is fully apprised of the Canadian position. Full and accurate information will be crucial to congressional action on any eventual agreement we conclude with the administration. Members of Congress should have the benefit of our knowledge, research and experience. They should know where we stand and know how important their efforts to reduce U.S. pollution are to the quality of our air and to the acid rain problem.

Third, the federal and provincial Governments and private individuals alike must work with interested Americans in an effort to broadcast the understanding in the United States that acid rain is a serious international problem which must be addressed now. The key to action against acid rain in the United States and in Canada is public opinion.

The Minister of the Environment has personally made contact on more than 45 occasions with Americans to press Canada's case on acid rain, and he plans to do more. Our special committee on acid rain went to Washington last year. We hope to make a further trip this year, and we will certainly be trying to get the message across.

As most Hon. Members know, the Prime Minister and, I assume, the Secretary of State for External Affairs (Mr. Clark), are going to Washington on April 27. I would hope that the acid rain problem would be very high on their agenda. I know that free trade is important, but in my view, acid rain is certainly very important.

I might as well tell Hon. Members that I wrote a personal letter to the Prime Minister and to the Secretary of State for External Affairs emphasizing the importance of the acid rain problem. I wrote that we have been nice guys long enough, we must lay it on the line and say that something must be done.

On April 6 of last year, I believe, in this very Chamber, the President of the United States made some comments and gave a half promise that something would be done on acid rain controls. Nothing has been done as yet. Therefore, as I pointed out in my letter to the Prime Minister, on this problem he is on the side of the angels and I would hope that he will certainly lay it on the line.

As I mentioned, the committee will be going there in June, we hope. Arrangements are being made with the embassy. We hope to get the message across so that something will be done.

I understand that there is only a 25 per cent chance, according to experts in Washington, that there will be acid rain legislation this year. I had hoped that the President would go out on a high note by trying to bring in some meaningful legislation on acid rain.

Mr. Harris: Mr. Speaker, I would like to tell the Hon. Member that I was recently in the Province of Nova Scotia in the vicinity of a thermal-generating station owned by the province which is producing electricity from high sulphur content coal, contributing in our own country to acid rain. It is all very well to say that we all want to see something done on acid rain, but when will the Government take decisive and definitive action, not only to prevent our own industries from contributing to acid rain but to insist that our American counterparts also do their share?

We have put up with an awful lot of nonsense and we have cut back our own commitments. There are no scrubbers on some of our own machinery. When will the Government insist that this be done?

Mr. Darling: Mr. Speaker, I appreciate the question of the Hon. Member. I am well aware that Nova Scotia produces a great deal of its energy through coal-fired utilities, and I am also well aware that high sulphur content coal is used.

As the Hon. Member may be aware, Nova Scotia was the last province to sign the agreement on pollution. The Hon. Member is also well aware that pollution controls to be put on industry, and this one happens to be a Crown-owned industry, falls under the jurisdiction of the provincial Government. Therefore, it is up to the Province of Nova Scotia to do something. We now have a commitment from the Nova Scotia Government that it will reduce emissions across the board in order to conform and so that Canada will have its emission levels down to 50 per cent of the 1980 level by 1994.

I appreciate what the Hon. Member is saying. There is no question about it, I would like to see that particular utility install scrubbers. I have been a member of acid rain committees for the past seven or eight years, and this fact was thrown

in our faces when we went to Washington. We were told: "What are you doing preaching to us when we have scrubbers installed on many of our utilities and you do not have one, and your automobile-emission levels are three times more lenient?"

Now we have rectified that. I am aware that there are no scrubbers and that the only one that may be coming on stream, I believe, is in Ontario. The problem in Canada has been not with our utilities so much as with our smelters. They have been the real cause of the pollution.

A great many of the provinces, Ontario in particular, are moving toward nuclear power which is pollution free, even though it may have certain other dangers. That was one of the reasons why Ontario did not go along with installing scrubbers, even though it had half promised to do so a few years ago.

In Nova Scotia, certainly the great majority of power is produced by means of coal, and I would hope that something will be done on that. The Nova Scotia Government must have some plans since it signed the agreement to make these reductions.

The Acting Speaker (Mr. James): It being 6 p.m., it is my duty to inform the House that pursuant to Standing Order 82(12), proceedings on the motion have expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

ENVIRONMENTAL AFFAIRS—ACID RAIN—UNITED STATES PRESIDENT'S ANNOUNCEMENT/REQUEST FOR SIGNING OF CANADA-UNITED STATES AGREEMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the reason for this intervention goes back to an exchange in the House during Question Period. It was an exchange on acid rain and it dealt with the clean-coal technology program which was proclaimed by the Government as being the greatest invention since sliced bread, resulting from the acid-rain envoys' report and endorsed both by the Prime Minister of Canada (Mr. Mulroney) and President Reagan. You are probably aware of the fact that three and a half years after the last election, and after three Summits, we have nothing to point to by way of achievement in reducing acid rain pollution coming across the border into Canada from the U.S.

• (1800)

To give you more background on this question, I submit the fact that the Government made a serious tactical mistake when it received the acid rain envoys' report. It created the impression with the Americans that we wanted the clean coal technology program to go ahead as the answer to our problems. As you know, that program is a $5 billion initiative which depends very much on private industry asking Washington to match their expenditures dollars for dollar in this particular scheme. It was almost two years ago that Canada made the tactical mistake of not indicating to the U.S. State Department and the President that, for us, the clean coal technology program was something that the Americans might well launch but it was not the answer to what we wanted from them, which was and still is a treaty, and that this clean coal technology could become a delaying tactic, as it has.

We now find ourselves in 1988 and, in looking over the amounts that have been put into this innovative clean coal technology scheme, what do we find? We find $50 million invested so far. Therefore, you can see that the impatience and dismay on the part of Canadians, including those in the opposition, is well-founded. Hence the question today to the Parliamentary Secretary requesting that he indicate to us what on earth is happening to this great promised front where a miracle was going to happen.

The miracle has not materialized, and perhaps we should ask in addition whether his Government is seriously examining the proposal we made from this side of the House several times in recent weeks, namely to prepare a bill for the Prime Minister (Mr. Mulroney) to present at the next Summit in Washington for damage caused by transboundary pollution from the U.S. This pollution affects our monuments, our structures, our fishery, our maple trees and producers of maple sugar, our agriculture, and even human health as indicated by the respiratory diseases caused by air pollution produced by the burning of coal.

I am looking forward to a comprehensive and inspiring answer from the Parliamentary Secretary.

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, in their report the special envoys on acid rain recommended implementation of a $5 billion clean coal technology demonstration program in the U.S., with one-half the funding to be provided by the U.S. Government. The program was intended to expand the options for controlling acid rain causing emissions and provide some near-term relief for the Canadian environment. The special envoys did not recommend whether an equal amount of money be spent each year of the program.

In March, 1987, President Reagan asked Congress for $500 million per year for each of the next five fiscal years. Congress voted $50 million for fiscal year 1988, and $525 million for fiscal year 1989. Congress had previously voted $150 million for clean coal projects.

There are two reasons for the relatively low level of expenditures for 1988.

First, the process for selecting projects to be funded is a long one and second, funds can only be provided after contracts have been negotiated with the successful bidders.

• (1805)

In his 1988 budget statement, President Reagan requested advance appropriation of $575 million for 1990 and $600 million in each of 1991 and 1992. This request, in conjunction with $725 million in the previous appropriations, would bring total U.S. government expenditures to $2.5 billion.

While the federal Government supports U.S. clean coal initiatives, it has never even suggested that they are a solution to the acid rain problem in their own right. Canadian experience has proven that technology demonstration combined with scheduled emission reductions can produce a cost effective acid rain abatement program.

In this vein, the federal Government will continue to press the United States for a bilateral accord with emission control targets and schedules to reduce the transboundary flow of acid rain pollution to levels that will prevent damage to the Canadian environment.

Achieving such an agreement necessitates working with the U.S. administration, the U.S. Congress and with the American people. They all have a role to play and we cannot succeed if we leave any stone unturned.

FINANCIAL INSTITUTIONS—INTERNATIONAL BANKING CENTRES—MINISTER'S POSITION/TORONTO CITY COUNCIL RESOLUTION

Miss Aideen Nicholson (Trinity): Mr. Speaker, the City Council of Toronto passed a resolution on January 11, 1988, condemning the Minister of Finance (Mr. Wilson) and two other Toronto Ministers for excluding Toronto from legislation creating international banking centres last year.

Subsequently, the City of Toronto has voted to commence legal action against the Government of Canada. The Minister of Finance chose to see my raising this matter in the House on February 29 as a pro Toronto and anti Montreal and Vancouver position. Nothing could be further from the truth.

The Government decided to use a tax measure, national legislation which should be designed in the broad national interest, in an unusual way, as a regional development measure. In fact, however, it is a measure which will not bring jobs or financial activity to Montreal or Vancouver. It is unlikely to take anything materially away from Toronto, but it is causing problems of confusion and perception.

The Government amended the Income Tax Act with a measure that has pitted region against region and will not serve anyone. This change received Royal Assent on December 17, 1987, and was pushed through by the Conservative majority in spite of the weight of evidence that it made no economic sense.

The Standing Committee on Finance and Economic Affairs, on April 30, 1987, expressed its reservations about whether the then international banking centre proposal would substantially meet the objectives of both increasing international banking activity in Canada and regional economic development.

The federal Government signed a Memorandum of Understanding with the Government of British Columbia on December 16, 1986, in which it undertook to establish an international banking centre at Vancouver. This was part of a regional development package. This measure was undertaken without any consultation with the chartered banks. The president of the Canadian Bankers Association said before the committee: "It should be stated at the outset that the chartered banks have never asked for legislation to create international banking centres". So we have a measure which is supposed to be a regional development measure, which it is not. It is not going to assist the two regions concerned. It is supposed to be a measure that will enhance banking in Canada, which it will not. It is a poorly thought out measure in order to carry out two election promises. It was undertaken without thought and without care.

• (1810)

For the Minister to say that anyone who says this was an ill-thought-out measure is simply trying to protect regional interests, is particularly foolish because, unhappily, this measure serves no region.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it saddens me that the Hon. Member, on behalf of the Liberal Party, should speak of the International Banking Centre Bill as though it were designed to create dissension between the various regions of Canada.

You know as well as I do, Mr. Speaker, that nothing could be further from the truth. Unfortunately, all that the Hon. Member accomplishes with her inaccurate portrayal of this measure is to highlight her negative attitude towards the cities of Montreal and Vancouver.

Mr. Speaker, the Hon. Member attempts to pick up some votes on Bay Street, which I can understand, as Toronto was not designated as an international banking centre for the purpose of this legislation.

Mr. Speaker, the city of Toronto requires no such designation to recognize its status as Canada's foremost banking centre, and providing Montreal and Vancouver with an opportunity to develop their roles as international banking locations will have no negative effect upon Toronto's position, but can only help these two cities.

The Hon. Member seems to believe that Toronto has been the subject of discrimination. In fact, Mr. Speaker, Toronto has drawn more benefits than any other city or region from the financial institution reform undertaken by the Government, with the result that, to date, Goldman Sachs and S.G. Warburg, two world class investment firms, are establishing themselves in Toronto, and seven foreign firms, including the four largest Japanese security dealers, Nomura Securities, Daiwa Securities, Yamaichi International and Nikko Securities, have purchased seats on the Toronto stock exchange.

Many other foreign firms are also planning to focus their activities in Toronto and these actions, when combined with the expanded activity of domestic institutions as they take advantage of the broader range of powers which we are providing, can only strengthen Toronto's position as Canada's leading financial centre.

The international banking centre initiative raises no question of one region being pitted against another, for every region stands to gain from it. The relevant question, and that on which the Liberal Party has yet to take a stand, is whether one wishes to attract more business to Canada, whether one wishes to improve the stature of Montreal and Vancouver as international banking locations, and whether one wishes to provide the opportunity to recoup some of the activity which Canada has lost because of the more favourable tax systems in a number of other countries.

The obvious answer to this question is yes, and it follows that the international banking centre legislation deserves the full support of all Members of Parliament.

[*English*]

UNEMPLOYMENT INSURANCE—MATERNITY BENEFITS—REQUEST FOR AMENDMENTS—RETENTION OF BABIES IN HOSPITALS

Mrs. Mary Collins (Capilano): Mr. Speaker, I am pleased this evening to have a chance to speak briefly about the issue I raised in the House last Wednesday, on March 16. I asked the Minister of Employment and Immigration (Mr. Bouchard) if he would consider amending the Unemployment Insurance Act to allow a mother whose child had been born either prematurely or who was in ill health at birth and had to remain in hospital, to be able to postpone taking her maternity beneifts under the Unemployment Insurance Act until the baby actually came home.

I was, of course, delighted with the Minister's response. Later that day he introduced those amendments which I know have resulted in a lot of acclaim and support. I want to thank the Minister for his consideration.

This is an issue about which I have been concerned for some considerable period of time. It was originally brought to my attention by a constituent who found herself in these particular circumstances. Although she realized it would not be possible for any changes in the law to help her, she thought that other women should not have to go through the same kind of difficulty.

• (1815)

When I originally took it up with representatives of the Government, they said that there were several committees that were looking at the issue of unemployment insurance and at child care and that we should await their recommendations. Indeed, I would like to thank the chairman and the members of the parliamentary committee on child care because they made such a recommendation in their report.

As time passed, other cases came forward. It was obvious that this was not just an isolated incident. Recently, in Vancouver, a considerable amount of publicity was given to the case of Melanie Williams and her baby Drew who was born very prematurely. He has had to remain in hospital for a considerable period of time. In fact, Melanie will just now be starting her maternity leave and the baby is coming home from the hospital next week. I wish to thank Melanie because she brought this issue to the public, which is not an easy thing to do. It is a very personal issue. She has certainly conducted herself with a great deal of dignity.

I also wish to thank Anne Mullens, a reporter for *The Vancouver Sun*, who took up this issue and, as a result of her articles it received some attention in the national media. That certainly assisted me in my endeavours to get support for the issue.

As you know, Mr. Speaker, I introduced a Private Members' Bill recently on this subject. I know that that is a difficult way to make a change to a law. It was at the whim of a lottery and it is a long process. I had to keep the pressure on the Minister. He and his assistants were extremely helpful, and a change has now been introduced.

I understand it is to be debated later this week and that the Opposition Parties have agreed that it can be passed quickly. It will be retroactive for one year. Thus women such as Melanie and others will be able to pick up their benefits under UI as a result of these special circumstances.

It is a special circumstance. It is an extraordinary circumstance. We can all share the feeling that a mother and father go through when such a circumstance occurs. There is a great deal of trauma and difficulty. Quite often, when the child does come home it still requires a great deal of health care. I know that in many cases the baby still has to be on a respirator. That is a time when the mother should know that she has the freedom to take her maternity leave and have the financial security available to her as well.

In the last week since I raised the question in the House, I found that some other changes may be required as well to implement the spirit of this new legislation. It appears that in some labour agreements there are conditions which require a woman to take her maternity leave within a specific period of time. In fact, I understand that even within the Public Service of Canada leave has to be taken within a 26-week period. Under some of the special circumstances that may not be adequate.

What I hope is that the labour unions and management will review agreements in light of the spirit of this amendment and make the necessary changes so that women, no matter where they are working when they are eligible for maternity leave, can be assured that if such an untoward circumstance occurs, they will be able to take their maternity leave and have that benefit when the child comes home from hospital.

I wish to compliment the Government. It shows not only its sense of caring and compassion, something which I know the Minister has, but it also shows to me that it is possible for a private Member, a lowly back-bencher as we are sometimes known, to bring forward an issue and to have it acted upon with the support of the Government. We can actually change a law. This has been a very exciting experience for me. I know that it will be appreciated by many women and by many families across the country.

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I wish to thank the Hon. Member for Capilano (Mrs. Collins) for representing the interests of Melanie Williams. The Government recognized the inequity of this situation and responded in a positive manner.

Bill C-116, which was tabled in the House last Wednesday includes a clause to cover the situation in which a new-born child requires hospitalization after the mother returns home. The new Section 32.3 of the Act permits the extension of the period during which maternity benefits can be paid for up to a year after the child is born. This will permit the flexibility needed to pay Melanie Willians and other women in similar circumstances.

If Bill C-116 is swiftly passed, Melanie Williams will receive unemployment insurance payments in short order. Bill C-116 is and can be a fine example of what can be accomplished on short notice. We all agree that the cases of John McInnis and Melanie Williams identified inequities in the existing law. Let us work together to resolve this matter as quickly as possible.

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

The House adjourned at 6.22 p.m.

HOUSE OF COMMONS

Tuesday, March 22, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

OFFICIAL LANGUAGES ACT

TABLING OF THE SEVENTEENTH ANNUAL REPORT OF COMMISSIONER

Mr. Speaker: I have the honour of laying on the table of the House the Seventeenth Annual Report of the Commissioner of Official Languages for calendar year 1987, pursuant to Section 34(1) of the Official Languages Act.

[*English*]

I would remind Hon. Members that this document stands referred to a Standing Joint Committee on Official Languages.

* * *

PETITIONS

PROPOSED FREE TRADE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my honour, indeed, it is a pleasure to present a petition pursuant to Standing Order 106 from petitioners who are concerned that the federal Government lacks a mandate from the Canadian people to conclude a free trade deal with the United States.

They believe that the trade deal negotiated by the Government threatens the very fabric of Canadian political and economic sovereignty since it removes the power of the Canadian Government to effectively control foreign ownership and to develop Canadian energy resources in the best interests of Canadians. It certainly does not equalize the opportunities between the regions of the country.

For a whole set of other reasons they are calling upon Parliament to dissolve now to give the people of Canada the opportunity to accept or reject the proposed trade deal during a national general election.

[*Translation*]

OPPPOSITION TO THE EXPULSION OF TURKISH NATIONALS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it is an honour and a privilege for me to table a number of petitions in accordance with Standing Order 106. The petitions of the undersigned residents of Canada read as follows: Your petitioners humbly state that considering the decision of the Minister of Employment and Immigration (Mr. Bouchard) to proceed as of March 20, 1988, with the deportation of 2,000 Turkish nationals, men, women and children; considering the particular circumstances that led these people to come to Canada and the dramatic consequences their return to Turkey would have for these people; considering the legitimacy of granting them, on compassionate grounds, the right to settle in Canada; wherefore your petitioners humbly pray Parliament to ask the Minister of Employment and Immigration to reconsider his decision.

• (1110)

[*English*]

PROPOSED FREE TRADE

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I have the duty of presenting a petition from constituents of mine. It is an honour to do this on behalf of persons resident in northern communities in my riding along the Canadian National Railway line through Armstrong and, particularly, in Mud River.

These constituents protest, along with so many other of my constituents, that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States.

The Prime Minister (Mr. Mulroney) promised in the course of the bilateral trade negotiations that Canadian sovereignty would not be compromised. In fact, the proposed trade agreement would deny Canada the policy freedom to determine its own economic future and undermine our ability to build a society distinct from that of the U.S.

The agreement denies just that, secure access to the U.S. market which the Government promised. It threatens hundreds of thousands of Canadians and their jobs.

These Canadians protest and ask the Parliament of Canada take note of these realities and dangers, that it dissolve and give the people of Canada an opportunity to decide what they think of this trade deal with the United States.

Order Paper Questions

IMMIGRATION—REQUEST THAT THE TURKS BE ALLOWED TO REMAIN ON HUMANITARIAN GROUNDS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I rise to speak for many of my constituents and other Montrealers who are extremely fair-minded and who wish to speak to the Minister of Employment and Immigration (Mr. Bouchard) to ask him to prevent and not to expel the 2,000 Turkish men, women and children who are here because they were unaware of Canadian law. They were misled and given inaccurate information by unscrupulous travel agents and advertisements in their papers in their own areas.

These people are innocent victims. The error is on the part of the Government which knew in the fall of 1986 what the situation was and took no action to stem the tide.

Because of the particular circumstances, they ask that these people be allowed to stay on humanitarian grounds.

I deposit a petition with 25 names on it coming from Plamondon, Mountain Sights, Barclay, Letourneux, and the area of Marquette and Desrosiers Streets, in Montreal.

I have an additional petition with 18 names on it. These people feel the same way. They live on Côte-des-Neiges, Hudson, Queen Mary, in Laval, in the Town of Mount Royal, on Saint-Denis—in fact, across the spectrum of the large City of Montreal.

The last petition I would like to deposit—

[*Translation*]

—reads as follows:

That considering the decision of the Minister of Employment and Immigration (Mr. Bouchard) to proceed as of March 10, 1988, with the deportation of 2,000 Turkish nationals, men, women and children; considering the particular circumstances that led these people to come to Canada and the dramatic consequences their return to Turkey would have for these people; considering the legitimacy of granting them, on compassionate grounds, the right to settle in Canada; wherefore your petitioners humbly pray Parliament to ask the Minister of Employment and Immigration to reconsider his decision.

These petitions come from Jean-Rivard, Chabot, Laval, Garneau, Berri and other streets.

Mr. David Berger (Laurier): Mr. Speaker, I also have a number of petitions signed by residents of the Montreal area which concern the 2,000 Turkish men, women and children whom the Minister of Employment and Immigration is threatening with deportation.

Mr. Speaker, the undersigned refer to the innocence of these people. They were victims of misleading advertising. They were not aware that their arrival in Canada was not in accordance with Canadian procedures. These are people in need who sold everything they had to pay for their ticket to Canada.

The undersigned also stress the responsibility of the Government, since it became aware of the situation in the fall of 1986 but took five or six months to react.

Therefore, your petitioners ask Parliament to ask the Minister of Employment and Immigration to reconsider his decision. The law must be interpreted justly and fairly, and that is what your petitioners are asking.

I have two petitions, each signed by forty-four people from Sherbrooke Street in Montreal, from Mountain Sights Street, Boulevard l'Acadie, Côte-des-Neiges, Fullum Street in Montreal East, Pointe-aux-Trembles, Henri-Bourassa Street, by people from Stanstead who signed these petitions, from Bourbonnière Street in Montreal and Côte-Saint-Luc.

Today we tabled petitions with about 400 signatures. More petitions are being signed in Montreal, and these will be tabled as we receive them over the next few days.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all the questions be allowed to stand.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

EXCISE ACT

Hon. Tom Hockin (Minister of State (Finance)) moved that a Ways and Means motion to amend the Excise Act, laid upon the Table on Wednesday, February 18, 1987, be concurred in.

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

Some Hon. Members: Agreed.

Mr. Gauthier: On division.

Motion agreed to.

WAYS AND MEANS

CUSTOMS TARIFF

Hon. Tom Hockin (for the Minister of Finance) moved that a Ways and Means motion to amend the Customs Tariff, laid upon the Table on Wednesday, February 10, 1988, be concurred in.

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

Some Hon. Members: Agreed.

Mr. Gauthier: On division.

Motion agreed to.

* * *

WAYS AND MEANS

EXCISE TAX ACT

Hon. Tom Hockin (Minister of State (Finance)) moved that a Ways and Means motion to amend the Excise Tax Act, laid upon the Table on Wednesday, March 16, 1988, be concurred in.

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

Some Hon. Members: Agreed.

Mr. Gauthier: On division.

Motion agreed to.

* * *

EXCISE TAX ACT

MEASURE TO AMEND

Hon. Tom Hockin (for the Minister of Finance) moved that Bill C-117, an Act to amend the Excise Tax Act and the Excise Act, be read the first time and be printed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

CUSTOMS TARIFF

MEASURE TO AMEND

Hon. Tom Hockin (for the Minister of Finance) moved that Bill C-118, an Act to amend the Customs Tariff, be read the first time and be printed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

CANADIAN MULTICULTURALISM ACT

MEASURE TO ENACT

The House resumed from March 15, consideration of the motion of Mr. Crombie that Bill C-93, an Act for the preservation and enhancement of multiculturalism in Canada, be read the second time and referred to a legislative committee.

Mr. Deputy Speaker: On debate, the Hon. Member for Grey—Simcoe (Mr. Mitges).

Mr. Mitges: Mr. Speaker, I had finished my time for debate. I believe there is now a 10-minute period for questions and comments.

Mr. Deputy Speaker: On questions and comments the Chair recognizes the Hon. Member for Mount Royal (Mrs. Finestone).

• (1120)

Mrs. Finestone: The Chairman of the Standing Committee on Multiculturalism is to be complimented for the very careful exercise and leadership which he demonstrated as chairman of that committee. He proposed a very comprehensive list of recommendations which I read with a great deal of interest over the weekend. I would like to ask the chairman how he now feels about press clippings which indicate that the multiculturalism Bill received a cool welcome, that it is an empty promise on multiculturalism, it will not stem the rivalries, it is strictly *une loi plus déclaratoire qu'exécutoire.*

The chairman called for at least the creation of a Minister and a commissioner of multiculturalism to watch over the application of the law. With the present structure the Minister watches himself and answers to himself. There is a less than enthusiastic response from the one-third of Canadians whom this Bill is supposed to enable to realize their full equality in our society. How does the Hon. Member respond to that? How can the Hon. Member stand in his place and compliment the Minister and be satisfied with the present Bill? Is the Hon. Member not hoping for changes when it goes to legislative committee, and does the Hon. Member plan to be at the legislative committee?

Mr. Mitges: In answer to the questions asked by my hon. friend, the response to the multiculturalism Bill, building the Canadian mosaic, was very positive. We had a very good response.

The Hon. Member asked the question about why we have not appointed a Minister or a commissioner of multiculturalism. I grant that those are two areas in which we as a committee were in agreement. As I stated in my speech, I have been

around this place long enough to know that one does not get everything one wants at the start. We have our foot in the door, and a very substantive foot in the door of the department of multiculturalism. Hopefully, it will open the door in the future for a commissioner and also a full Minister. I am still hopeful that many of our recommendations will be accepted over a period of time. But, as I say, I have been here long enough to know that we will not get everything we want the first time, but I am hoping.

Mr. Epp (Thunder Bay—Nipigon): One week ago I listened with interest when the Hon. Member for Grey—Simcoe (Mr. Mitges) spoke on Bill C-93, a very important piece of legislation. He said some very interesting things. I wish to commend him for raising the issue of group rights in his speech, and ask if he would be able to say something more on that subject. I ask that particularly in the context of what the Hon. Member for Mount Royal (Mrs. Finestone) suggests, for all the good things that one can say about Bill C-93, it is half of a good Bill. There is no machinery here. The provision for a commissioner, and provision for strong action by the Government has not been provided. It institutionalizes the *status quo*. We all recognize that the Canadian *status quo* involves very little respect for group rights.

The most massive failure to deal humanely and imaginatively with group rights is to be found in the failure of First Ministers' conferences to place the aboriginal right of self-government into the Constitution, and the failure of the Department of Indian Affairs to lead or to work energetically with aboriginal peoples in establishing how they will govern themselves and how they will develop their group rights in Canada.

Together with my colleagues on the committee, I appreciate the careful leadership given by the Hon. Member for Grey—Simcoe. I appreciate the optimism that he still feels after all these years in Parliament. I particularly appreciated his expression of optimism that the Bill would be amended.

I would ask him to say a little on the establishment of group rights, recognition of those rights in a society that is all too attuned to individual rights and all too rarely aware of the importance of recognizing groups in Canada and providing for them. I particularly ask him in what way we might establish institutions, and I encourage him to suggest what he would like to see added to the second half of the Bill. The problem is that we in opposition cannot amend the Bill. We can amend it in the detail that is there, but we can hardly add substantive sections.

It is necessary for the Hon. Member to respond to what I know is the pressure from the ethnocultural communities across Canada and from the Canadian Ethnocultural Council, for the Government to recognize the lacuna that is represented by the second half of the Bill, or what simply is not there, and to fill that with substantial legislation.

The original Official Languages Act established a Commissioner of Official Languages. The revised Bill which the legislative committee begins considering this afternoon does not need to add to it. The Official Languages Act of 1969 established that commissioner's office, and now the multiculturalism Bill does not do that.

Would the Hon. Member offer us some more insight into group rights, and his thoughts on the Government taking up the challenge and giving us the second half of what could be a really good Bill, if only the Government acted on that.

Mr. Mitges: I thank my hon. friend and committee member for the question. As far as I am concerned, we are officially a bilingual and multicultural country, and to me that means that everyone in Canada should be treated equally under every circumstance whatever his or her background, whether it is European or Asiatic. Everyone in Canada should treat everyone else the way they expect to be treated themselves.

I look forward to the day when we will not require a multiculturalism committee or multiculturalism department because everyone will be tuned into the multiculturalism aspect of Canada. This will affect all the groups in Canada. There are something like 102 different ethnocultural groups in Canada today.

As far as the Bill is concerned, I would certainly like to see amendments. If I am chosen to sit on that legislative committee, I will be proposing legislation to change any aspect of the Bill that would actually further the cause of multiculturalism. I am looking forward to working with my hon. friend on that committee, together with the rest of the members of the committee, and see what we come up with.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am pleased today to address this very important Canadian policy of multiculturalism and to speak on Bill C-93. All Canadians are very proud of our particular unique tradition of multiculturalism. In Canada we often refer to the fact that we are not a melting pot as in the United States. We have so many people who come from different lands who have brought such rich culture and experience with them. We recognize this and have made it a part of our own Canadian mosaic.

It is important that we have a multiculturalism Bill. This is the second such Bill. It is a little stronger than the one presented by the Liberals, but it still needs to be strengthened in many ways. I will speak to that in a moment.

The first part of the Bill recognizes the main principles based on many statutes, the Charter of Rights, and our international covenants which commit us to recognizing the rights of all people and all cultural groups. Interestingly, the Bill also refers to aboriginal people who have constitutional rights. I wonder how those same aboriginal people and their leaders will feel. I think that they may have some reservations about being grouped under multiculturalism. Certainly, most native people whom I talk to, and I agree, feel that they have very unique rights and must be dealt with separately. They

have much to contribute to Canada and are contributing much from their unique cultures.

• (1130)

The Bill is based upon the premise that we are a bilingual country and that the larger community of Canada is comprised of many cultural communities. I note that the principles are not spelled out in the same way as they were recommended by the Standing Committee on Multiculturalism. Perhaps in themselves they need to be strengthened, but unfortunately this is not something we can do at this stage.

For the purpose of comparison I should like to refer to the recommendations of the Standing Committee on Multiculturalism dated June, 1987. Its first recommendation was that the new multiculturalism policy should embody the following eight principles: multiculturalism for all Canadians, advancement of multiculturalism within a bilingual framework, equality of opportunity, preservation and enhancement of cultural diversity, elimination of discrimination, establishment of affirmative measures, enhancement of heritage languages, and support for immigrant integration. I am sorry that these particular principles were not repeated in this very important Bill.

It is important that we start with basic principles. However, principles are just lip service and window dressing unless we provide the mechanisms to achieve the goals. This is the area in which the Bill is weak. Critics from a whole range of ethnic organizations have expressed concern in this regard as well.

As our spokesperson in this area has said, there is no new means of achieving a genuine multicultural Canada as recommended by the Standing Committee on Multiculturalism. In effect the Bill is a symbolic gesture, and we need something more than that.

The Bill should have provided for a department of multiculturalism. It should have provided for a commissioner of multiculturalism. Also, there should have been provision for a research centre on multiculturalism and, I would say, on multiculturalism and racism. The Standing Committee on Multiculturalism and a number of other groups have criticized the Bill for these reasons.

At this point I should like to commend particularly the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) for his very outstanding work in the field of multiculturalism. I was very impressed with the document he prepared in June, 1987 entitled "A Living Diversity, Multiculturalism for All". It was a very excellent document on the aspects of multiculturalism which we feel are very important and which we stress very strongly. For example, too often the whole aspect of racism is left out when we talk about multiculturalism.

Manitoba has established a structure which deals with some of the problems. Its Government established the Manitoba Intercultural Council to meet with Ministers to press for action. That is what we do not have here. We do not have a structure, a commissioner, or representatives from the multicultural community who really have a recognized official role in advocating and pressing for changes.

Just to compare the kinds of structures with which I am familiar, the only multicultural representative in British Columbia is one person who acts as a multicultural goodwill ambassador and attends multicultural events. Well, it is very nice, in a pleasant way, to attend events, but we need something to deal with problems and issues. We have that in the City of Vancouver. It is known as the Race Relations Committee and is very involved. These kinds of structures are very important.

It is too bad the Bill does not provide the teeth to allow for major criticism of government policies and to look at the problems of multicultural communities.

The Canadian Ethnocultural Council has put out a very excellent document making several recommendations for improvement. I should just like to refer to it very quickly. It suggests that Bill C-93 should have included a commissioner to monitor the implementation of the Act, that there should have been various amendments to the wording of the Act, toughening it up with words like "shall" rather than "should" to express the Government's commitment to multiculturalism, and that federal-provincial co-operation should be spelled out, along with official involvement of the provinces.

The Minister's advisory committee should be appointed on the recommendation of the multicultural communities. Similarly, there should be more equitable participation of minority individuals in the form of increased appointments from the grass roots communities, not just from the elite here in Ottawa.

The council also mentioned three very important areas which were unfortunately omitted from the Bill; the multicultural department, the need for increased multicultural funding, and the need for charitable tax status for ethnocultural organizations to allow them to increase their own fund raising abilities. I think these matters are extremely important.

I should like to very quickly mention two statements in the "Social Infopac", a document prepared by the Social Planning Council of Metropolitan Toronto. It indicates that multicultural policies at the federal and provincial levels have been in place for decades but that the rhetoric of multiculturalism seems to have outstripped the achievements of policies. The Bill tends to be heavy on rhetoric and weak on ways of implementing that rhetoric. It goes on to indicate that multiculturalism is a commitment to a pluralistic society. It proposes that we not only tolerate and respect differences but acknowledge the need to reduce disparities and barriers which prohibit diverse cultural and racial groups from participating effectively as citizens.

Particularly, I should like to concentrate on the fact that too often we think of multiculturalism as a collage of very colourful events. I am sure that we all enjoy many ethnic

events in our ridings. My riding of Vancouver East is a wonderful place. I think it is the outstanding multicultural community of Canada. There are constant events to celebrate the Chinese New Year, Italian carnivals, and the Japanese Summer Festival in the heartland of the Japanese community. We visit Sikh temples where we experience their events, food, and so on. Of course there are many events in the native communities such as those in the longhouse. July 1 is a mosaic of many different kinds of events in our community. I think particularly of the events at Britannia Centre in my riding, a multicultural service centre of schools, recreational facilities, and a library. Such events are wonderful. They are the joy of multiculturalism. However, they are not enough.

Our government policies and programs must take positive steps to ensure that persons of all ethnic backgrounds have equal rights and equal opportunities and that they do not experience racism. We must face up to the fact that racism and lack of opportunities are very prevalent, particularly with people of colour in society today. I attended a number of meetings of the Immigrant and Visible Women's Council which was formed in a conference last year. We heard over and over again the kind of double discrimination that women of colour face. I am sure men feel the same way.

• (1140)

Government policy must open jobs to visible minorities in a much more direct way with stronger affirmative action programs. I have heard many people comment recently that on TV news broadcasts we have many more visible minority commentators, guests and so on. Soon this situation will be taken for granted and we will not have to speak about it. But are persons of colour, visible minorities if you like, moving up in the public service and in other kinds of jobs? Perhaps they are getting in the door through employment equity but we have yet to find out. This is the first year we will be getting reports about it. Are persons of colour moving up into all levels of our public service? I suspect not, according to what I was told by the women's conference.

We must take tangible steps to protest racism and to uphold our Charter by acknowledging past injustices. This is why redress of the injustices that Canadians of Japanese origin experienced must be made. Chinese immigrants who came here at the turn of the century experienced injustice, but in a different way. They were not yet citizens of Canada. The Chinese and Japanese cultural groups and their wide group of supporters now say that we must wipe out these injustices from our history and our consciences. It is appalling that, after election promises to do something, there have been only two or three series of negotiations with Canadians of Japanese origin who lost their properties, were displaced, lost their communities and dignity as a result of injustices during World War II. It is appalling that the Government will not compensate them.

There was a big meeting recently in my riding on this matter. Not just one ethnic group is concerned about the matter. There are coalitions building and Canadians from all backgrounds want us to take a stand. Individuals who are now elderly must have fair redress for their losses. Why shouldn't they? The Americans have done something in the U.S.A.. It is a shame that our Government refuses to do anything, to negotiate fairly with the organizations who represent the Japanese Canadians. We want the issue settled once and for all; wiped from our consciences and our history books. We want our children to be proud that we have recognized these people.

Similarly, I have spoken many times in this House about the Chinese head tax. The Prime Minister (Mr. Mulroney) promised to meet with Canadians of Chinese origin to acknowledge the imposed injustice, not only by the head tax laws early in the century but as well by the Chinese Exclusion Act which for many years prohibited Canadian citizens of Chinese origin from bringing their wives and families over from China. Here again the Prime Minister promised that his Government would meet with people and settle this issue. Now the Cabinet has instructed the Minister responsible for Multiculturalism that he cannot even meet with the Chinese Canadian National Council. How can you begin to discuss issues if you are not able to meet with the people concerned? I am honoured to be on an all-Party committee that has met once with the Chinese Canadian National Council. We are hamstrung unless the Government is prepared to act.

What about the many injustices and the stigma which is being stirred up by recent events, and I am thinking of the Sikh community. There were incidents last summer involving Sikhs who were refugee claimants at the time. We heard inflammatory language and the policies of the Government stimulated racism. In my riding, and in many others, we had numerous calls from people who expressed overt racism toward this group. Although no one condones terrorism, I do not think the statements by the Secretary of State for External Affairs (Mr. Clark) have helped multicultural relations in recent days through his boycott of certain Sikh organizations. This is overt discrimination, but there are subtle discriminations as well.

I want to mention StatsCanada. I get so irritated when I look at the format for collecting information, which has for years focused primarily on groups from Europe. It is as if Asia and the people who came to Canada from there did not exist. Only recently have a few countries been noted as countries of origin. So we do not have recognition in the data on people who for many years have come from Asian countries to provide leadership in Canada.

I mentioned double discrimination faced by immigrant women, but there is triple discrimination as well. Not only are they faced with discrimination because they are immigrants and women, but also because many of them are coloured. We must have many more positive programs to assist women and to open opportunities; for instance, English as a second language, many community support programs, more relevant employment training and child care in relation to all programs. We must entrench our multicultural heritage in the Constitution; that is what we heard from multicultural and ethnic

groups when debating the Meech Lake Accord. There was concern that the rights of the minorities were not made specific at that time.

On September 3 last year I raised this problem in the House through a petition from Mosaic which is a multicultural group in my riding. The Canadian Ethnic Cultural Council also states that Section 15 of the Charter should define freedom from discrimination based on multicultural factors by adding "race, national or ethnic origin, colour (or) religion".

There are many things we must do. There are many omissions from the Bill. Basically it is a good start. I am sure that in committee there will be many amendments to the Bill. I was pleased to hear the previous speaker say that he will be assisting in this regard. Let us make it a very effective Bill and let us make sure that we remove racism from Canada.

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, I have listened again with interest to the words of the Hon. Member for Vancouver East (Ms. Mitchell). She spoke from her own experience in her constituency and her experience of life on the West Coast, a part of Canada where Asian migration to Canada is important. There is the establishment of communities of people from Japan, China and other parts of Asia as well as from the dominion of India in its day and from neighbouring countries. People have come to Canada from various places to find homes here. I appreciate her emphasis on the importance of legislation that will ensure respect for the rights of all communities in Canada to be enhanced by the Canadian Government.

I want to explore a related aspect in the Government's interaction with communities and representatives from the communities. I have a question of her about the possibility of a model. In fact, something like the Advisory Council on the Status of Women might be taken up by the Government to advance the cause of multiculturalism. Let me explain what I am thinking of here by picking up on the Hon. Member's observations about the Manitoba Intercultural Council. It is a very important body, as she suggested.

• (1150)

During a western multicultural tour almost exactly a year ago, I had the privilege of being in Winnipeg and being able to sit in on a joint meeting of the executive of the Manitoba Intercultural Council and a good part of the provincial Cabinet. I was impressed first by the fact that the premier, the Minister of Finance who had previously been the Minister responsible for multicultural matters and the Minister of Education of the Province of Manitoba were there, quite a diversity of Ministers over and above the Minister for Culture, Heritage and Recreation, who of course is primarily responsible. They were all gathered at the table to consider an agenda of important concerns which the Manitoba Intercultural Council had put forward.

This is a council formed largely of representatives chosen by the communities under legislation which the New Democratic Government put forward to ensure that the council would be genuinely representative and would articulate the concerns of the communities. We have not had anything remotely resembling that in multiculturalism federally. We have had behind closed doors advisory councils to a succession of Ministers. The Bill intends to perpetuate that particular model. It is greatly to be regretted that that is the model the Government plans to continue with, since it is not prepared to do anything on the matter of the commissioner or on a strong ministry.

I wonder if the Hon. Member, from her intense involvement in the women's cause and her advancement of that cause on the federal scene, would have any thoughts about how the model provided by the Advisory Council on the Status of Women might conceivably provide a federal example of a multicultural body. Such a body would be publicly established, speaking publicly, doing research and able to press the Government openly and gather support for the endeavours of others outside Government. What possibilities are there for drawing on one model and applying it to the multicultural area?

Ms. Mitchell: Mr. Speaker, I think that was the expert speaking, but he has raised a very interesting point. There are some great advantages in having advisory councils, but if there were to be something outside Government, I would hope that it would use a different way of appointing people than is used in the traditional government bodies we have now, like the Canadian Advisory Council on the Status of Women, although it is doing very good work and has an excellent director. I have always advocated that there should be some way for women's communities across Canada to nominate people for that body and that they not just be political appointees. I do not think we need that kind of tokenism in a new body.

We should also keep in mind that when it comes to women's issues, there is a government Department, Status of Women Canada, although there is not a commissioner. Perhaps it would be a very good idea to have one. There needs to be a mechanism both within Government and without to press for the policies.

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, at the beginning of my remarks I alluded to the matter of racism in Canada and to the need for action along those lines. I wonder if the Hon. Member for Vancouver East could say something about the matter of the strong action that is required from her experience in the Province of British Columbia and, of course, in national politics.

The New Democratic commitment to equality, the necessity for doing more than just talking about fine principles and actually advancing those appeared in the debate on Bill C-62, the employment equity Bill. There we had a situation that is all too similar to this one. It was a Bill that enunciated some fine principles and did provide for some reporting, but it was only under extreme pressure that the Government responded in any way at all to the need for something more than the

gathering of information, something more than a vague setting of goals for advancement.

I have been profoundly distressed by the resemblance of Bill C-93 to Bill C-62. It states the principles and puts up the window-dressing but does not provide the kind of machinery that is required. We have a Bill that relates to the concerns of various groups, including the concerns of women of all colours and of all backgrounds, recognizing that women of colour, immigrant and visible-minority women particularly face great impediments to their advancement in Canadian society.

The similarity of Bill C-93 to Bill C-62 concerns me a great deal, and I wonder whether the Hon. Member could expand on the importance of having strong legislation. Perhaps she could express her thoughts about the possibility of the Government providing such legislation.

Ms. Mitchell: Mr. Speaker, I think I said in my remarks that to deal with racism is probably the most important area for policy and action on the part of the Government. Groups are quite capable of dealing with community events and multiculturalism as it exists now, but we must face the question of racism head on.

The Hon. Member is more of an expert on the Bill itself than am I, but as we deal with amendments to it we will look at how to strengthen it. Certainly there does not appear to be the kind of mechanism in it to deal with that issue.

I think it is also very important that we as a society look at the prevention of racism. I know that some committees at the community level are looking at how to do more in schools with language and with books to show that we have a multicultural society and to discuss these issues. As I mentioned, children should know about incidents of discrimination in our history, and they should know that under our Charter those kinds of incidents would no longer be tolerated.

Mr. Jim Edwards (Edmonton South): Mr. Speaker, as the Member for a portion of a city which can justly claim to be the birthplace of multiculturalism in Canada, I take great pride in the privilege of being able to intervene in today's debate.

Before dwelling on the merits of the Bill before us, I think I should say something about an honour which on May 6 will be conveyed to three residents of my constituency to be made Members of the Order of Canada on that date at a ceremony in Rideau Hall. What is remarkable is that no one has referred to the fact that each of the three of them represents what we celebrate here today, our multicultural heritage.

Mr. Krishan Joshee, who has lived in this country for approximately 30 years, was a distinguished educator and is now a public administrator. He was born in India, taught in Ethiopia, latterly in remote northern Alberta and most recently in the City of Edmonton, rising to the position of vice principal of one of Edmonton's Catholic schools, a remarkable achievement for a man of the Hindu religion. He was the founder of Edmonton's Heritage Festival which annually attracts some 400,000 participants to Hawrelak Park in Edmonton South, a park which indeed was named after Edmonton's first mayor of Ukrainian origin.

The second individual who will become a Member of the Order of Canada is Mrs. Mary Lobay, descendant of one of the first pioneer Ukrainian families to settle in rural agricultural Alberta. Mrs. Lobay is indeed the surviving sister of the distinguished late Mayor of Edmonton, William Hawrelak, after whom the aforementioned park was named.

The third individual, Dr. Henry Kreisel, will be made an Officer of the Order of Canada on May 6. Dr. Kreisel is a distinguished Canadian author, novelist and most recently has delivered to the Minister responsible for multiculturalism a very interesting, creative and imaginative plan for the cultivation of heritage languages in our country. What is remarkable is that no one is even taking notice of their multiculturalism symbol because, at least in my city, multiculturalism is a fact of life in which we glory.

• (1200)

The Secretary of State (Mr. Crombie) has made the point that sometimes we do not recognize when we are walking through history. That is exactly what is happening right now. Giving legislative expression to Canada's multicultural and multiracial reality is a landmark event. It is an event for the history books, rooted in the everyday life of the Canadian people.

[*Translation*]

Bill C-93 represents a landmark in the evolution of our society. This legislation, while reminding us that multiculturalism is as old as Canadian society itself, at the same time emphasizes that it is also one of our most innovative enterprises. Furthermore, it bears witness to the determination and strength of those men and women who helped to build this great country we have become.

[*English*]

Our aboriginal peoples were the first citizens of this nation. They survived in a harsh and unpredictable natural environment by creating a strong spiritual life, and a mythology which is part of our collective sense of being Canadian. No doubt, many Hon. Members are aware that an outstanding exhibition of native arts and artifacts called "The Spirit Sings: Artistic Traditions of Canada's First Peoples" was assembled at the Glenbow Museum at Calgary as a showpiece of the Calgary Winter Olympics. It unveiled for the world the richness and diversity of aboriginal culture in Canada.

When the French and the British first arrived in this country they made contact with an aboriginal society which was both multicultural and multilingual. That essential reality of Canadian identity was intensified by pioneers of many different origins who came to forge a new future for themselves in this land of promise and opportunity.

As the Prairies were settled and our transportation centres grew into cities, we sought our farmers and labourers wherever we could find them. The list of their homelands, languages and cultural traditions is almost limitless. Their courage, endurance and dreams for a better life left a permanent legacy in every community across Canada; not the least of those legacies was tolerance.

A historic attachment to the land is part of the cultural heritage of all Canadians. It is shared by our aboriginal peoples, by courageous European pioneers, Sifton's men in sheepskin coats, Ukrainians, Poles, Germans and many others who dug deep into Canadian soil to create fertile fields, strong communities and their own special experience of being Canadian.

That experience is shared by those who helped open up this land from sea to sea. As we are all aware, the incredible task of building the Canadian Pacific Railway through the Canadian Shield, over the Prairies, down the treacherous Fraser Canyon could never have been done without the backbreaking effort of labourers from all corners of the globe, especially Chinese Canadians.

[*Translation*]

Canada did not become a multicultural nation overnight. Multiculturalism is a factor that has always been present in the course of our history. It is a factor that has greatly influenced our concept of human rights and equality among citizens. In Canada, we cannot tolerate any form of racism. Both socially and legally, discrimination and intolerance are attitudes that to us are unacceptable. It is ideals such as these which over the years have attracted and still attract people from all over the world to this country.

[*English*]

In the late eighteenth century roughly 50,000 American residents moved to what is now Canada during the revolutionary war, becoming known as United Empire Loyalists. In the nineteenth century, prior to Abraham Lincoln's emancipation proclamation, thousands of black Americans travelled north on the famous underground railroad to seek their freedom in Canada. In this century Canada has continued to provide refuge and a fresh start to hundreds of thousands of people fleeing oppression.

Multiculturalism is a working reality in our society, a welcome fact of our daily life. However, there was a time when severe doubts were expressed about the possibility of turning what some called a "motley crowd of immigrants" into a nation of Canadians. A young Methodist minister named J.S. Woodsworth, later the founder of the CCF Party, ran his All People's Mission in Winnipeg in the early 1900s. Surveying the scene around him with a mixture of pride and apprehension, he wrote in 1909:

> English and Russians, French and Germans, Austrians and Italians, Japanese and Hindus—a mixed multitude, they are dumped into Canada by a kind of endless chain. They sort themselves out after a fashion, and each seeks to find a corner somewhere. But how shall we weld this heterogeneous mass into one people? That is our problem.

As we approach the twenty-first century, the people and the Government of Canada have found ways to address that problem with caring and with imagination. One of them is the Bill that we are debating today.

We have come to understand that being largely a nation of immigrants, or descendants of immigrants, gives us a unique perspective on the world, and it gives us an appreciation of the strength and vitality generated by our cultural and racial diversity.

As the Prime Minister (Mr. Mulroney) said so well when he addressed the Canadian Multilingual Press Association last October:

> The magnificence of our citizenship has been powerfully enriched by our multicultural reality. This reality is part of our life, of who we are, of what we can become.

Bill C-93 gives legal substance to this Government's conviction that multiculturalism lies at the heart of our Canadian identity. This conviction was definitely lacking in the Liberal Bill C-48, as was much else of any substance. What that Bill proposed was a loose amalgam, a celebration of differences. Our Bill enables a catalyst which will aid in the creation of the new Canadian alloy, a sum much stronger than the aggregation of its parts.

When passed, our Canadian Multiculturalism Act will affirm in law that every Canadian can determine the extent to which he or she wishes to identify with, enjoy, enhance and share their previous heritage of birth and ancestry. It will promote multiculturalism as a central feature of our Canadian society and it will reflect our conviction that, regardless of origin, every Canadian citizen has an equal chance to participate in and contribute to the social economic, cultural and political life of this nation.

We as a nation are committed to the idea that all Canadians, wherever they are born, whatever their roots, are entitled to an equal chance. They have a right to be educated, trained, to choose their life's work and to be able to benefit from its rewards. There must be no barriers to ensuring that these things hold true to all Canadians of every origin.

It has been asked why there is no ministry in this Bill and no commissioner of multiculturalism. I submit that if we were doing it again and were not operating in the milieu of paternalism, which perhaps necessarily prevailed in the nineteenth century, we would not recreate a Department of Indian Affairs. Let us not be patronizing with multiculturalism today. Let us inculcate everything we do with the spirit that whatever minister takes the oath office, whatever officer or head of a Crown agency or corporation takes office, whatever member of a board of directors takes an oath of office, he or she subscribes to the multicultural reality and multicultural glory of Canada. Only then can we ensure that we have more Cabinet ministers with names like those of the Hon. Minister of Justice (Mr. Hnatyshyn), the Hon. Minister of National Health and

Welfare (Mr. Epp), and the Hon. Deputy Prime Minister, President of the Privy Council and President of the Treasury Board (Mr. Mazankowski), and more lieutenant governors like Lincoln Alexander and more premiers whose origins we celebrate, if not their policies, like Joe Ghiz and Bill Vander Zalm. We can ensure that all future athletes of all racial or cultural origins, such as sprinter Ben Johnson, diver Sylvie Bernier or equestrian Ian Miller will be able to realize their full potential.

• (1210)

I am sure Hon. Members will agree, however, that the vitality and richness of our multicultural diversity in action is not found only in our sports or political arenas. It is found in all the activities of our neighbourhoods, large centres and small communities all across Canada. The shops, restaurants, and small businesses run by members of our ethnocultural groups contribute in large part to this country's economic prosperity. According to census data for 1981, half of the small businesses in Canada are owned and operated by members of our cultural or racial minority groups. However, economics aside, it is evident that multicultural enterprises add the kind of variety, vitality, and interest to our downtown cores which help to animate our cities.

[*Translation*]

Formerly, multiculturalism was associated with folk dancing, national costumes or international cuisine. Celebrations and ceremonies held by a cultural community were basically the business of the people of that community. The situation has changed somewhat today, when we see a kind of symbiosis, where sharing and mutual appreciation are becoming increasingly important.

[*English*]

I recall a remarkable event which could have happened only in Canada at the celebration of India Day last year when a Ukrainian dance troupe performed a Punjabi harvest dance. That is more than symbiosis. Summer gatherings such as the Ukrainian Pysanka Festival in Vegreville, Edmonton's magnificent Heritage Days, Saskatoon's Folkfest and Winnipeg's Folklorama, or Toronto's Caribana and the country-wide Chinese New Year's celebrations are now part of the Canadian calendar of special events. Each year they attract more and more Canadians of all backgrounds and races as well as increasing numbers of visitors, visitors who recognize that this is what is uniquely Canadian.

I had the privilege in 1986 of being called upon on very short notice, in fact 30 seconds, to give a 15-minute talk on Canada and what it means to be Canadian. This talk was to be delivered half way around the world as I was visiting the province of Negros Occidental in the Philippines at the time. I had the advantage of having to wait for the simultaneous into the Ilongo language to finish, giving me an opportunity to gather my thoughts.

I chose to talk not about the stereotypes of Canada, the northern nation, the vast nation which is not quite the United States. I chose to talk about multiculturalism and celebrated the fact that while many countries in our world are multicultural through forces of invasion or history, Canada is the only country, certainly the first country on the globe, to have chosen by active political will to become a multicultural society and to glory in it.

Earlier in this debate the Hon. Member for York West (Mr. Marchi) implied that the Canada Council turns away applications from some Canadians because of their origins. I cannot understand where the Hon. Member got this idea. He should know better. Let me cite some evidence to the contrary. The Council has funded Punjabi and Chinese literacy projects, documentary films made by Inuit artists, and the publication of short stories written by Greek immigrants. The Council has funded a biography of pioneer black Canadian community leaders and the performances of black musicians in Nova Scotia.

I do not intend to dwell on long lists. My point is to emphasize the work that the Canada Council has already done. More will be done. The multicultural policy of Canada will apply to the Canada Council as a federal institution and I am certain that the Council will join all other federal institutions in celebrating and promoting the cultural and racial diversity of Canada.

I would like to emphasize that Bill C-93 is perfectly clear, not only about maintaining our commitment to the official languages of Canada, but also about preserving our heritage languages. The Bill states that the Government of Canada will "facilitate the acquisition, retention and use of all languages that contribute to the multicultural heritage of Canada".

As part of that commitment the multiculturalism sector of the Department of the Secretary of State recently sponsored a national heritage language teaching training conference in Toronto. The Government is currently considering new initiatives in the area of heritage languages. We are considering how a heritage language institute in Edmonton can best be established, based on the recommendations of the distinguished Dr. Henry Kreisel, and what its mandates and priorities should be.

We are examining the possibility of creating a national network which would link an Edmonton institute with the Language Resource Unit at the Ontario Institute for Studies in Education in Toronto and eventually to a complementary operation in Quebec.

Finally, we are asking the Assembly of First Nations to submit recommendations to the Government on the possible creation of an aboriginal languages institute.

All of this activity underlines the Government's belief that heritage languages are a vital element of communications and understanding in our multicultural society. Language is important to this country, not only in terms of social harmony

but also in an economic way for trade, for diplomacy, and for tourism.

A few years ago a government study analysed our tourism industry, particularly the question of why Americans come to Canada. We all assumed it was the snow-capped mountains, the rushing rivers, or the CN Tower, but that was not really the case. They said that they came because they appreciate the linguistic and cultural diversity of Canada. That was the number one reason given.

[*Translation*]

Mr. Speaker, this is being confirmed daily. Canada's distinctive character as a multicultural nation has made it a country that is enjoying healthy and dynamic growth both socially, culturally and economically. By putting to good use the knowledge, experience and talents of all these people who have come to this country from the four corners of the earth, we can greatly enhance Canada's potential in the areas of international trade and diplomacy and in the field of cultural and scientific exchange.

[*English*]

The Government believes wholeheartedly that a strengthened commitment to multiculturalism through Bill C-93 will add to our international stature. Multiculturalism is not only one of our most valuable natural resources, it is our gateway to the world.

I would like to extend personal congratulations to my hon. colleague, the Secretary of State, for bringing forth this historic legislation. I urge all Members of the House to respond quickly to the vision of the proposed Canadian Multiculturalism Act by giving it their full and unqualified support. This Bill is proactive. In fact, it has become a veritable Christmas tree, or Hanukkah bush, which offers choice and opportunity, not command and control.

In fact, only two weeks ago I was lobbied by the Canadian Conference for the Deaf and the Western Institute for Research into Deafness who put forth, with some vigour and some persuasiveness, the argument that the deaf ought to be embraced within the Multiculturalism Act. It is that attractive an Act. It is a joyful Act, Mr. Speaker.

Mr. Marchi: I commend the Member for Edmonton East (Mr. Edwards) for bringing a degree of sincerity and passion to the debate. Nonetheless, I think that this individual, who is part of the Conservative Party, is prepared to put multiculturalism into deep freeze, is prepared, by embracing this Bill, to say that the future of multiculturalism is in the past.

The Member was very articulate in a number of his analogies. If he wants to use Christmas as an analogy, I suggest that this Bill is a beautifully gift-wrapped box, but when opened up there is very little inside. If you want to use the Olympic analogy, this legislation is pleased with a bronze rather than striving for gold.

The Member began by addressing a number of different points. He said first that to talk of a separate ministry was to ghettoize multiculturalism. Why is he so quick to label a ministry as ghettoization? Why is it patronizing to develop bigger and more effective program delivery by bringing various programs, which are now spread throughout the federal civil service, under one roof? Why is it ghettoizing to have a larger budget under one roof than now exists in various departments? Why would it be ghettoization to have a full time Minister and a Deputy Minister which would obviously give additional political power and why if we cannot see this as one step towards one day having one ministry of culture, not communications and culture, but one department of culture whose message is that our culture is multiculturalism?

• (1220)

We cannot necessarily attain that goal with just a leap of faith that lands nowhere. If one subscribes to that more progressive longer-term vision, one can see this as one stepping-stone towards that eventual day. Why is that too seen as ghettoization?

Finally, Bill C-48 was not the answer. I am prepared to say that today. One of the first things the former Minister responsible for multiculturalism under the Tory administration did was to send a copy of Bill C-48 to all the groups across the country in order to get a consultative process under way. He asked how he could improve the Bill, how to take it one step further? In the interim, there was a standing committee that had as its basic premise, I suggest, a very strong and comprehensive multiculturalism Act. Unfortunately, today we have a multiculturalism bill that is no better than bill c-48, despite the intervening four years of consultations and a unanimous report from a committee. I want to know why the Tories' definition of a future is clearly in the past? If Bill C-48 was not good enough, why did we not make it better?

Mr. Edwards: Mr. Speaker, I am delighted that the Liberal critic has entered into this debate, because it gives me an opportunity to tell him that history and events have not only undertaken the Government, but have more than overtaken the Liberal Party. The fact is that Canadians, however they describe themselves beyond their Canadianism, today recognize that Canada is a multicultural nation and that that reality does not need to have the ghettoization of a particular ministry.

Rather than just leave it at that, I think it is appropriate to indicate what can happen. The Hon. Member has been around government for some time. I know he advised a previous Minister and I think he may have had some considerable part in the drafting of Bill C-48. However, the fact is that events have evolved very rapidly. Today the very idea of shunting off responsibility for multiculturalism to a particular Minister is not enough.

The Hon. Member says he could be the advocate. The fact is that each and every one of us, through every hour of every day,

should be the advocate and the celebrator of multiculturalism. We do not need some kind of a side ministry with, let us be honest, a history of turnover of Ministers for multiculturalism, being a training ground for junior Ministers who either disappear or go on to greater things. We need to have a commitment by all members of Government, by all Members of Parliament, to the multiculturalism reality.

The Hon. Member talked about the consultative process, and why did we not embrace the recommendations of the standing committee. The chairman of the standing committee intervened in the debate. He made a very forceful and lucid intervention. However, he recognized that not always are all the recommendations of a standing committee embraced by Government. There is always the opportunity for Government to take those recommendations and hold them up against the light of present day reality.

I think, with all respect to the excellent work of the standing committee, it was the standing committee that was looking to the past rather than to the future, not the Government. This Bill, which the Hon. Member has likened to a bronze medal or an empty gift-wrapped box, is holding itself up as the kind of Bill towards which other groups and other interests are attracted. It is the kind of forceful advocacy that, for example, certain members of the disabled community are looking forward to and they are looking forward to the work of my friend, the Hon. Member for Etobicoke—Lakeshore (Mr. Boyer), and his colleagues. They are looking forward to a similar kind of Bill coming forward in due time for the deaf, and the physically and mentally handicapped of this nation.

With all respect to the diligent labours of the Liberal critic, it is he who is looking to the past. The Government is recognizing the present and anticipating the future.

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, I listened with interest to the words of the Hon. Member for Edmonton South (Mr. Edwards) as he celebrated the cultural diversity of the City of Edmonton. It reminded me, of course, of the cultural diversity of the City of Thunder Bay, and I suppose so many of us know of our cultural diversity and want to say good things about it. However, we need more than just words.

I want to focus more particularly on what the Hon. Member said in speaking of the way in which Bill C-93 gives legal substance to the Government's convictions regarding multiculturalism. The Member speaks of the way in which it might provide a catalyst to achieve a Canadian alloy. That is an image I am not so sure about. Too many people have been merged and assimilated in the alloying process. What we want in a policy on multiculturalism is to step back somewhat and allow the kind of freedom the Member noted the Bill provides for, giving people the opportunity to maintain cultures while being good Canadians.

The Member says the Liberals are looking to the past, implying there is a future to be grasped. He talks about the need for legislation to do that, but how can he find any satisfaction in Bill C-93, which does nothing to develop the machinery? Surely we cannot be content with the present situation where we have a very junior Minister who is in fact a person engrossed in the larger responsibilities of Secretary of State. We surely cannot be content with an advisory body that meets behind closed doors. We cannot be content with a budget that provides less than one dollar per Canadian, man, woman and child.

The Bill is inadequate. The worst judgment to render on this Bill is to say it institutionalizes the *status quo*. If we want to seize the future, if we want to have a real gold medal future, as the Hon. Member for York West (Mr. Marchi) suggested, surely we have to provide the means. We have to empower communities and organizations to build the kind of Canada we want. We want them to foster their culture, to achieve their individual rights in Canada which have been trampled on all too often and still are not protected. We want that from a department which is aware of building, but not on the model of Indian Affairs where we had a suppression of the rights of a people from coast to coast.

Surely there is a need for action, but we cannot expect that from Conservatives. Conservatives just do not want to do anything in the way of strengthening multiculturalism organizations. They will state principles but will not provide the means and that is a judgment the Hon. Member for Edmonton South could say something about in trying to defend his own Party in its presentation of an inadequate Bill.

• (1230)

Mr. Edwards: Mr. Speaker, my good friend from Thunder Bay—Nipigon, whom I respect immensely, may be sorry that he used those last couple of ideas. Sir, it was a great Conservative Prime Minister of Canada who opened my Party to the multicultural reality of Canada. The Right Hon. John George Diefenbaker is the man who spoke for all Canadians and who saw that their position in Canadian society had been overlooked, not only by my Party but by Canadian society in general. It was he who paved the way for the inclusion of the kind of people who my hon. friend and I celebrate and respect and who make up the new majority.

That is what I meant by the alloy analogy, in the sense that there are no majorities left in our country and that this Bill can be the catalyst which brings together a new Canadianism which is still in the process of defining itself. It was the Right Hon. John George Diefenbaker who first articulated and inspired Canadians to embrace that reality.

Indeed, it was the Right Hon. Secretary of State for External Affairs (Mr. Clark) who carried forward that idea when he served as Leader of our Party. He stressed that Canada is, indeed, a community of communities.

It is to the eternal credit of the present Prime Minister that he threw his acts, his deeds and his warm endorsement behind this piece of legislation which has seen to it that this Bill will

become an important pillar of the new Canadian consciousness.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I am pleased to join my voice to those who have addressed the issue of multiculturalism in our society. We have heard some very warm, concerned and considered remarks from our colleagues from all sides of the House. That speaks well for the vision of tomorrow which is building through the ongoing steps involved in multiculturalism.

I see in the House my colleague, the Hon. Member for Etobicoke—Lakeshore (Mr. Boyer) with whom I had the pleasure of studying Section 15 of the Canadian Constitution, and the Charter of Rights. At that time we were looking at equality for all, which was just another step, another building block in our concern for non-discrimination and integration for all people on a fair and equitable basis as part of the Canadian ethos.

In retrospect, what we have been doing over the past number of years has been building. I had hoped that when we finally took the important step to enact our nation's historic commitment to multiculturalism that we would be looking at a Bill, such as Bill C-93 which is before us, and judge that Bill on the basis of its quality, its substance and the extent to which it enhances multiculturalism across Canada. That is a goal which all Members of the House hold dear. It is what they represent when they stand to speak as the elected representatives of their ridings. I know of very few ridings in the country that are not a reflection of the true multicultural and bilingual qualities that make up the Canada of today.

Creating a legislated framework for Canada's multicultural policy is therefore in itself a positive and valuable initiative. We have travelled a long road to arrive at this point. My colleague pointed out the role played by the late Prime Minister Diefenbaker. He also pointed out the role played by the Secretary of State for External Affairs (Mr. Clark). Add those names to the names of Liberal Prime Ministers and one sees that this has been an ongoing and growing concern for many, many years.

We cannot argue with the developments that we have made as a society that understands and respects our many diverse peoples. But moving forward and building on past initiatives in this vital area of national policy is the duty not only of the Government but of Members on all sides of the House.

I say to you, Mr. Speaker, that despite the problems that exist with Bill C-93 and the newspaper coverage and the remarks of editorialists which indicate serious concern about the content of the Bill, that is not the view with respect to the thrust of the Bill. I do not think we can miss the chance to protect our multicultural tradition through legislative action, for this is an ideal that has been pursued by many modern societies. I think that Canada with this as a legislated direction may be the first to put it into legalistic form.

It represents a commitment to the recognition of the many ethnic groups that make up our nation's diverse population. For example, Canada is a nation with a rich history of accepting peoples from many and varied ethnic origins and, hopefully, having them become part and parcel of what we call or perceive as mainstream Canada.

We are supposed to be establishing a framework in law for Canada's strong and long-standing multicultural policy, a policy that states that we accept differences based on race, religion, language, modes of livelihood and regions of origin or habitat. Since we are all differentiated from one another on the basis of some of those factors, we all may be described as ethnics. Therefore cultural diversity, like individual differences, must be accommodated within the framework of political freedom.

Our democratic ideal supports this idea of accommodation. Our pluralistic society requires it. The 1982 Canadian Constitution mandates recognition of our multicultural heritage.

One root of Canada's multiculturalism policy was the 1963 Royal Commission on Bilingualism and Biculturalism which was originally aimed at reviewing the status of the two founding peoples of Canada. An additional facet was added to the commission's task to examine the contribution made by other ethnic groups for which the cultural enrichment of Canada can be thanked, and the measures which could be taken to safeguard that contribution. This additional directive which came as an afterthought has in retrospect proven to be valuable for getting the ball rolling on Canada's multiculturalism policy.

By 1971 the Liberal Government committed Canada to a multicultural policy, but within a bilingual framework. In his statement Prime Minister Trudeau noted that although there are two official languages there is no official culture, nor does any ethnic group take precedence over any other. This was really the first formal recognition of the fact that every Canadian is an ethnic of some variety and each of our cultures deserves respect.

With these statements, multiculturalism emerged from its status as a mere fact of Canadian life to become an issue for full and active discussion on the nation's public policy agenda. We must now look at how these very heterogeneous social groupings, which are a reality in our society, can be recognized as part of the basic strands that form the warp and woof of the tapestry that is found by the weaving of the fabric that is Canada.

The reality of multiculturalism's new place on the agenda of national debate and action was confirmed by the then Prime Minister's comments on the need for official support from Government that would contribute to a richer life for us all. We all start with small things and grow. Now is the time to consolidate a dispersed growth into one concrete area so that we can look at what is happening and move the whole issue forward.

Fortunately, along with the words of the Prime Minister, about official support at that time, action did follow. The Government's actions included the establishment of a multiculturalism directorate within Secretary of State in 1971 and the appointment of a Minister of State for Multiculturalism in 1972. That was solid action, the kind of action that is missing in Bill C-93.

In 1977 Parliament passed the Canadian Human Rights Act which established the Human Rights Commission that could receive and investigate complaints of discrimination and develop programs that would combat discriminatory practices. Again, that was solid action, something more than the dreamy promises that we have in this Bill.

• (1240)

In 1982 the Canadian Constitution included multiculturalism, as well as Section 15, the equality and non-discriminatory clause, within our constitutional framework. There was a commission report, "Equality Now", and then a Bill, the beginning of a legislative framework.

In 1985 the House of Commons Standing Committee on Multiculturalism was established to act as a forum for ethnic community representations and to review the Government's progress in implementing multiculturalism policy, again, continuing a tradition of active not passive public policy with regard to multiculturalism.

This is not the first time that we have seen legislation in the House to support multiculturalism. As I previously stated, on June 21, 1984 the Government of the day, through its Minister, David Collenette, introduced Bill C-48, the Multiculturalism Act. Unfortunately, it died on the Order Paper when a federal election was called in the fall of that year.

The last action by Members of Parliament prior to the introduction of Bill C-93 was the report of the House of Commons Standing Committee on Multiculturalism in June, 1987. This was the product of many hours of careful thought and consultation by our colleagues on that committee. I wish to pay particular respect to and congratulate my colleague, the Hon. Member for York West (Mr. Marchi), for his leadership and his open and active participation.

A creative and open-minded report flowed from the deliberations of this committee. It urged the enactment of a multiculturalism Bill, the creation of a new line department with a full-time senior cabinet Minister, the establishment of a commissioner, and the increase of budgets for related programs, much like that found under the Official Languages Bill. If we wish the bilingual character of Canada and its distinctiveness throughout this land to become a reality, then we have to put some action and some concrete policies into place. The same is true with respect to multiculturalism; it is the other side of the coin that makes up this wonderful Canada of ours.

The Government's official response accepted the basic tenets of the committee's report, but concluded that a new department and Minister were not needed. On the contrary, it seems to me that few ethnocultural groups would reject the appointment of a full-time Minister who could respond to their needs and assure them of due respect and attention at the Cabinet table. This Minister could not handle this whole task by himself. He needs the collaborative efforts at the Cabinet table of all the different Ministers who have roles and responsibilities to ensure multiculturalism together with the bilingual nature of Canada.

Nor would a commissioner be the wrong approach. It is vital that we have a commissioner who would report to Parliament on the progress we are making in this new and very vital area of our Canadian social reality. We need to find ways to harmonize our varying societies, develop mutual respect, and reduce social tensions through active progressive programs. We need to educate our society from childhood through adulthood. We need to remove discrimination due to ignorance and misunderstanding. We need to move into a pluralistic Canadian society on the basis of equality of opportunity for all, and have access to jobs based on skills and competence, irrespective of race or creed. That is one of the thrusts that is needed and is missing in terms of action guidelines.

That brings me to the legislation that we are now considering. If we are to achieve the true spirit envisaged in this Bill, we must find concrete ways for many ethnic communities to participate fully in Canadian society, rather than remaining on the fringes as is so often the complaint. Song and dance as part of the over-all practice is only one aspect of a full multicultural philosophy which is the reality of the Canada in which we live. Private and public institutions should reflect the true make-up of the population.

This is not reflected on the screens of this land, either on television screens, at the boards of directors, and certainly not in the films that we see in the theatre. Unfortunately Bill C-93 does not go far enough to actively strengthen and ensure the visibility of all ethnic groups in Canada.

This is not only the view of those of us in the Official Opposition. Mr. Lewis Chan of the Canadian Ethnocultural Council has called Bill C-93 "a shining symbol, and certainly a step forward, but it is a symbol without substance". How can it be otherwise for its goals are couched in general principles and objectives in cautious language terms. We see words like "should", "may", "facilitate", "encourage", but there is no enforcement mechanism, much like Bill C-62 which includes all the correct words around employment equity, but has no action, no mandatory or obligatory forward movement in the Bill.

There are more complaints. The Ontario Advisory Council on Multiculturalism and Citizenship has criticized the Government's decision not to establish a full-time ministry of

multiculturalism. They find it "unacceptable and it demonstrates the lack of leadership commitment for multiculturalism as a fundamental goal for Canada".

One of the biggest problems in this Bill is its lack of true enforceability. As I stated, my Party is only one of the many voices expressing this concern. We support the steps this legislation suggests "should" be taken by the Government to enhance Canada's multicultural life, but we believe it should state "shall" take those steps. It lacks specific implementation and enforcement provisions. That is the serious deficiency of this proposed Act.

I return to make the point I made at the beginning of my comments today. This Bill will be judged on the extent to which it actually enhances multiculturalism across the country. That is what Canadians are looking for—action and not promises. It does not take the bold step forward that we need. It does not require government action to implement the very policies it seeks to provide in this legislative framework. In the Bill the gap between policy and implementation is evident. I hope it is not a lack of good faith and goodwill. I hope we see the mechanisms to improve this Bill when it goes to committee.

There is no designated full-time cabinet Minister. There is a failure to do so, which will do little to open the doors of the federal Government to Canada's ethnocultural communities. This change would have gone a long way to improving dialogue between government and Canada's ethnic communities, giving them the attention that they deserve. Right now we are living in a time of great stress. It is very important that we reduce racial tensions, as we look at what is going on in society, and improve the general atmosphere. It is a very important concern.

As a nation, if we are going to take that large step forward that we require, which means encouraging all our ethnic groups to take pride in their Canadianism, which we would hope they would do while still retaining their attachment and pride in their own roots, this is absolutely key and fundamental. It is important that we encourage peoples of a variety of cultures to grow and retain their own identity while joining and enjoying celebrations with Canadians of different ethnic origins. Canada's collective identity would be enriched and reinforced.

While Canada is officially bilingual, that is, it has two languages, its cultural is multicultural. In Montreal this past Sunday I was struck at the time of the St. Patrick's parade that the crowd was very mixed. It reminded me of a festival parade last summer organized by the city's Caribbean black community in which I was actively involved. The crowd was also very varied. These celebrations by the very diverse ethnic cultural minority communities have become part of the pluralistic community celebrations of the Canadian mosaic. People of all ethnic minorities gathered around, joined in, showed tolerance, understanding, and appreciation of Canada. They thought of this as a normal relationship in the pluralistic society that is the reality of Canada today.

Because of the growing racial tensions that we are also feeling, there needs to be the legislative cadre in order that we can truly move forward. Bill C-93 is a fairly short piece of legislation. Clause 3 is a statement of the proposed multicultural policy, but it is largely a reiteration of the types of policies which were enunciated by successive federal Governments. It represents no dramatic breakthrough.

• (1250)

Another difficulty is that Clause 3 contains a number of intentions with regard to multicultural policy, but the good intentions are in no way followed through by commitments to actions. In effect we have a Bill which represents a statutory declaration of policy. It does not legislate any call to action by the Government.

As was indicated by the largest coalition of ethnic organizations, the Canadian Ethnocultural Council, the word "should" is one of the weakest aspects of the whole Bill. A commitment would be indicated by "shall" or even by "must". The word "should" leaves it totally optional with regard to whether various federal institutions will do what they are called upon to do.

The Bill respecting the Official Languages Act is an example of the way in which the multiculturalism Bill could have been drafted to ensure action by the federal Government. In so doing it would have given much more hope to Canada's many ethnocultural organizations. Instead, the Bill simply places into law mere suggestions of what Governments could do to build and strengthen the multicultural fabric which is our reality.

In conclusion, while we all applaud the initiative of the Secretary of State (Mr. Crombie) and favour the principles of multicultural equality which the Bill embodies in spirit, the fact is that many members of the Canadian ethnocultural community find, as do we in the Official Opposition, that the Bill does not meet the test. We want to ensure that our multicultural society is just a normal fact of life. We need the kinds of actions which will build a strong and meaningful multicultural Act and will provide the kind of tolerance to move our multicultural society and its communities into mainstream Canadian life.

I suggest that we do not just want promises to be legislated, we want the eventual goal of true equality for all. Let us not promote another Bill of missed opportunities. The employment equity Bill, which was to address discriminatory practices but had no teeth, was a lesson. Let us learn from that mistake and demand that Bill C-93 become a proactive Bill so that it will give substance to and enhance the basic fabric of our society—multiculturalism.

[*Translation*]

Mr. Della Noce: Mr. Speaker, I rose in my seat earlier to comment on the speech by the Hon. Member for Vancouver East (Ms. Mitchell). Unfortunately, I think you do not see me.

First of all, I would like to congratulate my colleague and also the Hon. Member for Edmonton South (Mr. Edwards) for a very interesting speech, and I may add I was most interested in what he had to say about multiculturalism and the aboriginal people especially, because I had the pleasure of spending part of last week in that beautiful part of Canada we call the Yukon.

Mr. Speaker, if you have no objection, I would also like to correct and in fact respond to a false impression given by my socialist colleague of the New Democratic Party from Vancouver East, and I quote: "That aboriginal people are considered as ethnic groups." Mr. Speaker, I feel obliged to correct this statement for the benefit of the House.

[*English*]

I agree that the culture and languages of the Canadian aboriginal peoples are rooted in this land. They are a living expression of an age old tradition. However, she seemed to feel that the new legislation could be interpreted as relegating Canada's aboriginal peoples to the status of just another ethnic group. Nothing could be further from what we intended.

The preamble to the Bill refers to the constitutional recognition of the rights of Canada's aboriginal peoples. It is our belief that the cultural and racial diversity of Canada is our greatest national strength. We did not want to make it appear—

Mrs. Finestone: Is this question for me?

Mr. Della Noce: I will get to it. I just wanted to make some points for clarification.

This is why the reference is therefore intended to send a message on the unique position of the aboriginal peoples of Canada in the context of diversity.

I visited the Yukon this past weekend. I want to ask my colleague whether she agrees with the Hon. Member on the following issue, and I will quote her again:

[*Translation*]

. . . "aboriginal people are considered as ethnic groups". So I want to ask the Hon. Member whether or not she thinks there is a difference between ethnic groups and aboriginal people. I want to ask the Hon. Member whether we were right to correct her.

[*English*]

Mrs. Finestone: Mr. Speaker, I am glad that the Hon. Member finally got to me. I was wondering whether he would address some of the issues which concern me. Nevertheless, I will address the issue that seems to be concerning him.

As I said at the outset of my remarks, the fabric and tissue of Canada is the warp and the woof which form Canada today—its multicultural constituencies.

I would say that there are no majority groups left in Canada, not the Wasps, the Anglophones, the Francophones, the Québeçois, the Indian peoples, the aboriginal peoples, or the Eskimos, as we used to call them, or the Inuit, and I would say this of the Ukrainians in the West and the Italians in the East. No matter what group the Hon. Member would care to identify, we are all minorities within the majoritarian society that is the Canada in which we are building toward a tolerant, wonderful, and understanding society.

It is not a matter of isolating the aboriginal peoples who were among the founding nations of the land, nor is it a matter of isolating the English and the French who came here to share this beautiful place; I would say that all those who came, whether it was the Hon. Member's Italian ancestors or my Jewish ancestors, are all the same. We are building toward a fine future together.

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, let me just observe, partly in defence of the Hon. Member for Vancouver East (Ms. Mitchell), that the Parliamentary Secretary has made a vital mistake in being critical of labelling any group as "ethnic". The point he misses is that multiculturalism recognizes diversity in the country including the aboriginal peoples. Respect for their rights and their desire to maintain communities on reserves, in bands, and through self-government can easily be seen as part of the advance of a multicultural society in Canada. I wish that he and his colleagues in government would recognize that.

Referring to the fine speech made by the Hon. Member for Mount Royal (Mrs. Finestone), I should like to deal with something that should involve us these days. Let me break the silence in the House on the shooting of a young black man in Montreal, something about which we should have spoken earlier. I want to do that now and ask her, in the moment before we rise, whether she would have any thoughts about how the Parliament of Canada and the Government of Canada could be involved in a particular matter which strikes so many people. Despite the findings of an inquiry, or perhaps a jury trial, it strikes one that there are still dimensions of race to the issue.

What could we in the Parliament of Canada do to try to transcend these feelings in our country, particularly about this tragic situation in the City of Montreal?

Mrs. Finestone: Mr. Speaker, this was a tragedy for the family. The loss of a child or any member of a family, irrespective of circumstances, always causes heartache. In this instance, where we had what was perceived to be racial discrimination, the situation was even more difficult. The police officer in question was found not guilty.

To be in a position where one is perceived as dominant and uncaring as a result of whether an act was pre-thought or not

is not the issue. We are living in a society with racial tension, not just in Montreal but right across the land. Visible minority groups are subject to discrimination in a much much more overt way. That is why I spoke to education in my remarks about the need for tolerance in our society. We have not had the degree, number or right mix.

Thirty different ethnic minority groups live in my riding, from five or six very distinct visible minority differences. Policemen on duty, the Armed Forces, everyone has to learn how to live in a far more sensitive way in this environment. We have not learned that sensitivity to the same degree. We have not changed our approaches in the kinds of ways that we must. Even to the way we recruit recruits we use the wrong kind of criteria. We need to see all these minorities reflected in our society at every level. If people do not see them reflected, and if people do not become role models and others have no one to identify with then they feel oppressed. That is what is happening in Montreal. There is a feeling of oppression because people do not see themselves reflected at all levels of society. It is sad and we must do something about it. This Bill does not move constructively enough in that direction.

Mr. Deputy Speaker: It being 1 p.m., I do now leave the Chair until 2 p.m. this day.

At 1.02 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

CORPORATE AFFAIRS

LACK OF SUPPORT FOR SOCIAL AND COMMUNITY NEEDS

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, Mr. Allan Taylor, Chairman of the Board of the Royal Bank of Canada, has provided a most remarkable and convincing rationale for a significant increase in corporate income taxes. Mr. Taylor, in a forceful speech to the Montreal Chamber of Commerce, noted that when it comes to financial support to meet social and community needs, Canadian companies are falling down.

He said that Canadian companies give less as a percentage of pre-tax earnings than they did 20 years ago, and that 90 per cent of them give nothing at all. In 1969, corporate donations as a percentage of pretax profits were just under 0.8 per cent. In 1985, the figure had slipped to 0.5 per cent. Yet the need for corporate giving has increased because of spending restraints by Governments, he said.

The result, according to Mr. Taylor, is a situation that no Canadian can possibly accept: decreased social services, decreased health care, decreased social opportunities, more homeless and more hungry.

Surely the answer to the problem is not to try to soften corporate hearts but to treat corporations just as the Government treats individual taxpayers. Make them pay their fair share.

* * *

TRANSPORTATION

DEREGULATION—GREATER APPLICATION SUGGESTED FOR NORTH

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the new air transportation policy of the Government of Canada, embodied in the National Transportation Act, appears to be an unqualified success. Deregulation has resulted in more convenient services at reduced prices. The air traveller has been the big winner.

However, in the North of Canada, regulation, albeit reduced, still applies. Why can northerners not reap the same benefits as southern Canadians? It is time deregulation and freedom to move applied equally across the whole nation.

* * *

INTERNATIONAL DAY FOR THE ELIMINATION OF RACIAL DISCRIMINATION

PROTEST DEMONSTRATION IN MONTREAL

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, yesterday I offered a few words in commemoration of the Sharpeville massacre of 28 years ago. I did not mention that the anniversary of that event had been declared by the United Nations as International Day for the Elimination of Racial Discrimination.

Although Canada, in observing that event, can be proud of the progress it has made in this respect, we still have much to accomplish. This was dramatized by the protest demonstration in Montreal last Saturday where 1,000 Canadians marched in memory of Anthony Griffin and demanded that the Province of Québec act with dispatch to end discrimination and to ensure equality of treatment for all racial minority groups.

It is important that no province be allowed to override the Charter provisions ensuring racial equality, and it is important too to insist that no province, however distinct, fail to implement the guarantee that Canada provides only one kind of citizenship, and that must be first class.

S. O. 21

SPORTS

WORLD JUNIOR CURLING CHAMPIONSHIP WON BY CANADIAN RINK

Hon. J. Robert Howie (York—Sunbury): Mr. Speaker, Jim Sullivan, Charlie Sullivan, Craig Burgess, and Dan Alderman are four of the greatest ambassadors Canada has ever had. Highly respected young men of great ability, they worked hard and prepared themselves for the task of competing with the best in the world.

On Saturday, March 19, 1988, these four young Canadians won the World Junior Curling Championship for Canada. These young men are worthy champions and great ambassadors for Canada. They brought great distinction to themselves and to their country. They come from Fredericton, New Brunswick, the city that is fast becoming recognized as the centre of excellence in curling and in good sportsmanship.

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[*Translation*]

EMPLOYMENT

REQUEST THAT GOVERNMENT ESTABLISH ADAPTATION PROGRAM FOR OLDER WORKERS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, yesterday morning I had the pleasure of meeting with several senior citizens clubs from the riding of Montreal—Sainte-Marie, and also with a group of workers between the ages of 40 and 65. These people are disappointed and find it unacceptable that the Conservative Government has abolished the Program for Older Worker Adjustment, under which workers in the textile, footwear and apparel industries between the ages of 55 and 64 were entitled to take early retirement.

Unfortunately, in November 1986 this Government abolished the program in favour of a new program, but so far, nothing has been settled.

Mr. Speaker, I would therefore urge all Conservative Members to do their duty and put pressure on the Minister of Labour to reinstate the Program for Older Worker Adjustment as soon as possible so that all older workers in Canada will get a fair deal.

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[*English*]

CHEMICAL WEAPONS

CONDEMNATION OF USE IN IRAQ-IRAN WAR

Mr. John Oostrom (Willowdale): Mr. Speaker, there has been a dangerous escalation in the Iraq-Iran war. Strong evidence has emerged that confirms the use of chemical weapons. Such an escalation will lead to heavier casualties as well as increased terror among the innocent civilian population.

Chemical weapons were internationally banned in 1925 after their initial use in the First World War, due to the horrible effects these agents had on their victims. In addition, today's chemical weapons are complex chemical derivatives.

The use of these chemical agents raises the possibility of a future biological catastrophe for the region and perhaps for other nations which are not involved in this conflict. We in this House must use all the means at our disposal to prevent any more chemical weapons from being used and to see to a speedy end to this tragic conflict.

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DEPARTMENT OF EXTERNAL AFFAIRS

FREEDOM OF ASSOCIATION AND EXPRESSION

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, this afternoon, just after the International Day for the Elimination of Racial Discrimination, I want to take up questions I asked three weeks ago regarding the actions of the External Affairs Department.

• (1405)

The Minister (Mr. Clark) and the Department of External Affairs have been interfering with the freedom of association and expression of Canadians. They have done this recently with regard to communities of Asian and Middle Eastern origin which are intensely concerned about the human rights of their compatriots in other countries.

It would appear that the Department of External Affairs has little regard for the freedom of association and of expression in our country when it comes under pressure from foreign Governments. Its preoccupation with trade opportunities leaves the Department dangerously open to pressure from these Governments to ostracize organizations and silence critics.

Canadians expect the Department of External Affairs to defend our interests. The protection of our ethnocultural communities and the advance of human rights everywhere are among our most vital national interests.

I call on the Minister to recognize these realities and to reform the way the Department of External Affairs responds to pressure from foreign Governments.

[*Translation*]

EMPLOYMENT

GOVERNMENT'S PERFORMANCE

Mr. Marcel R. Tremblay (Québec East): Mr. Speaker, in recent months we heard the New Democratic Party and the Liberal Party of Canada saying that if they were running this country, they would be able to guarantee Canadians a full employment policy. We must remember it was because of the socialist and nationalist policies and the disincentives promoted by the New Democratic Party of Canada and implemented by the Liberal Party that this country experienced record unemployment levels in the seventies and the beginning of the eighties.

The people of the Quebec City area, especially those in the riding of Québec East, are more than capable of implementing the proposals of the Conservative Party for dealing with this legacy of instability from the previous Liberal Government.

Employment is a priority for the Conservative Party, but we must also stress the creation of more stable and more gainful employment.

A return to greater reliance on the public sector as urged by the New Democratic Party and the Liberal Party of Canada would mean accepting unemployment as a necessary evil and leading this country into an era of social indifference, something Canadian men and women do not want.

* * *

[*English*]

CAPE BRETON DEVELOPMENT CORPORATION

PRE-RETIREMENT LEAVE—PAYMENT OF UNEMPLOYMENT INSURANCE PREMIUMS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today to bring up once again the issue of pre-retirement leave at Cape Breton Development Corporation. The Devco PRL plan was designed to lay off workers before their normal retirement age of 65 so that some type of continuing remuneration could be offered to displaced workers. This meant, in effect, that these workers were still engaged under a contract of service to Devco and could therefore continue to earn entitlement to Canada Pension Plan benefits.

Since the PRL plan of 1971, many miners have now gone for a compassionate disability pension and programs under the Labour Adjustment Program. Under these programs, individuals were not being requested to pay unemployment insurance premiums. I asked the Minister of National Revenue (Mr. MacKay) to change this unfair and discriminatory deduction. A change would result in substantial savings for the workers involved.

S. O. 21

On March 15, I received a response from the Minister. In it he states that this ruling will remain in effect until such time as Devco chooses to amend its plan. He then warns against Devco amending this plan because an amendment might jeopardize their continued entitlement to Canada Pension Plan benefits. Thus, the situation will remain as it is. The Minister and the Government have once again decided to do nothing, to the detriment of all the workers eligible for this plan at the Cape Breton Development Corporation.

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TOURISM

SARNIA—LAMBTON "BLUE WATER LAND"—DEVELOPMENT OF POTENTIAL

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, my constituency of Sarnia—Lambton is located on the shores of beautiful Lake Huron and the St. Clair River. We boast miles and miles of sandy beaches and are known throughout the area as "Blue Water Land".

We have acres of parkland and conservation areas, and are joined with our American neighbours by the Blue Water Bridge and the railway tunnel. For these, and a multitude of other reasons, my constituents and I are working hard and tirelessly to develop the tourism potential of our community.

As Sarnia—Lambton is within a day's travel of more than half of the U.S. population, much of our efforts have been directed toward the attraction of this tourist market. Similarly, the Government of Canada has recognized this huge potential market and is directing much of its tourism advertising budget to the United States.

Consequently, it was with great dismay that I discovered from the President of VIA Rail that the company has a policy of limiting the number of seats available for sale to American wholesalers.

I wonder whether the Minister of State for Small Businesses and Tourism (Mr. Valcourt) is aware that, while we are expending tremendous effort to attract American visitors to Canada, VIA does not have enough equipment to carry all who wish to travel by rail at the times they wish to travel.

* * *

IMMIGRATION

ADMISSION OF FAMILY CLASS IMMIGRANTS

Mr. Dan Heap (Spadina): Mr. Speaker, for years many Canadians have asked the Minister of Employment and Immigration (Mr. Bouchard) to permit their sons and daughters to enter Canada as family class immigrants even

after age 21 because family ties are very important in our culture.

• (1410)

At last the Minister agreed, on August 11, 1987. Further, on October 31 the Minister of State for Immigration (Mr. Weiner) promised to admit unmarried sons and daughters of any age as family class and to give five extra points to married children and brothers and sisters applying as assisted relatives. Yet, to this day, the Minister has neither kept his promise nor told us when he will.

In the same way, the former Minister of Justice promised two years ago to eliminate the unfair difference between citizens and permanent residents so that both groups would have equal rights to sponsor parents of any age. Yet to date the Government has not kept this promise.

I call on the Government to stop playing on the family loyalties of immigrant Canadians and bring these two promises into law.

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[*Translation*]

DESJARDINS MOVEMENT

ANNUAL MEETING—CONGRATULATIONS TO MEMBERS AND ALL INVOLVED

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, on the occasion of the Desjardins Movement's annual meeting held this week in Montreal, I have the privilege, as a Member of Parliament whose riding includes the headquarters of that tremendous financial co-op, to congratulate the 4,200,000 Quebecers who are members of the Desjardins Movement, to recognize the excellent work of the 28,500 Desjardins employees and to thank the 18,330 voluntary directors.

All members of that team are helping bring about every day a higher return for the Desjardins Movement's assets which are totalling $34 billion. Let Desjardins keep up the good work!

* * *

[*English*]

THE DISABLED AND THE HANDICAPPED

DELAY IN IMPLEMENTING COMMITTEES' RECOMMENDATIONS

Miss Aideen Nicholson (Trinity): Mr. Speaker, 1981 was designated the International Year of Disabled Persons to focus attention on the needs, hopes, and talents of disabled people. A committee of Parliament produced a report entitled "Obstacles" with over 100 recommendations. That year also saw physical and mental disability prohibited as grounds of discrimination under the Canadian Charter of Rights and Freedoms.

The 1984 report of the Commission on Equality and Employment and the 1985 report of the parliamentary Committee on Equality Rights were followed in March, 1987, by another parliamentary committee report called "Challenge—Putting Our House in Order".

Many recommendations of all these reports, going right back to the "Obstacles" report, have yet to be implemented and a great deal of work remains to be done in integrating disabled people into the community. The Government should make this issue a priority and encourage all groups in society to take similar action.

* * *

MULTICULTURALISM

TIMMINS-CHAPLEAU—EXAMPLE OF TOLERANCE AND CO-OPERATION

Mr. Aurèle Gervais (Timmins—Chapleau): Mr. Speaker, it gives me a great deal of pleasure to take this opportunity to speak on the contribution of the various ethnic groups in the development of Canada while Bill C-93 is being debated.

I would like to inform the House that my riding of Timmins—Chapleau has 14 ethnic groups living in it and they all get along well. In fact I believe the various communities within the riding serve as an example for all of Canada when it comes to tolerance, co-operation, and contribution by all toward an improved quality of life. These 14 groups have created a social fabric which is a role model for the nation.

Just as Bill C-93 recognizes in an official way the multicultural society in which we live, the communities in my riding have recognized and honoured those groups which have made such significant contributions toward their development. We are happy that Bill C-93 recognizes, preserves, and enhances the cultural and racial diversity of our great nation.

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RESEARCH AND DEVELOPMENT

GOVERNMENT EXPENDITURES—PRIME MINISTER'S 1984 SPEECH

Mr. David Berger (Laurier): Mr. Speaker, today is the fourth anniversary to the day of a speech by the Prime Minister of Canada (Mr. Mulroney), who was then the Leader of the Opposition, to the Chamber of Commerce in Montreal. On March 22, 1984, the Prime Minister said: "We are going to double our collective national commitment to research and development within the life of our first government mandate".

Not only has the Prime Minister not doubled our commitment, but research and development spending has gone down

as a percentage of gross national product. The Prime Minister of Canada should explain why he has failed so miserably to make progress toward that important goal which affects our ability to compete in world markets.

Not only has R and D spending gone down, but the Government has abandoned the goal about which the Prime Minister so eloquently spoke in 1984. The Prime Minister should explain why the Government has refused to commit itself to a target and a timetable for increasing research and development spending which means so much for jobs, for the competitiveness of the Canadian economy, and for the health of our whole country.

* * *

[*Translation*]

CANADA

THE YUKON

Mr. Vincent Della Noce (Parliamentary Secretary to the Secretary of State and Minister Responsible for Multiculturalism): Mr. Speaker, last week I had the pleasure of visiting a great region of Canada, the Yukon, along with five of my Conservative MP's for constituencies from Quebec to British Columbia. We toured more than 26 communities in the Territory, from North to South, from East to West. We were privilegied to meet Yukoners, with whom we talked and consulted. We listened to them, we found points in common with our beautiful Quebec. To sum it up in one word, it was love at first sight on that first visit—proud people, progressive people, people who take risks, people who are developing the Territory.

Yukoners are urging for a settlement of the land claims issue. Yukoners are urging free trade, with its mining and territorial benefits. Why is the Territorial Government pussyfooting on that matter?

Mr. Speaker, I am disappointed at the lack of leadership from the Territorial Government, and the lack of clarity and the truthfulness in the news coming from the CBC, better known in the Territory as NDP North. We were sad to leave that beautiful area, but we intend to go back in order to better know their concerns.

• (1415)

ORAL QUESTION PERIOD

[*English*]

SOVEREIGNTY

THE NORTH—CANADIAN INSTITUTE OF INTERNATIONAL AFFAIRS STUDY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my questions are directed to the Prime Minister. The Prime Minister will know that yesterday a working group of the Canadian Institute of International Affairs released an extremely important study on the future of Canada's North. The group comprises a very distinguished number of first-rate Canadians.

The Prime Minister will also know that we on this side of the House took exception to the deal his Government signed with the United States permitting passage of American vessels through Canadian Arctic waters. We felt it was a weakening of Canadian sovereignty and our claims to Canadian sovereignty over those waters.

How does the Prime Minister respond to a conclusion on page 44 of the study of this working group which says: "the working Group is unable to agree with the opinion of the Prime Minister . . . " that 'What we have now significantly advances Canadian interests'". How does the Prime Minister respond to this group of eminent Canadians who contradict him on the effect on Canadian sovereignty of the recent agreement signed with the United States?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, Canadians are free to disagree with the position of the Government. I do not have to tell the Leader of the Opposition about freedom to disagree. He is acquainted with it every day in his own Party and in his own caucus.

With respect to this very serious question, I have received, and I am considering, the report to which the Right Hon. Member refers, which was indeed made by eminent Canadians, some of them with a long interest in the Canadian North. The Right Hon. Leader will know that their view continues that: "—if a prior consent is required on a case by case basis—", and that is the case, "—there will be no damage to the Canadian position. Indeed, it should be normally affirmed by practice".

Mr. Turner (Vancouver Quadra): Needless to say, in responding to the right hon. gentleman's personal remarks, I am not taking him as a role model.

[*Translation*]

THE GREAT NORTH—CREATION OF INTERNATIONAL COUNCIL—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister, through his own Secretary of State for External Affairs, did not respond to my suggestion

that a new international régime be created for the Arctic, and the Minister of National Defence did not react constructively to the proposition made by Soviet leader Mikhail Gorbatchev.

What is the response of the Prime Minister—or the Secretary of State for External Affairs, if you will—to the recommendation made by this Canadian private sector group of experts that Canada should take the initiative of convening all countries interested in the Arctic with a view to creating an international council to settle questions related to the nordic regions? Would he admit that his Government is taking the wrong approach by always refusing to endorse such an international régime in an attempt to reconcile our world-wide interests, towards the North, on this planet?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think this is an interesting, serious and important recommendation concerning co-operation in the North, co-operation with other Arctic countries. Indeed our Government took a number of initiatives and, for the first time we took the position that we ought to establish Canadian sovereignty in the North. We as a Government are prepared, for the first time—I cannot make the same comment about the administration of the Right Hon. the Leader of the Opposition—to recognize the jurisdiction of a world tribunal with respect to our sovereignty in the North. He is talking about co-operation with other countries involved in the Arctic. As he would know, last November I attended a meeting in Tromso, in Norway, to discuss and take the very kind of initiatives that have just been suggested.

• (1420)

[*English*]

Mr. Speaker, for a long time the North was ignored by Liberal Governments. This Government has established a strong sovereign Canadian interest in our North.

INTERDEPARTMENTAL CO-ORDINATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I do not have to do anything more than recite the gentlemen who contributed to this particular report in rebutting the statement just made by the Secretary of State for External Affairs.

On this side of the House we have always stressed the need for a co-ordinated federal approach, that is to say, a closer co-ordination of federal Departments in dealing with the North and with the people of our North.

The Prime Minister, despite our pleas, has always argued that there has been sufficient co-ordination to that purpose under his Government. Would the Prime Minister or the Secretary of State for External Affairs be willing to comment on a statement found in the Canadian Institute of International Affairs Working Group's report found on page 66 which states:

> —developments in recent years have been and continue to be in the reverse direction, with a weakening and loss of mechanisms to ensure a comprehensive information base for northern policy and for its implementation. The Working Group strongly urges that immediate attention be given to establish effective interdepartmental co-ordination without which a coherent total policy for the Arctic will not be possible.

Those words are clear enough for the Secretary of State for External Affairs to respond in explaining why it is that his Government, under the leadership of the Prime Minister, has failed to develop a co-ordinated approach to our northern problems and to our Arctic.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this Government under the leadership of the Prime Minister has shown a more active and constructive interest not only in the problems of northern Canadians but also in Canada's sovereign claims than was the case with former Governments.

We do that in a variety of fields. We do that in defence policy. We do that in northern affairs policy.

A moment ago the Right Hon. Leader of the Opposition was talking about a proposal put forward by Mr. Gorbachev. It is an interesting proposal. We are looking at it. But we have noted that proposal which seeks nuclear-free regimes in some parts of the Arctic is a proposal that excludes that part of the North where the Soviet Union itself has its major concentrations not only of nuclear power but of nuclear-armed submarines and other weapons. We think that if there is to be an agreement in the North it has to be an agreement that applies with equal vigour to the Soviet Union as well as to others.

Some Hon. Members: Hear, hear!

* * *

BANK OF CANADA

INTEREST RATE LEVELS—MONETARY POLICY

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is for the Minister of Finance. It concerns the interest rate policy of the Government.

Confused signals are coming from the Government as to the conduct of this country's monetary policy and, more specifically, the future direction of interest rates and the value of the Canadian dollar.

This morning in an article on the Bank of Canada's report tabled yesterday *The Gazette* printed a headline which states: "No relief from high interest rates". *The Ottawa Citizen* in a headline stated: "Crow softens stand on interest rates". These are contradictory statements.

I ask the Minister of Finance to clarify the policy of the Government concerning the conduct of its monetary policy, the level of interest rates, and the level of the Canadian dollar. Can he send out a clear signal once and for all to Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would be the last person to try to interpret headlines for opposition Members. I think that in Mr. Crow's press conference after the release of the Bank of Canada report yesterday he made it quite clear what the policy of the Bank of Canada is, a policy which is supported by the Government of Canada.

If the Hon. Member has any specific questions that he wishes to put to me, I would be very glad to respond to those.

[*Translation*]

MONETARY POLICY—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is quite simple. Since the Minister is claiming that the signal is quite clear, my question is this: Which of the two newspaper articles reflects the policy of the Government? Should we expect the Canadian Government monetary policy to endorse lower interest rates and a Canadian dollar value more consistent with the needs of our exporters, or should we expect a high interest rate policy?

Mr. Speaker, you will remember that on March the 3rd the Minister of Finance himself announced to our exporters that as soon as inflation would reach 4 per cent, interest rates would come down. My question to the Minister is this: Which of the two newspaper headlines is right, and now that inflation has reached 4 per cent, are interest rates going to come down and reflect a slightly devalued Canadian dollar?

• (1425)

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have made it clear, and the Governor of the Bank of Canada has made it quite clear that there are some signs of inflationary pressures in the economy today. He and I have both said that we believe it is important that we address those pressures before they become too strong and lead us into the problems that we experienced in the 1970s and early 1980s.

I have made the comment that it is a case of some preventive medicine now to avoid those problems. We have a strong economy. We have an economy that, in the last quarter of 1987, experienced the strongest growth of the year. We have seen investment intentions up over 17 per cent for 1988. We have seen job creation continue strong into 1988.

In the context of the strength in the economy and those inflationary pressures, it is important for us to address those pressures in the context of monetary policy.

RATE OF INFLATION—INTEREST RATE LEVELS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is also for the Minister of Finance. I would like to pick up where he left off. Yesterday he stated in the House that he gave strong support to the Governor of the Bank of Canada. He thought that his virtual exclusive preoccupation, in my judgment, with the problem of inflation was, in the Minister's words, "very realistic".

In the United States today inflation is about the same level as it is in Canada. Since a year ago the difference between the spread in interest rates in the United States and Canada was about half of what it is today, could the Minister tell us why we continue to have this almost virtually exclusive economic focus on the problem of inflation? Why is it that Canadians are paying unnecessarily high interest rates?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think if the Hon. Member had read the annual report of the Governor of the Bank of Canada he would have seen it very clearly stated in that report that the preoccupation of the Governor of the Bank of Canada is with the over-all health of the Canadian economy. He states that at the start of the preamble to the report in the first five pages, and he states it at the end of that preamble. That is very clear.

The Hon. Member states that the spread between interest rates in Canada and the United States is too wide. The normal spread over the past four or five years has been about 1.5 per cent. The spread now is 1.75 per cent. I think that those numbers speak for themselves.

CANADIAN AND UNITED STATES INTEREST RATE LEVELS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister of Finance knows with that type of comparison one can make all kinds of arguments, many of which are misleading.

A minute ago the Minister stated in reply to an earlier question about the concern with over-all economic development and performance and so on that that is his focus.

The point of my question is that the rate of inflation in Canada today is exactly the same as it is in the United States. However, the spread between interest rates in Canada today compared to one year ago has gone way up. When we have made this progress with inflation, why do we continue to focus on that at the explicit cost of jobs in western Canada and Atlantic Canada? Why does the Minister not have some over-all economic commitment to growth in jobs and not only a concern with the question of inflation? That is the issue.

• (1430)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am having a hard time following the logic of the Hon. Member.

Mr. Broadbent: That was evident from your answer.

Mr. Wilson (Etobicoke Centre): I think that the policies of the Government of Canada over the last three and a half years speak for themselves. The bottom line has been that we have had the best growth record for that period of time of all seven major industrialized countries.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): We have had the best job creation record of those same countries. We have also had one of the best performances in productivity.

While the Hon. Member can poke away at this or that little indicator, I think it is quite clear that what Canadians will be most concerned about is the over-all success we have had, and that success is undeniable.

POSITION OF QUEBEC PREMIER

Hon. Edward Broadbent (Oshawa): Mr. Speaker, over-all success does not please those who are looking for jobs in western Canada or in Atlantic Canada.

Will the Minister look at the report of the Governor of the Bank of Canada, because it is in that report that the Governor points out that there have been continuing disparities in job growth among the regions of Canada? For example, it indicates that British Columbia has almost 5 per cent higher levels of unemployment today than it had at the pre-recession level of 1981, and that Newfoundland has 5 per cent higher levels of unemployment today than it had at the pre-recession level of 1981.

I say to the Minister that there are real problems in the region.

Mr. Speaker: Perhaps the Hon. Member could put his question.

[*Translation*]

Mr. Broadbent: Mr. Speaker, a few days ago, Mr. Bourassa, the Quebec Premier, stated openly in no incertain terms that his Government was against this interest rates policy . . .

Mr. Speaker: Order, please! The Hon. Member will ask his question immediately, please?

Mr. Broadbent: Mr. Speaker, did the Minister reply to this criticism from the Quebec Premier?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that question went on for such a long time maybe the Hon. Member would like to put down an opposition day motion and I would be quite happy—

Mr. Broadbent: I would love to. Just answer it.

Mr. Wilson (Etobicoke Centre): The Hon. Member talked about job creation in various regions, during the preamble to his question. In each province of Canada the unemployment rate went down last year. That is a—

Mr. Broadbent: Big deal.

Mr. Wilson (Etobicoke Centre): The Hon. Member says: "Big deal".

Mr. Broadbent: Yes, I said: "Big deal".

Mr. Wilson (Etobicoke Centre): It is. It is a very important element of economic policy.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): It seems to me that the last time we had an exchange on this, the Hon. Member said: "If you go and do that, the unemployment rate is going to go up and 100,000 jobs will be lost", and—

Mr. Broadbent: Answer the question.

Mr. Wilson (Etobicoke Centre): —the Hon. Member knows full well that that did not happen.

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CLOTHING AND TEXTILE INDUSTRIES

GOVERNMENT SUPPORT MEASURES—UNITED STATES LOBBYING

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I should like to ask the Minister of Finance about the measures he announced today to provide some relief to the apparel industry of Canada for the disadvantages caused by the Canada-U.S. trade agreement.

The Government promised a mountain, and the Minister has come forward with a mouse.

Mr. Crosbie: Author, author!

Mr. Axworthy: In fact what we have before us is a 30 per cent solution, 30 per cent of what is needed by the industry to meet the kinds of major inequities caused by the Canada-U.S. agreement, with some industries like the woollen industry totally neglected in the package.

Why did the Government cave in to a U.S. lobby interest and not provide the Canadian apparel industry with proper measures?

Is this the way that we are to provide support for Canadian industry in future, by the pressure of U.S. lobby interests in Washington? Is that the sign of the future that we see in these measures?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, certainly not. We have provided in this package, which is a good, balanced package of support for the industry, some duty remission. I think there are five programs of duty remission; some immediate tariff reduction, which will help the competitive position of the clothing industry; and, third, a reference to the new trade tribunal which will address the question of further declines in tariffs. It will help the industries about which he is most concerned.

An industry about which he is not concerned is the textile industry. The Hon. Member would like to have us do all sorts of things in favour of the apparel sector and ignore the impact

of all the new, low-cost imports that would come in as a result, on the textile sector.

The Hon. Member should realize that many, many jobs are represented by the textile industry in Canada. This is why we have had a balanced approach to the whole question of support for these two industries.

Mr. Axworthy: The Government has not provided a balanced approach. It has provided major tariff reductions and duty remission schemes for both fabrics and garments from the United States, not from other countries.

TREATMENT OF OTHER COUNTRIES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have a supplementary question for the same Minister. Why has the Government abandoned the basic fundamental principle of universal treatment for all countries, the most favoured nation treatment that has been the basis of our trade policy for 40 years, in favour of a program that discriminates in favour of the United States and discriminates against Third World countries which need the help a hell of a lot more than does the United States?

Mr. Speaker: I hope that Hon. Members will refrain from using that kind of language.

Mr. Axworthy: A heck of a lot more, Mr. Speaker.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not think that anybody is going to be impressed by the type of language the Hon. Member is using in the House.

Some Hon. Members: Oh, oh!

Mr. Axworthy: Poor, little Michael.

Mr. Speaker: Perhaps we will all be impressed by the answer which the Hon. Minister will give.

Mr. Wilson (Etobicoke Centre): We will send a bar of soap across the aisle for him, Mr. Speaker.

The Hon. Member used the word "balanced" in the preamble to his question. Let me just make one comment in response to that.

I spoke with the President of the Apparel Manufacturers Council of Canada just before I came to Question Period today. He said that this was a balanced and equitable program, that it was fair and substantial and covered a broad cross-section of the industry. I think those words speak for themselves.

THE ECONOMY

REQUEST THAT INTEREST RATES BE REDUCED

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is also for the Minister of Finance. He will realize that Canadians listen very carefully to his words in terms of understanding government policy.

On March 3, at a meeting which he had with the Canadian Export Association, the Minister suggested that once Canada's inflation rate hit 4 per cent interest rates ought to be lowered.

The Minister now knows that inflation has in fact hit 4 per cent. Does he now plan to live up to the commitment which he made on March 3 and take steps to lower interest rates?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, first I would suggest that the Hon. Member contact the person who said that I made that commitment, and I think he will find that he was misinterpreted by the media.

The point which I think the media were drawing from that comment was probably too precise. The statement that I made just now on monetary policy, in the context of the economic strength which we are enjoying in Canada today, still stands. I do not have anything to add to that.

We are carefully watching inflationary pressures. In those sectors of the economy outside food and energy there is still an upward movement in inflationary pressures. Those are things of which we must be mindful in the conduct of monetary policy.

GOVERNMENT POLICY

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I have a supplementary question for the Minister of Finance. He will know that lower interest rates would assist farmers who qualify today for operating funds for spring seeding and would result in savings of hundreds of dollars to mortgage holders across the country. They would assist small businesses and put them on an equal footing with those in the United States, if our interest rates approximated those in the U.S. Could the Minister of Finance explain why he feels it is necessary to keep a policy that maintains our interest rates in Canada above those in the United States, month after month?

• (1440)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am very mindful of the effects of lower interest rates on an economy. We have managed to get interest rates down in this country by 3 to 3.5 percentage points in the last three years and that is one of the key reasons that we have had the economic performance we have had.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): What I will say to the Hon. Member is that if we have some upward movement in inflation, that that will lead to higher interest rates. Those interest

rates will be there on a longer term basis and they will also, with the increase in inflation, have the long term impact of undermining the competitive position of the Canadian economy. That would cost us jobs and that is what we are trying to avoid by the monetary policy that we are following.

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PUBLISHING INDUSTRY

GOVERNMENT EQUITY IN TEXTBOOK PUBLISHING COMPANY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the Government has offered $4.5 million to acquire 51 per cent equity in Ginn, a school textbook publishing company, from the American conglomerate, Gulf and Western, which set as a condition of sale the right to maintain 50 per cent control on the board of directors.

Is this how the Government safeguards control of the Canadian book publishing industry? Could the Prime Minister explain what business will buy such a deadlock or a stalemate? Is this what the Conservative Government calls a good business deal? Or is the Government satisfied with just 50 per cent membership on the board of directors?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I am not sure which of the half a dozen questions I should answer first.

When Gulf and Western acquired Ginn it had an undertaking to divest itself of 51 per cent of its interest in Ginn Canada to Canadians over a two-year period. The Government of Canada undertook to make sure that Gulf and Western would respect that specific undertaking. We advised Gulf and Western accordingly. The deadline was March 12. Gulf and Western was advised accordingly that the Government of Canada would act in the interests of Canada to make sure that 51 per cent of the shares of Ginn would be held by Canadians by the agreement date of March 12.

TIMEFRAME FOR COMPANY TO RESPOND TO OFFER

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I would just like to know what kind of control, having spent more for equity and not having representation on the board, is in the view of this Government a good deal?

What is the time frame actually for the decision by Gulf and Western to respond yes or no to the Government's offer?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I can be very, very clear on that.

Some Hon. Members: Hear, hear!

Mr. de Cotret: They are applauding, Mr. Speaker. More.

Under the agreement that was signed, Gulf and Western had until March 12 to divest itself of 51 per cent of the shares of Ginn to Canadian investors. We indicated that as the company apparently had not done so in the week before March 12 we would exercise the option to have the CDIC take over 51 per cent of the shares to be resold to Canadian interests. That process is ongoing.

I think it is premature right now to disclose any of the conversations that are taking place. It is a due diligence type of process. Our intention was indicated very clearly before the deadline was reached.

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NATIONAL REVENUE

PRINCIPAL GROUP BANKRUPTCY—PAYMENT OF TAXES BY INVESTORS

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is addressed to the Minister of National Revenue.

The Principal Group fiasco continues. People who have lost their entire life savings are now being made to pay taxes on interest which they have never received. How can the Government in all good conscience ask these Canadians, many of whom are retired and living on fixed incomes and have lost their entire life savings, to pay taxes on money which they have never received?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, it will depend to some extent on whether these tax filers are on the cash or the accrual method. If they are on a cash method and receive no interest they will not have to pay taxes because they will have received no cash.

If they are deemed to have received income then the Income Tax Act makes provision for them to deduct it in subsequent taxation years.

REQUEST THAT DEMANDS FOR PAYMENT OF TAXES BE STOPPED

Mr. Simon de Jong (Regina East): Mr. Speaker, contact with the trustee informed us that thousands of T5 forms have already been sent out.

My supplementary question is for the same Minister. Last week the Minister of Finance indicated that the Government will not be paying interest to most Canadians who are overpaying on their deductions for the first part of this year as we move to tax reform, yet the Minister of National Revenue is prepared to collect taxes on interest from those Canadians who have lost their life savings in the Principal Group.

Is the Minister prepared to put a stop to these outrageous demands on people who have already suffered so much?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I think there is a lot of rhetoric in that question.

I have already explained to the Hon. Member, and I appreciate his concern, that no one will be penalized because of the situation that he has described.

If he is mixing apples and oranges and talking about the issues raised in committee with regard to the matters on which my colleague, the Chairman of the Finance Committee, was quoted, he knows it is because of administrative complications that we cannot make the necessary adjustments for the first part of this year.

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AGRICULTURE

PRINCE EDWARD ISLAND—POTATO STABILIZATION PROGRAM—PAYMENTS TO FARMERS

Mr. Mel Gass (Malpeque): Mr. Speaker, my question is for the Minister of Agriculture.

A week or so ago it was announced that stabilization would be paid to potato producers across Canada. At that time we were advised that all the acreage on PEI would be covered, including the diverted acres.

When can we expect the cheques to be in the mail?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I want to thank and compliment the Hon. Member for his continuing interest on behalf of the potato growers in Prince Edward Island. It is obvious by the way he has framed his question that his understanding and knowledge of the industry is far—

Some Hon. Members: Oh, oh!

Mr. Speaker: The question was "when".

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Wise: Perhaps I should take that as a warning and respond directly to the Hon. Member by saying that the cheques will be in the hands of producers before Easter, Mr. Speaker.

Some Hon. Members: Hear, hear!

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INVESTMENT CANADA

BOW VALLEY INDUSTRIES—BRITISH GAS PURCHASE OF SHARES

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. The Government allowed British Gas to purchase 33 per cent of Bow Valley Industries. What the Government refuses to understand is that British Gas also has a majority of the seats on the board of directors thereby giving British Gas effective control over Bow Valley Industries and, by the Government's own Investment Canada Act, making Bow Valley Industries a non-Canadian company.

Why is the Government plotting with foreign corporations for the take-over of Canadian companies which its own watered-down legislation will not allow?

An Hon. Member: A very clear answer.

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Yes, a very clear answer, Mr. Speaker. I have two comments. First, there is no applauding. Second, it was done according to the Act. There was nothing contrary to the Act under that decision.

Mr. Speaker: The Hon. Member, a short supplemental.

CANADIAN CONTENT—APPLICATION OF GUIDELINES

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, Section 26 makes Bow Valley Industries a non-Canadian company. Legislation that was brought forward to protect Canadian ownership in the very valuable energy sector is being circumvented by the Government that brought in the legislation.

Why is the Government ignoring all of the guidelines put in to safeguard Canadian content in the energy sector?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, we are not ignorning any, any, of the elements of the Investment Canada Act. All of them are being respected. They are being respected in the best interests of Canadians to attract more and more investment in Canada.

I can tell you, Mr. Speaker, that investment in this country since the Investment Canada Act was brought in not only developed our industry and economy but created hundreds of thousands of new jobs.

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SOVEREIGNTY

THE ARCTIC—PROTECTION OF ENVIRONMENT AND WILDLIFE

Mr. Jim Fulton (Skeena): Mr. Speaker, my question for the Right Hon. Secretary of State for External Affairs is in relation to the International Affairs Working Group Report tabled yesterday.

The group concluded that renewed efforts to reach agreement with the United States on Canadian sovereignty over the waters of the Arctic archipelago are essential to the effective

protection of the national interest and of the Arctic environment and marine wildlife. Has the Secretary of State for External Affairs yet undertaken or on what date does he plan to undertake such negotiations and discussions with the United States?

• (1450)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, not only are we involved in discussions with the United States, but the discussions that have been undertaken by this Government have been far more productive with regard to the assertion of Canadian sovereignty than those of preceding Governments. The Hon. Member will know that prior to the election of this Government and prior to the actions we have just taken, there was question about our ability, as a practical matter, to assert our sovereignty with regard, for example, to the passage of ice-breakers. We have resolved that question and we have resolved other questions. We are continuing discussions with the United States to continue to assert Canadian sovereignty in our North.

Mr. Fulton: Mr. Speaker, the group conclude that it is necessary to have further negotiations with the United States in order to protect the national interest. I hope the Minister is indicating that that is what he is pursuing.

PROPOSED ESTABLISHMENT OF ARCTIC BASIN COUNCIL

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is in relation to another conclusion released by the group, its endorsation of the Brundtland Report, *Our Common Future*, and the task force report, *Canada and Polar Science,* on the possibility of establishing an Arctic Basin Council. Since Canada is one of the few nations in the world, and certainly the only one lying between the two superpowers, that could perhaps lay the groundwork successfully to put together an Arctic Basin Council to deal with questions such as the greenhouse effect and other major international matters, will the Secretary of State for External Affairs undertake to lay some of that groundwork that would bring the Soviet Union, the United States, and others into such an important council?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the short answer to that is yes, we will continue to do that. It may well be more productive for us to start with what the Hon. Member calls the others. There is a very real interest on the part of Arctic nations that are not superpowers, a much more common interest that can be approached more directly than might be achieved by proceeding through the superpowers. That is a matter that has been discussed by my colleague, the Minister of the Environment, and by myself.

The Prime Minister had an opportunity in Brussels, not long ago, to meet directly with Prime Minister Brundtland. We will be continuing those kinds of discussions. The commitment of the Government to the assertion and extension of our control over our Arctic is clear, and we intend to continue to pursue it vigorously.

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FISHERIES

NOVA SCOTIA LOBSTER LICENCES—RESIGNATIONS OF ADVISORY COMMITTEE MEMBERS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Minister of Transport. Developing sound public policy with regard to the fisheries requires that the federal Government be sensitive and demonstrate a capacity to respond to one of the most important elements in the process of fisheries policies namely, the representatives of fishermen. The Minister will know that not one, not two and not six, but 14 out of 15 representatives on the Minister's own lobster advisory board have resigned over the granting of new lobster licences.

I wish to ask the Minister to explain the rationale for even having a lobster advisory board if the Department will not abide by its advice, particularly in view of the fact that overwhelmingly these individuals have gone against the Minister and have now placed their resignations before him?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the Minister of Fisheries is not here today, as the hon. gentleman must know. Therefore, I have to do my poor best to answer that question.

The Minister of Fisheries, based on advice received from the experts in his Department and from the people who advise the East Coast on the lobster fishery, issued four new offshore lobster licences in Nova Scotia. An advisory committee is exactly that, an advisory committee, but the Minister must make a decision in the best interests of the fishery from all the advice he receives. He chose to follow the advice of his experts in the Department and he issued these four licences.

Current scientific information indicates that it is unlikely that there is any interaction between inshore and offshore lobster in these areas, and the decision appears to be a sound one. However, I will carry the representations of the hon. gentleman to the Minister when he returns.

MINISTER'S DECISION ON GRANTING LICENCES

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I think the only expert advice the Minister has acted on is that of the Tory fundraisers in the Province of Nova Scotia. In view of the fact that this group overwhelmingly objects to the Minister's decision, that the Premier of the Province of Nova Scotia objects to these new lobster licences, and that the Minister of Fisheries in the Province of Nova Scotia objects to the granting of these new lobster licences, pray tell, would the Minister explain to the Canadian people and the fishermen of Atlantic Canada why he granted these

lobster licences and continues trying to portray Canadian policies on them?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, as usual the hon. gentleman demonstrates the irrationality of his thought processes. In the introduction to his question he said first that this has something to do with Tory fundraisers, which of course it has nothing to do with. Then he went on to say that the Tory Government of Nova Scotia opposes it and the Tory Minister of Fisheries of Nova Scotia opposes it. He cannot have it both ways. This was an impartial decision made in the best interests of the fishery and has nothing to do with Tories in their glories.

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CHEMICAL WEAPONS

USE IN IRAQ-IRAN WAR

Mr. John Oostrom (Willowdale): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. There has been a very dangerous escalation in the Middle East Iraq-Iran war with the use of chemical weapons. Will the Minister investigate this very tragic turn of events, and if it is true will he communicate Canada's objection and concerns to the warring parties concerned?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the war between Iran and Iraq is of great concern to all Members of the House. The recent reports only deepen our concern.

It is hard to secure detailed information, but I agree with the Hon. Member that we have to do our best to try. It is our view that there should be an expert investigation. We believe that it would best be conducted under the United Nations, and we would recommend to the Secretary General of the United Nations that he put in place such an expert investigation.

IRANIAN REQUEST FOR CANADIAN MEDICAL HELP

Mr. Alex Kindy (Calgary East): Mr. Speaker, I have a short supplementary question for the Secretary of State for External Affairs. In view of the fact that just recently in this war 5,000 people were killed and 4,000 injured by chemicals, my understanding is that the Chargé d'Affaires of Iran has asked Canada for medical help. Could the Secretary of State indicate whether such help is forthcoming, and can he assure the House that there is no Canadian content in this chemical warfare?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, to the best of my knowledge, there is no Canadian content in that chemical warfare. I use that phrase simply out of normal prudence. I think there is no reason to believe that there is any Canadian content in that chemical warfare.

The question asked by the Hon. Member relates to representations made by the Chargé d'Affaires of Iran regarding the treatment of foreign nationals in Canada. That is a complex problem that requires co-operation between federal and provincial Governments. We are looking to see if there is a way in which Canada can respond positively.

* * *

MARINE TRANSPORT

OIL TANKERS—POLLUTION OF PLACENTIA BAY

Mr. Jack Harris (St. John's East): Mr. Speaker, my question is directed to the Minister of Transport. Since the beginning of this year there were three serious incidents involving oil tankers in Placentia Bay. Five hundred barrels of oil were spilled from a tanker earlier this month, and last week another tanker ran aground on the way to the Come-By-Chance oil refinery because of inadequate pilotage regulation.

Is the Minister aware of the most serious of all incidents which occurred when the tanker *Rosario Del Mar* was in danger of breaking up on the way to Placentia Bay in early January with nearly 100,000 tonnes of crude oil aboard, all of which had to be removed for the sake of safety? What special measures is the Minister prepared to undertake to ensure that this serious pollution threat is eliminated?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, as usual, I am well ahead of the hon. gentleman. These matters which the hon. gentleman is trying to put a very alarmist feature on are naturally being looked into and I have—

Some Hon. Members: Oh, oh!

Mr. Crosbie: Are members of the NDP interested in the answer or are they just interested in making noise?

Mr. Blackburn (Brant): The answer, not blarney.

Mr. Speaker: I am sure the Hon. Minister is ready to answer the question.

Mr. Crosbie: I can hardly carry on if I am to be accused of blarney, Mr. Speaker.

As a result of several incidents including the one involving the motor tanker *South Angela* in which there was an oil spill of about 500 barrels, cleaned up, I might say, by the Coast Guard with great efficiency, and the vessel, by the way, has had to put up heavy bonds and charges have been laid under the relevant legislation, and the motor tanker *Filiastar*, I have taken the following action. I have requested the Atlantic Pilotage Authority to conduct an immediate review of existing pilotage regulations including the compulsory pilotage zones. I have instructed departmental officials to conduct an immediate review of the navigation safety regulations and procedures

applicable to this area including a review of the traffic separation scheme, the adequacy of vessel traffic services, the adequacy of soliciting aids to navigation, and the adequacy of current regulations governing tanker traffic in Placentia Bay.

• (1500)

A safety notice has been sent out reminding all mariners and ships' agents of the procedures and regulations that apply in the bay.

Mr. Harris: A fleet of aging tankers is sailing around the oceans. In January the Coast Guard was advised that this particular ship was within two hours of foundering.

ABILITY TO RESPOND TO EMERGENCIES

Mr. Jack Harris (St. John's East): Mr. Speaker, I want to know whether the ability of the industry and the Government to clean up any spill or respond to an emergency will be upgraded? That is the question to which I want the Minister to respond.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the preamble to that question is totally wrong. It is a 132,000 DWT Spanish registered tanker. That means dead weight tonnage. The hon. gentleman would not understand that.

She approached Come-By-Chance on January 2. She reported that she had a crack in her No. 2 port wing ballast tank, just as the hon. gentlemen opposite do.

Mr. Speaker: Perhaps the remainder of the question could be answered by way of Order Paper questions.

* * *

IMMIGRATION

TURKISH NATIONALS IN MONTREAL—POSITION OF QUEBEC GOVERNMENT

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. It concerns the issue of the Turkish claimants in Canada. There are an increasing number of reports today that the provincial government of Québec is perhaps willing to accept these claimants under the Québec-Canada immigration agreement.

Given that the Québec Minister of Immigration will momentarily make a statement on this issue in the Québec Assembly, will the Minister provide a full update on this issue for the benefit of the House? Has the Province of Québec made a request to accept these claimants in Quebéc? Is the Minister prepared to accept a humanitarian compromise in order to settle a very emotional human dilemma?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, my hon. friend is right: the Quebec Minister for Cultural Communities and Immigration is expected to make a statement in the National Assembly today at 3 p.m.

I think we should wait for her statement to know exactly what is Quebec position which, according to the Cullen-Couture Agreement signed under the previous Government, has the power to issue permits. I suggest again that any reaction on my part, before knowing exactly what is the Quebec Government's position, would be premature.

[*English*]

Mr. Speaker: I am sorry, that is the last question. I know that the Hon. Member is very serious about this matter, but I must end Question Period.

* * *

PRIVILEGE

MULTICULTURALISM—ALLEGED REFUSAL TO ALLOW COMMITTEE TO TRAVEL EXTENSIVELY

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I rise on a question of privilege relating to the pursuit of my responsibilities as New Democratic Party Caucus critic for multiculturalism. Citation 16 of Beauchesne states:

> Parliamentary privilege is the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the High Court of Parliament, and by Members of each House individually, without which they could not discharge their functions . . .

It goes on:

> The distinctive mark of a privilege is its ancillary character. The privileges of Parliament are rights which are 'absolutely necessary for the due execution of its powers'. They are enjoyed by individual Members, because the House cannot perform its functions without unimpeded use of the services of its Members;

My abilities to carry out my services to the House have been impeded by the refusal of the Government to allow the Standing Committee on Multiculturalism to travel to other parts of Canada to hear witnesses and consider their reactions to the committee report that was tabled in the House at the end of June. We are unable to be properly informed as to what the people of Canada think of the report and of the proposals made by the committee for the advancement of multiculturalism and those concerns provided for in Section 26 of the Charter of Rights and Freedoms.

These responsibilities are not simply those of ordinary Members, but responsibilities of a critic who must watch what a particular Minister of the Government does and deal critically with the proposals of the Government to ensure that what it does is genuinely responsive to the needs of the Canadian people.

The committee's report was tabled in the House and presented to the media, particularly in Toronto, in early June. The committee fully expected that ethnocultural communities and multicultural organizations throughout the country would have an opportunity to respond to that report and indicate which aspects of the report were well advised and which aspects deserved particular emphasis. Members of the committee fully expected to be able to obtain the informed advice of members of communities and organizations across the country in order to advance multiculturalism in this country.

The committee held hearings in Toronto on December 7 and December 8. They were two good, long days in which there was support for various recommendations and critical reaction from some of those appearing before the committee. They were two days that underscored the importance for the standing committee to travel to various parts of Canada to consult with Canadians about the advisability of various policies.

As a member of the committee, I expected that it would travel to Montreal and would visit one or more centres in Atlantic Canada.

Mr. Speaker: Let me advise the Hon. Member that the Chair has the point. The Hon. Member says that the committee would have expected to be travelling more than it has and that permission has not been given by the Government, which, according to the rules, the Government has the right to withhold.

There may be other Hon. Members who could assist the Chair in this matter. I would hear from any other Hon. Member who might want to rise.

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I may be a little more confused by your comments than those by the Hon. Member, but I have searched the rules of the House and cannot find anything that would give the Government the power to stop a committee from conducting its investigations in whatever manner it chooses.

Committees have the power to call witnesses and bring people to Ottawa. There are provisions in the Standing Orders for payments to reimburse people who come before committee hearings. It has been a long established practice of the House that from time to time committees seek permission from the House—

Mr. Speaker: Perhaps I have inadvertently incorrectly stated the situation. It is the House that has that power to grant or withhold authority to travel, not the Government. I want that corrected.

Mr. Hawkes: Mr. Speaker, I originally intend to rise because the Member opposite was accusing the Government of muzzling a committee. That was the net effect of what he was saying when he rose on a question of privilege. The Government is not attempting to muzzle the committee by stopping it from travelling or anything else.

The Government is very interested in the debate which is occurring today. We are very hopeful that the Bill will go to committee. Many Members who sit on the standing committee will sit on the legislative committee where we hope the Bill will be thoroughly examined, quickly, and reported back to the House so that we can move it through report and third reading stage and to the Senate, following which the Bill will become the law of the land.

• (1510)

There may be some predisposition on the part of Members throughout the House to say that that is a priority activity. I would not want to prejudge the decision of the House if the committee comes forward in some way and asks the House for its wisdom as to whether it should be travelling in dealing with the multicultural Bill.

However, I want to make it very clear to the House that the Government has no power and no wish to have the power to determine how a committee conducts its mandate. The Standing Orders are very clear, that the committee can investigate anything within its mandate in any way it chooses and can bring before it any witnesses it chooses. When it seeks to take Members away from the House it must seek the advice of the House.

Mr. Speaker: Perhaps the Hon. Member for Thunder Bay—Nipigon could help the Chair. Has there been a request to travel made to the House by the committee of which he spoke?

Mr. Epp (Thunder Bay—Nipigon): Subject to further comment by the chairperson of the committee who is present, the Hon. Member for Grey—Simcoe (Mr. Mitges), I know that the committee planned to travel and sought permission to do so, and that that permission was not achieved in December or in the new year. The explanation which I, as a member of the standing committee, was given was that the government Whip was opposed to the committee travelling.

In that context I want to note that a variety of committees have travelled. The Finance Committee has returned from New Zealand. The Transport Committee has visited Europe. The Fisheries Committee has been in Norway. The Agriculture Committee is travelling. The Justice Committee is visiting various penitentiaries. There is no shortage of committees which are travelling but this was denied to us.

Mr. Speaker: The Hon. Member has raised a matter which is indeed probably more along the lines of a complaint. However, I will consider very carefully the Hon. Member's representations. I must look to whether or not the committee has in fact put a request before the House.

As I said before, although I made an error and have corrected it for the record, it is not a government decision but

a House decision. The House decision cannot be made unless there is a formal request from the committee. I will look into this matter and come back to the Hon. Member.

* * *

POINT OF ORDER

CORRECTION TO OFFICIAL REPORT

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Deputy Prime Minister (Mr. Mazankowski) had to leave the House but asked me to make a correction on his behalf to page 13960 of *Hansard*. In his response made on March 21 the words "16 different tables" appear. It should read "seven different tables".

Mr. Speaker: This time I have no comment.

• (1520)

GOVERNMENT ORDERS

[*Translation*]

CANADIAN MULTICULTURALISM ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Crombie that Bill C-93, an Act for the preservation and enhancement of multiculturalism in Canada, be read the second time and referred to a legislative committee.

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, in the course of this debate we have heard Members of the Opposition relate certain facts about the history of multiculturalism. However, since their interpretation was a very personal one, it may be misleading for some of our colleagues. That is why I think it is important, Mr. Speaker, to summarize the main points of this history on a strictly factual basis, remaining as objective as I possibly can.

As we all know, the policy on multiculturalism was adopted in 1971 by a unanimous resolution of Parliament. The following year, the Government created the position of Minister of State (Multiculturalism), and in 1973, the Department of the Secretary of State implemented its first multicultural grants program.

During the next ten years, the policy on multiculturalism remained practically unchanged, although the concept has changed considerably, especially in recent years. At the time, the policy was seen as a set of programs that were specifically and exclusively concerned with what was called, with some condescension, the "ethnic minorities", and their purpose was to help these minorities integrate harmoniously with Canadian society, while preserving their heritage.

Fortunately, this perception has gradually faded, and I think there are two reasons for this. We have had two major constitutional accords since then, and furthermore as we shall see, the Government in recent years has clearly shown its firm political will in this regard.

In 1982, the Parliament of Canada adopted the Canadian Charter of Rights and Freedoms which provides: "This Charter shall be interpreted in a manner consistent with the preservation and enhancement of the multicultural heritage of Canadians." Thus, multiculturalism was incorporated in the Constitution of Canada.

Last June, the First Ministers signed the now famous Meech Lake Constitutional Accord. Essentially, the Accord, which as you know, was approved by the Leader of the Official Opposition, recognizes that Quebec constitutes a distinct society within Canada, considering the French-speaking majority in this province.

The First Ministers insisted on reaffirming, in the same Accord the concept of multiculturalism set down in the Charter.

As the Prime Minister indicated last fall when speaking to the Canadian Ethnic Press Federation: "Nothing in the distinct society clause reduces or diminishes in any way the already recognized and established multicultural nature of the Canadian nation."

If our perception of multiculturalism has come a long way, it is also in large part due to this Government's efforts and, more precisely, to the Multiculturalism Program of the Secretary of State. As a matter of fact, when the Hon. Member for Halton (Mr. Jelinek), the present Minister of State for Fitness and Amateur Sport, was appointed Minister of State for Multiculturalism in 1984, he set himself the goal of putting multiculturalism in the maimstream of Canadian society.

The Minister decided to give a new direction and a new perspective to our multiculturalism policy when he recognized a very simple fact, which is that all Canadians are immigrants or descend from immigrants. We are all proud to be Canadians but we are also proud of our roots and of the language, culture and traditions of our ancestors. From that perspective, we can all see that multiculturalism is everybody's concern and not only that of so-called "ethnic minorities".

In July 1986, when the Prime Minister appointed our colleague, the Hon. Member for Rosedale (Mr. Crombie) to his present position, he decided at the same time to merge the Secretary of State's responsabilities, which include Canadian citizenship, with those of the Minister responsible for Multiculturalism, in order to replace multiculturalism in the mainstream, at the heart of Canadian citizenship.

This extension of his mandate led the Minister to rethink our multiculturalism policy and to bring forward this Bill. Thus, for the Minister—and this is one of the basic ideas

behind Bill C-93—multiculturalism is a distinctive feature of our identity as Canadians and as a unique nation.

There are in fact, from the Minister's point of view, if I may be allowed to summarize his thoughts, three great pillars which shore up our originality and our identity as a nation. They are the following: multiculturalism, for the reasons which I have just outlined; also, our two official languages, French and English, which are among the most prestigious in the world today and which distinguish us clearly from other nations, and particularily from our neighbours to the South; and finally, canadian citizenship, so admired and envied abroad, and which opens wide the doors of hospitality to Canadians who travel in other parts of the world.

For the government, this vision of Canadian identity is much more than theory. It is far more than rhetoric. In fact, each of these three components of our national identity is presently the object of legislation before Parliament.

On June 25 last, as you know, the Minister of Justice (Mr. Hnatyshyn) announced a renewed committment to official languages policy by presenting a Bill to amend and reinforce the Official Languages Act. Up to now, this Act had not been amended since it was adopted in 1969.

Also, the Secretary of State will soon present a bill to update the Canadian Citizenship Act. You will recall that last year the Minister issued a dicussion paper on the various aspects of the subject and invited Canadian citizens to share their opinions and comments with him.

Finally, of course, we have the Bill on multiculturalism which was introduced last December 1st by the minister responsible and which we are discussing today.

In essence, what the Government is trying to do is create a legal framework which would serve as a foundation for a much too fluid Canadian identity, which would solidify the constitutional guarantees related to official languages and which would also enhance our cultural heritage and equality of rights among all citizens.

I urge all Members as well as my colleagues to consider this Bill outside of political partisanship, I call upon their sense of pride as Canadians, to allow our country to take another step forward and turn a new page in our Canadian history.

Mr. Claude Lanthier (LaSalle): Mr. Speaker, I am greatly honoured to rise today to support the Secretary of State and his Bill C-93, the Canadian Multiculturalism Act. Mr. Speaker, it is a great honour for me because I represent the splendid riding of LaSalle where there are people of many races, religions and ethnic origins. I am very proud to participate today in this debate because I am very proud of our Canadian identity and of the great future prospects Bill C-93 opens for us. I repeat this Bill is on Canadian multiculturalism.

The multiculturalism policy of the last sixteen years was not based on any legislation, only on a simple agreement which the then minister could have written off with a stroke of the pen whenever he felt like it. Mr. Speaker, the Canadian multiculturalism policy stated in clause 3 of this Bill will become the law of our land, Canada. It expresses the collective will of Parliament, and therefore, of the Canadian people. It also translates in legislation the constitutional guarantee included in Section 27 of the Canadian Charter of Rights and Freedoms, which provides, and I quote: «This Charter shall be interpreted in a manner consistent with the preservation and enhancement of the multicultural heritage of Canadians.»

Mr. Speaker, it should have been obvious to Hon. Members who preceded us in office, between 1971 to 1984, that multiculturalism could not and should not come under one department or one vague government program.

Multiculturalism is a reality that embraces every walk of the Canadian life and therefore represents an essential element of everything we do as a government.

Mr. Speaker, that is why we introduced Bill C-93, in the Canadian Multiculralism Act, the fundamental notion of a government-wide commitment. That is why we provided in this Bill a sound system of ministerial accountability to the House of Commons, Mr. Speaker. Our gloomy colleagues from the Opposition are looking for a Multiculturalism police superintendent. We do not believe in that kind of a solution. We think that in a Parliamentary democracy, the ultimate responsibility belongs to the House of Commons rather than to a commissioner who would have delegated powers and thus be a public officer.

Not only is this Bill an expression of the commitment of the government as a whole, but it reaffirms as well the very direct role the federal government plays in promoting multiculturalism within every part of the Canadian society.

Mr. Speaker, allow me for a few moments to bring to the attention of this distinguished Chamber a number of direct action measures initiated by the Secretary of State's Multiculturalism sector. Furthermore, I wish to remind the House today about some of the initiatives that other departments and agencies of the federal government are presently taking.

Mr. Speaker, the government-wide commitment provided in this Bill does work, indeed. As it already works without statutory authority, it can only work even better when it is based on a statutory provision.

For some time now, the Multiculturalism Sector of the Secretary of State, along with the Canadian Association of Chiefs of Police, has started to devise a national strategy on the relations between police and minorities. Now, according to that initiative, police forces across Canada are implementing new recruiting methods and intercultural training programs to help their members to better understand the effects of multiculturalism as well as interracial relations.

Mr. Speaker, those initiatives of the Multiculturalism Sector with our police forces have already paved the way to implementing similar measures within the RCMP. In fact, the RCMP has created a working group on recruitment to

examine hiring methods and to carry on recruitment campaigns specially targeted for visible minorities. The RCMP has also established an intercultural training program and has involved some of its senior members in efforts aimed at gaining a better understanding of ethnocultural as well as aboriginal communities.

It remains to be seen what effects those measures will have. Certainly, other initiatives have already produced very convincing results. As Hon. Members know or should know, small business is the cornerstone of Canadian economy and the major creator of new jobs since 1984. Our multicultural communities are driven by a strong entrepreneurial spirit and we can certainly say that entrepreneurs in these communities are among the most progressive, indeed the most dynamic in Canada.

In order to recognize that fact our government organized, in April 1986, a conference called Multiculturalism Means Business which was successful. It was the product of the joint efforts of the Secretariate of State, the Federal Business Development Bank, private sector business groups and community organizations.

Following that conference, the Ontario Office of the Federal Business Development Bank even established an ethnocultural advisory committee responsable for maintaining liaison between the various branches of the Federal Business Development Bank and the ethnic community small entrepreneurs.

Because of the direct action program of the Federal Business Development Bank, we can see today a large increase in the loans made by the Bank to members of cultural and racial communities other than those of our two founding nations. Other major centres have followed the example set by Toronto and I am convinced that their initiatives will have the same success.

Mr. Speaker, this first conference, which emphasized the contribution of multiculturalism, and the new Canadian Multiculturalism Act, which we have introduced, have something in common. Both recognize multiculturalism as one of the underpinnings of our Canadian society and believe in its major contribution to the prosperity of Canada. You yourself, Mr. Speaker, are a product of this multiculturalism, which is not only tolerated, but also encouraged in Canada as it brings to all of us a new cultural dimension, and is even financially profitable.

As the Hon. Members are certainly aware, federal efforts to revitalize and strengthen multiculturalism in Canada have been extremely successful. Indeed, our Government has already begun to apply the principles contained in this Bill and to keep the promises made in 1984. The adoption of Bill C-93 can only strengthen the commitment made by all our Departments.

Mr. Speaker, I would like to mention a few of the profitable initiatives undertaken jointly by various Departments in compliance with the open-door multiculturalism policy of the federal Government.

Hon. Members will recall that, early in 1986, the Ministers responsible for Tourism, Communications and Multiculturalism decided to co-operate more closely by looking for means to harmonize their respective activities in their effort to reach a common goal. Next April, these three Departments will sponsor a conference on tourism, culture and multiculturalism, a first in Canada. This conference will examine the active role which our multicultural heritage can play in promoting Canadian tourism.

In addition, the Minister of National Health and Welfare (Mr. Epp), the Secretary of State and the Minister of State for Senior Citizens (Mr. Hees) are now organizing a major national conference on ethnic groups and their impact on our aging Canadian population.

Mr. Speaker, other federal departments have recognized the need for cultural diversity in our Canadian nation. For example, Parks Canada published information material and to make guided tours and diaporamas available in foreign languages; for example, in the Lachine Park, near Lasalle, Italian shows are available throughout the Summer.

Mr. Speaker, Parks Canada even conceived a very efficient marketing strategy by producing pamphlets in several language which were distributed during the 1988 Olympic Games in Calgary, where whe could welcome about all the cultures represented in the world.

In the same vein, Mr. Speaker, several initiatives focussing on the exchange of information are already bearing fruit. Just as an example, Elections Canada's booklet, *Voting in Canada/Le vote au Canada*, published in 16 languages, is now distributed across the country during citizenship swear-in ceremonies , which we had the opportunity to attend recently in Montreal and one of which was in LaSalle, for the 75th anniversary celebrations of our town.

I would also like to draw the attention of this House to the Fall 1987 issue of *Reportage Canada*, a quarterly published by the External Communications division of the External Affairs Department. As a matter of fact, this special issue on multiculturalism in Canada was distributed to some 60,000 opinion leaders across the world namely in the private sector, in the media, in educational establishments and to various Governments.

Mr. Speaker, these are only a few of our current initiatives. I could single out others concerning multiculturalism, education, the preservation of ancestral languages, the growing awareness of medical and social services to the multicultural reality, and the establishment of guidelines on the image of minorities conveyed in federal communications.

Image, information and commitment are undoubtedly the key words of the new concept of multiculturalism and its contribution to the social, economic and cultural life of all Canadians.

Mr. Speaker, as I said even before Bill C-93 on multiculturalism was first introduced, we had made considerable progress in our attempts to tailor Government programs to the requirements of the private sector, and these efforts also involved the federal public service.

In June 1986 our Government launched an affirmative action program designed to increase the representation of visible minority group members in the public service. More recently the Ministers involved with Treasury Board approved the establishment of quantitative goals in this respect so as to implement a real program, more than draft or theoretical projects shrouded by proposed legislation or pious wishes.

Still I should like to point out to Hon. Members that our Government did not saddle itself with a quota system, as some people had recommended. The quantitative goals set by the President of the Treasury Board (Mr. Mazankowski) are based on accurate Public Service Commission calculations. The Government is intent on reaching these goals through a recruiting and selection process whose only standard is the merit principle. Mr. Speaker, the idea is not to offer handouts to ethno-cultural communities, but to recognize their true value, both quantity-wise and quality-wise.

I believe that we all agree the best ways, respecting our Canadian ideal, to develop the wealth of our cultural and racial diversity are persuasion and representation rather than constraint and coercion, as was the case under the previous governments. This Bill on Multiculturalism is based on partnership and co-operation between the federal and provincial administrations on the one hand, and between the Government and the private sector on the other. It emphasizes participation, a participation of all individuals and cultural groups in our great country.

Mr. Speaker, the Canadian Multiculturalism Act now before you is directed at the whole Canadian society, without consideration of racial or cultural origin. It involves, therefore, all federal Departments, Ministers, business entities, community organizations and all Canadians. It enshrines the basic objectives of the Government's multicultural policy and ensures a solid legislative base for the programs aimed at implementing it.

Mr. Speaker, this legislation on multiculturalism describes the duties of the line minister and makes sure that Federal Departments as a whole meet their commitments and report to Parliament.

Mr. Speaker, it is for me a real privilege to be able to make these few remarks, as a representative of a riding where the majority is the sum of all minorities. In my riding there are Italians and Greeks. There is also a significant Portuguese community. We have Irish people who did put on a great show last week. There are French Canadians. There are people of British origin. There are Chinese. Recently, I had an opportunity to attend an ethno-cultural show presented by all the Francophone groups from Asia. I was quite surprised to hear the great many people from Vietnam, especially among the older generation, talking about Indochina.

Mr. Speaker, multiculturalism is here. We must live it and stop thinking that it is an act of Government generosity. Our Government is involved. We accept the principle of Canadian multiculturalism by enshrining it in a legislation.

• (1530)

[*English*]

Ms. Mitchell: I note the Hon. Member has left.

[*Translation*]

Mr. Lanthier: Mr. Speaker, I made my exit too hastily. I did not expect any question. Could the Hon. Member repeat her question? I rushed back.

[*English*]

Ms. Mitchell: I have a question for the Hon. Member who spoke at some length in praise of this Bill. We certainly agree with the whole principle of multiculturalism. As the Hon. member probably knows, the criticism made by many groups, and which we would make, is that it is one thing to talk about principles and another thing to have ways of implementing those principles in solid programs with some real substance to assist multicultural groups in their efforts and also to effect government programs that are needed.

I wondered what the personal views are of the Hon. Member on the recommendation of the Standing Committee on Multiculturalism to have a department of multiculturalism with a full-time Minister, Deputy Minister, and a commissioner of multiculturalism to advocate programs that are needed and put some teeth into this in order that we could have much more substance to multiculturalism in Canada. What are the views of the Hon. Member on the question of having a department of multiculturalism with a commissioner, with research, and with all the things needed to really do a job in this field?

[*Translation*]

Mr. Lanthier: Mr. Speaker, I dealt with that in the main part of my speech. What we want is to go beyond lip service, statements of intent, by drafting legislation on which all Canadians will be able to rely to establish regulations or have solidly based recourse.

Secondly, we do not want any police. Why should we now consider the faults of multiculturalism? We should rather be promoting it.

Mr. Speaker, I think that is an old way of thinking. It was the same in the business world. Capital investment was limited instead of being encouraged. We plan to invite co-operation between people, not to police that co-operation through enforcement to coerce people to accept multiculturalism. Instead, we will help Canadians think it can be profitable, that there are business as well as cultural enrichments in multiculturalism.

So I think the legislation as proposed only sanctions what exists now, and I believe the Minister for Multiculturalism, who is accountable to this House, already has a monitoring role and will be quite free, about his department, to report to Parliament which remains the final enforcement authority in Canada.

• (1540)

[*English*]

The Acting Speaker (Mr. Mitges): Before we return to the Hon. Member for Vancouver East (Ms. Mitchell), I would like to give the Hon. Member for York West (Mr. Marchi) an opportunity to ask his question. We will then return to the Hon. Member for Vancouver East.

Mr. Marchi: The Hon. Member for LaSalle (Mr. Lanthier) talks about the key word "enforcement" and translates that into what he would classify as policing. I wish to clarify that word, because it seems to be working itself into the Conservative vocabulary with increasing frequency.

The Member comes from a province that is obviously very sensitive to our official bilingualism policy. This Parliament is now engaged in updating official language legislation. Back in the 1960s when it was started by the then Prime Minister Trudeau, the centre-piece of official bilingualism did not only talk about bilingualism, did not only give us a beautiful, colourful, meaningful language that talked about this abstract notion, but he and his Government did something very profound about it. One of the things they did was to provide Parliament and the country with the very tools and mechanisms that would not only talk about bilingualism but that would deliver bilingualism.

Therefore, we did receive the bureaucratic structure that was able to meet the linguistic needs of our country. We did receive the appropriate Minister and Cabinet to talk with force. We established the proper enforcement mechanism, which consisted of the Commissioner for Official Languages, who made sure, without political constraint, that the commissioner would go through the federal bureaucracy and ensure that bilingualism was lived up to. If it was not, it was the duty of the commissioner to report to Parliament, not to the Government of the day, or to the Minister of the day who comes and goes, but to Parliament in order that all Canadians may see both the success stories and the warts within the system, and particularly, with regard to the latter, to encourage Governments and Parliaments to do something about it. If the Member supports the mechanisms that guaranteed official bilingualism in this country, such as a Commissioner for Official Languages, why is he so vividly opposed to trying to put in place similar mechanisms such as a commissioner in order that multiculturalism will not only be talked about but in fact lived up to and respected by Governments and institutions across the country?

[*Translation*]

Mr. Lanthier: Mr. Speaker, these are two completely different problems. The problem of multiculturalism is not the same thing as the legislation on bilingualism. The latter was so drafted as to include a Commissioner of Official Languages, the system has been tried and tested, and it fully meets the expectations of Canadians. Multiculturalism is an altogether different proposition. We had some difficulty trying to make people understand that the basic Canadian biculturalism and multiculturalism, or the enrichment we derive from ethnocultural circles, represent two systems or two entirely different notions. This is why we have two solutions to these two problems. Biculturalism as a solution does not apply to multiculturalism. First of all, they are two separate problems.

Secondly, Mr. Speaker, again I stress that the basis of this Bill—and of all Bills introduced in the House, for that matter—is that people are expected to co-operate, they are invited, they are encouraged, and that is a far cry from the hard-line coercion and confrontation approach of the previous Government. And we all saw the ensuing mess. Mr. Speaker, our Government would rather urge Canadians to respect the law, we do not want the kind of negative legislation which tell them: Listen now, we are appointing a police force with which you will have to deal if you fail to do as we say. On the contrary, we will have people to urge Canadians to get involved and share in the wealth of multiculturalism. We in this Government are now determined to stress the positive rather than the negative aspects of legislation.

[*English*]

The Acting Speaker (Mr. Mitges): I regret to inform Members that the time for questions and comments has expired. Resuming debate with the Hon. Member for Broadview—Greenwood (Ms. McDonald).

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I am very pleased to have the opportunity today to speak on Bill C-93, a long awaited Bill on multiculturalism. I suspect that this policy is something that all Canadians now approve of very heartily. Increasingly Canadians see that it is important to enshrine in legislation the policy we have had with us for a long time, the promotion of the cultural identity of people from all origins who make up Canada.

We think of the comparison with the United States where it has been said to be a melting pot. In Canada the late John Porter identified Canadian society as the vertical mosaic, that the different ethnic groups were part of Canada, they did not melt away in the melting pot as they did in the United States, but they were ranked, and some were more equal than others. Of course, that is unacceptable. What this Bill attempts to do, and what we all want to see done is to say that neither is right; we do not want a melting pot nor do we want the disappearance of the ethnic groups. We want the strength and richness in Canadian society of the contribution of different ethnic groups. However, we do not want ethnic groups to be ranked so that some people are below others or people from some

groups do not have the same chances as those from other groups. We want all Canadians to have equal rights. We want to see equality rights enshrined in the Bill.

• (1550)

I think the Bill addresses equality rights. All Canadians are equal and there ought not to be discrimination. We have non-discrimination measures in the Charter of Rights and Freedoms which are referred to in the Bill. Indeed we see that there are measures to strengthen them.

On the positive side we need to protect individual rights but also to promote the collective right, the survival of cultures. We need to do so because as it happens it makes us a better country and a better part of the world. It gives us links with other parts of the world if we maintain the different cultures.

My riding of Broadview—Greenwood is a well-known area. It is the heart of the Greek community of Toronto. It is a very desirable place in which to live. It is a very lively part of Toronto. We enjoy the opportunities to celebrate religious and national festivals. Indeed people who are not Greek Canadians join in these celebrations and find them to be a very attractive and important part of life in Toronto. We have a growing Chinese Canadian community. It is now attracting people of all communities to come there to shop, to enjoy restaurants, and so forth. It is developing in a very positive and desirable way as a part of Toronto.

We share the concerns of people who want to preserve the cultures which they bring with them to Canada. However, I must say that not everything is quite as rosy as we would like it to be. Discrimination still exists. There is discrimination on the basis of race against ethnic minorities who are visibly different. They experience more difficulties in obtaining jobs, keeping jobs, and getting promotions. We know about difficulties in policing and all kinds of difficulties which members of these groups experience.

The Bill does not go very far in this respect. There are other measures which try to deal with racism, but I should like to refer to a measure which is in Clause 5(g). It indicates that the Minister shall take such measures as he or she considers appropriate to implement the multiculturalism policy of Canada, specifically to "assist racial minority communities to conduct activities with a view to overcoming any discriminatory barrier". I note that it is not very high on the list and that it is fairly vague. It indicates that the Minister will help groups to overcome these barriers. It is a very modest step, but it is in the right direction. I welcome it, but I regret to say that much more is needed. We need to rely on the Canadian Human Rights Commission and the human rights commissions of the various provinces to defend victims of discrimination. In many cases they do not even get to the human rights commissions, because people must complain on an individual basis and they are afraid of retaliation. We still have a long way to go to make for improvements in this regard.

I should like to refer to an area in which I think some progress has been made. I am sure that anyone who supports Bill C-93 would be very glad about it. The Standing Committee on Communications and Culture, in its sixth report, contained proposals for a new Broadcasting Act and was very specific in recognizing multiculturalism. For example, recommendation No. 24 indicates what should be in the objectives part of the new Broadcasting Act. It says that the programming carried by the system should provide a balanced representation of Canadian society, reflecting its multicultural and bilingual realities, its aboriginal peoples, and the composition of its population in respect of sex, age, race, national or ethnic origin, colour, religion, and mental or physical handicap.

The message it gives is absolutely consistent with Bill C-93. It says that Canada is comprised of many different kinds of people and because broadcasting uses the public air waves it must reflect this diversity. It would be wrong for only one or two groups to dominate, to exclude, or to minimize the reflection of other groups by ethnicity and other criteria.

I think it is important. I hope the Government acts on it. If so, it will be for the first time that such a provision would actually be in the Broadcasting Act, and I think that the Broadcasting Act needs it.

There has been some improvement. CBC is showing greater diversity by using people of ethnic origin to do reporting and so forth. This is very healthy. It is realistic and it reflects Canada much more accurately. I welcome the steps which the CBC has taken. We have seen it as well in private stations.

Also the report on broadcasting recommended that appointments to the boards of the CRTC and the CBC should reflect ethnic diversity, going away from the vertical mosaic with British and French groups at the top and other groups underneath. Roughly a third of Canadians who come from groups other than the English and French ones ought to be well represented in official appointments. It is important that they be so represented in terms of broadcasting, and I think that it should be the case for all kinds of official appointments.

I hope the Government gives up its practice of patronage appointments and appointments on the basis of association with the Party in power and instead uses other criteria of merit.

Mr. Friesen: Like Stephen Lewis.

Mr. Della Noce: Yes, like Stephen Lewis?

Mr. Friesen: What about Dennis McDermott.

Mr. Della Noce: What about Ian Deans?

Ms. McDonald: My hecklers are pointing to very good appointments, but they are one in a thousand. One swallow does not make a spring, and I am afraid that one Stephen Lewis does not destroy the charge of patronage. It is a sporting try, but I am afraid that I remain unconvinced.

Much more could be done. Multicultural groups have recommended—and the New Democratic Party has very actively supported them—a couple of specific measures which we think would be more effective than some of the measures in Bill C-93. One would be the proposal that the multicultural bureaucracy report to a full minister and deputy minister. In short, it is asking for a department of multiculturalism, not just a sub-department of some other ministry. This would give it higher status. Bureaucracies, ministers, and deputy ministers acquire their status through how much authority they have. It need not be a large department, but a separate department would say that we consider the matter important enough to have its own minister and deputy minister. I think that that would be a good move.

Another area in which I think there could be improvement would be to have a parliamentary commission on multiculturalism and a commissioner in charge who would report to Parliament. In short, the commissioner would report to all Parties and have some independence. The department or the sub-department, as the case may be, will of course report through its minister, through a political channel. If things do not go too well, they can be covered up through that kind of process. However, if we have an independent person, such as we have for official bilingualism, we would have a commissioner who would be in charge and would be a servant of Parliament. It would be a better and fairer structure. It would ensure that the watch-dog function is carried out properly. If the Government has nothing to hide, it ought to welcome this approach. We would ensure that its functions were properly carried out by ensuring that Parliament's own appointee is there.

Bill C-93 largely reflects policy that is already in existence. It begins with a very long preamble. This may or may not be a good thing. In fact, the preamble is practically longer than the Bill itself. It asserts very high-minded principles and refers to the Charter of Canada, the Constitution, the Official Languages Act, the Citizenship Act and all of these sorts of things. Of course, a preamble does not have any force of law and so much of this has to be reworded into the principles within the Bill itself. This Bill largely puts down on paper decisions that have been worked out over the last couple of decades which have very broad agreement across Canada and across all three political Parties.

• (1600)

Clause 3 declares it to be the policy of the Government of Canada to:

> (a) promote the understanding that multiculturalism reflects the cultural and racial diversity of Canadian society and acknowledges the freedom of all members of Canadian society to preserve and share their cultural heritage;

No one would disagree with that but it had not been stated in so many words before. We have just the beginning of recognition in the Constitution. This Bill flushes it out somewhat more when it states:

> (b) promote the understanding that multiculturalism is a basic element of the Canadian heritage . . .
>
> (c) promote the full and equitable participation of individuals and communities of all origins in the continuing evolution and shaping of all aspects of Canadian society and assist them in the elimination of any barrier to such participation.

This is fairly vague language. They are high sounding principles which perhaps do not reflect the urgency that there is not this equality yet and that discrimination still exists. It is important that we reflect our concern with that ongoing discrimination and barriers which are not right. They are not what we want in our country. We want access for all people to find their own place in society and to make their own contribution. Clause 3(d) reads:

> recognize the existence of communities whose members share a common origin and their historic contribution to Canadian society, and enhance their development;

I like this aspect of the Bill and this recognition that our concerns are not just with individual rights. Yes, there is a concern for individual rights and we must be vigilant and protect and enhance individual rights, but we must also ensure that communities be part of Canada. We are not a bunch of isolated atoms. We live in communities, and distinctive communities have their own contribution to make. I very much welcome this aspect of the Bill. I think it is important to our understanding of Canada as a community of communities.

Mr. Clark (Yellowhead): Hear, hear!

Ms. McDonald: And then, showing this balance from communities to individuals, subparagraph (e) reads:

> Ensure that all individuals receive equal treatment and equal protection under the law, while respecting and valuing their diversity.

There is a balancing act to be performed. Clause 3 has subparagraphs (a) through (j). Quite a number of these generalities reflect what is either existing practice or the policy and desire of Canadians to see that these matters be part of our Canadian society.

We might be a little critical at this stage and point out that these are vague and high sounding principles. So far there is nothing requiring action. The Minister is supposed to support these various things in some fashion or other. I think the criticisms which have been given by the Canadian Ethnocultural Council, for example, are quite germane. The Minister is not required to act. The Government is not required to do anything in particular to ensure that these objectives are actually put into practice. We get into another section of the Bill. Subclause (2) reads:

> It is further declared to be the policy of the Government of Canada that all federal institutions should—

We go from the general policy to actual institutions, government boards, commissions, agencies and so forth. Again the paragraph talks about equal opportunity:

> —to obtain employment and advancement in those institutions;

(b) promote policies, programs and practices that enhance the ability of individuals and communities of all origins to contribute to the continuing evolution of Canada.

We have the need, however, not just to talk about this in some vague fashion, but there are areas where we need to encourage it very specifically in hiring practices and training practices to see that the old barriers are changed. This is true for members of visible minorities, women, native people and the handicapped. We need particular programs to overcome the prejudice and discrimination of the past and the lack of experience because of that discrimination to see that those barriers really do go down and people have a chance to make their way and get some assistance in moving past those barriers that were erected and still exist. The wording of this statement is very vague. Unless there is government action by way of employment equity programs, of positive hiring practices to ensure that people in different groups hear about opportunities and have a chance to reply, to have their merits taken seriously, and unless there are particular ways of achieving it, it will just remain a high sounding principle and will not help anyone to overcome the barriers of the past. Subparagraph (c) reads:

Promote policies, programs and practices that enhance the understanding of and respect for the diversity of the members of Canadian society.

The broadcasting example I gave a few minutes ago is a practical example of what another committee is already doing with respect to the same principles. The Standing Committee on Communications and Culture is dealing with the broadcasting aspect. We are looking at advice to give to the Government for a new Broadcasting Act which we have not yet seen. We have been promised it for a long time and we rather expected it would be here. I hope we will see the Minister bring in a Bill that will enshrine that important symbolic area of broadcasting.

People spend a lot of time watching television and listening to radio. The images people see on the screen help to give them an idea of what Canada is all about. It is important that those institutions of broadcasting be honest and realistic in their reflection of Canadian reality, avoid negative stereotypes, show opportunities for people and show positive models for people to follow.

This will not just be words on paper that look great but do not mean anything in reality. It will require many institutions, if not all under a federal regulation, to act in their own particular way to see that multiculturalism is actually respected within their own framework.

In subparagraph (d) we read:

collect statistical data in order to enable the development of policies, programs and practices that are sensitive and responsive to the multicultural reality of Canada;

If we do not have the statistics, we do not know if we are making any progress. For people who have been discriminated against we need to see where they are in the system, at what level and what income gaps there are. We would like to see clearly over time that those differences in income, salary, wages and so forth, percentages in different levels of our different federal agencies in the different jobs, are reduced over time. We know that talent exists in all these different groups. If people are not well distributed through the system, we have to suspect it is not lack of talent on the part of any particular group but perhaps lack of opportunity or some kind of either deliberate or inadvertent barrier. Clearly collecting appropriate statistics is important to see if we are actually making progress in being fairer to people.

The next subparagraph reads:

(e) make use, as appropriate, of the language skills and cultural understanding of individuals of all origins;

Let me briefly refer to this as I know I have to wind up. The language skills that people from many different cultural groups bring to Canada are important for Canada. We belong to the United Nations and to an international trading community. It is important that language skills be retained and developed so that Canada can play its part in the developing and in the trading world. These are assets which people bring to us from their own culture. We should be glad we have them and we should work actively to promote them.

Since my time is up, Mr. Speaker, let me say that I am pleased to take part in this debate to support the measures that are here already. The work is not over. We still need some other measures. I can assure you that my Party will be working to make these practicable, to see that they are realized and to see that we take the next steps the next time we work to improve and to ensure that we have a good statute on multiculturalism for Canada.

The Acting Speaker (Mr. Mitges): This is the 10 minute question and answer period. If there are no questions or comments, we will resume debate. The Hon. Member for Parkdale—High Park (Mr. Witer).

• (1610)

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, I take great pride in rising in this House to add my voice in support of Bill C-93. I applaud the Secretary of State (Mr. Crombie), the Prime Minister (Mr. Mulroney) and all those who have worked with such diligence and devotion to prepare this legislation.

The message of this Bill is strong and clear. It affirms the multicultural and multiracial reality of our society. It affirms that cultural diversity enriches all Canadians. It affirms that our multicultural reality makes us more open and compassionate people while providing opportunities for our future prosperity in a global economy.

However, multiculturalism is more than a recognition of contemporary social realities. It is more than the retention of heritage, culture and languages, and it is more than freedom of

cultural expression and a fostering of equality. Multiculturalism is a dynamic force in our society which will not only propel us into the future but will also define what our future will be.

Multiculturalism is such a force because we recognize that it lies at the heart of our national identity, of our sense of being Canadian. Multiculturalism has meaning both for individuals and for the country as a whole. It is a way of creating a dynamic composite out of the many different elements which make up the Canadian way of life.

One of Canada's unique qualities has been an ability to build from diverse linguistic and cultural origins. Being Canadian means belonging to a united, bilingual, multicultural country. Being Canadian also means that 25 million people live in a free society which seeks constantly to adapt to changing social, economic and political realities, both at home and in the international sphere.

Bill C-93 is a vital part of that process, of the evolution of our nation. This Bill recognizes the strengths and benefits inherent in our pluralistic society. It recognizes our unique resources of skills, linguistic abilities and cultural knowledge which enrich our country at home and increase its international stature.

As Hon. Members are aware, the multiculturalism sector of the Department of Secretary of State administers a number of world-class programs designed to help retain the cultural richness inherent in our multicultural reality. These programs assist with research into cultural histories and fund theatre and the visual arts. They provide chairs of ethnic studies at many of our universities, and they generally help people give expression to their cultural values and ways of interpreting them. In so doing, of course, they also help to create a feeling of pride and self-worth.

Cultural retention, cultural pride and cultural communications are all essential ingredients if all Canadians are to achieve an active citizenship and a full involvement in this country. Fostering this spirit of active, involved citizenship is a major priority of this Government. It involves strengthening the sense of community that binds us together as a nation and it involves making our multicultural character understood and appreciated throughout Canada and the world.

Our record still needs improvement. We must continue to reduce the barriers to the full economic, social and political participation of all groups in our society. We want to educate Canadians on their own terms as to how a multicultural society contributes to a better life for us all.

It has been said that the best antidote to prejudice is education. That is why the Department of Secretary of State is promoting human rights education in the schools and the teaching of concepts of citizenship which include the recognition of multiculturalism in Canada. The need for this kind of education also produced the court challenges program administered by the Canadian Council for Social Development.

As Hon. Members are aware, this program supports challenges to the courts based on the Canadian Charter of Rights and Freedoms. The aim is to help define how those freedoms apply in practice and to educate people about the nature of their rights.

Another government priority is a more complex and sensitive one. It involves changing attitudes to make people and institutions more sensitive to our multicultural reality and more responsive to its requirements.

Changing immigration patterns have greatly altered the demographic make-up of Canada. Census data from 1981 and 1986 show that the proportion of non-British and non-French groups has increased to the point where people with origins other than French or British represent over 37.5 per cent of the Canadian population. Collectively, these groups form the majority in Toronto and Vancouver and account for a significant proportion of Montreal's population.

More than one million Canadians are members of visible minority communities. Studies show that by the turn of the century, visible minorities will approach 10 per cent of the Canadian population. This trend presents new challenges for a society and its institutions. The challenge will be how to accept and interact with all cultural and racial groups so as to encourage their full participation as productive citizens.

The legislation proposed in Bill C-93 speaks to all Canadians, their communities and their institutions. It will give full legislative recognition to our cultural and racial diversity. However, because the Canadian Multiculturalism Act will accommodate the realities of tomorrow as well as today, it provides the basic elements of a race-relations strategy designed to encourage tolerance and understanding among all members of our society, now and in the future. This strategy will stress the need to promote public awareness, it will help combat racism and it will encourage institutions to adapt their policies and practices to ensure equality and accommodate racial and cultural differences.

As the custodian of many institutions, the federal Government will be challenged to provide leadership to ensure that discriminatory action or ways of thinking are discontinued and that federal institutions protect a vibrant image of Canada's cultural and racial diversity.

Bill C-93 will enhance Canadian citizenship. It will broaden the reach of Canada's two official languages and it will establish in law an affirmation of Canada's multicultural character. The Bill seeks to provide a legislative base, a statutory declaration of policy for what up until now has simply been a discretionary commitment by successive federal Governments.

As it now stands, the multicultural program could be either drastically reduced or fundamentally redirected, possibilities which worry many ethnocultural groups. A statute, on the other hand, will provide a specific vehicle for preserving and enhancing the multicultural heritage of Canadians as promised

in the Constitution. By officially recognizing the historic and future contributions of multiculturalism to Canadian society, the Bill will strengthen the sense of national unity among all Canadians and ethnocultural communities.

Perhaps an even greater asset of Bill C-93 is its determination in the pursuit of social justice. We as a nation have a long parliamentary commitment to social justice and human rights. Even before Confederation, Sir Hector Langevin declared that the Government should ensure justice to all races, to all religions, to all nationalities and to all interests. That was written in 1865. The far-sighted Sir Hector went on to become Canada's first Secretary of State.

Our approach to human rights and to a multiculturalism policy for Canada reinforce each other. The Canadian Charter of Rights and Freedoms in the 1982 constitutional Act is one of the strongest declarations of human rights anywhere in the world. These legal commitments are backed up by a strong judiciary, an active citizenship and a sensitive and responsive Government.

I believe that the multicultural nature of our society helped shape the kind of collective will which led to such a strong declaration of rights in our Canadian Charter of Rights and Freedoms.

That document guarantees rights for our aboriginal peoples, rights for the disabled, rights for women, rights for people of all races, colours and creeds in this country.

• (1620)

Multiculturalism is also a key element in Canada's profile abroad. Our determination to ensure cultural and racial equality provides a strong model for other plural societies, a model that has received international accolades.

I was pleased to learn that Sweden has indicated an interest to come to Canada to study and evaluate how our multicultural policy is working, with the hope of adapting a similar model in Sweden.

The image of Canada as a country that believes in cultural equality and human rights, and acts on what it believes, bolsters our credibility when we take a stand on international issues. It gives us a unique advantage in international diplomacy, especially on human rights issues.

Our commitment to multiculturalism as a force for change and growth within our society can have an impact on improved international relations. We have expertise and language abilities to tap in our culturally diverse society which can give us a unique advantage in world trade opportunities.

International trade is one means of binding together the world community. We become mutually dependent on each other and good social and political relations are almost inevitable outcomes of good economic relations.

Quite apart from using our multicultural expertise in the world community, we must nurture and safeguard the vast potential of multiculturalism within our own borders. This is an increasing realization that the future building of our nation will be dynamic and harmonious only to the extent to which it fully recognizes and includes all Canadians from every origin.

Bill C-93 acknowledges our respect for this country's racial and cultural diversity, and establishes our commitment to equality of access for every member of the Canadian family.

Our diversity is one of our greatest national assets. It has brought us enormous economic benefits and increasing international respect. It has attracted people to this country like a magnet from all corners of the globe.

Rather than diminishing our sense of a common identity, this collective diversity has enhanced our definition of being Canadian and has created an image of Canada as the world's first international nation.

This Government has clearly defined its vision of our Canadian identity as rooted in our citizenship values, our two official languages and our multicultural reality. Multiculturalism is a policy that promotes national unity and cultural harmony. It improves the quality of our daily life and offers important opportunities for the country's future prosperity.

Bill C-93 is based on these beliefs and on the conviction that all Canadians must have an equal chance to contribute to the dynamic multicultural evolution of our nation. By respecting the traditional diversity of our society and by looking to the future with a sure sense of the past, we have a stronger sense of ourselves. We know who we are and therefore we can better determine where we will go.

Bill C-93 is an affirmation of our Government's forward-looking strategy. The passage into law of Bill C-93 will mark the start of a new era. Our children and grandchildren will look back on it as a symbol of our new maturity as a nation, a nation committed to fairness, equality and partnership among all Canadians.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Lanthier): I have the honour to inform the House that a communication has been received from the Senate to the effect that it passed without amendment Bill C-109, An Act to provide borrowing authority.

THE ROYAL ASSENT

[*English*]

The Acting Speaker (Mr. Lanthier): Order. I have the honour to inform the House that a communication has been received as follows:

Canadian Multiculturalism Act

Government House
Ottawa

March 22, 1988

Sir,

I have the honour to inform you that the Honourable Gerald Eric Le Dain, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 22nd day of March, 1988, at 4:45 p.m., for the purpose of giving Royal Assent to certain Bills.

Yours sincerely,
Léopold Amyot
Secretary to the Governor General

GOVERNMENT ORDERS

[*Translation*]

CANADIAN MULTICULTURALISM ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Crombie that Bill C-93, an Act for the preservation and enhancement of multiculturalism in Canada, be read the second time and referred to a legislative committee.

Mr. Sergio Marchi (York West): Mr. Speaker, I have a few questions for my colleague for Parkdale—High Park (Mr. Witer), who stated he was very proud of the multiculturalism program in this country. He worked hard on the Standing Committee on Multiculturalism, which recommended that the Government introduce a multiculturalism Bill to strengthen multiculturalism as a national program.

The Hon. Member for Parkdale—High Park, as a Government member, took part in the committee's work and added his name to the unanimous report.

I would therefore like to ask my colleague for Toronto, when he considers the reaction to our committee report, how does he feel about the many recommendations that were not accepted by the Government? And I know, Mr. Speaker, I did not expect that the Government would accept all recommendations. But it certainly was my hope that the Government would accept the two or three most significant recommendations in the report, the one about the Department of multiculturalism and the two recommendations by the co-sponsor. Mr. Speaker, they are really significant in that they ensure the success of this policy on multiculturalism.

I respect the Hon. Member's word and I know he worked a lot on that committee. However, I would like him to answer this question and give this House his own view.

The Acting Speaker (Mr. Lanthier): Congratulations to the Hon. Member for York West (Mr. Marchi) for his magnificent French. This is a commendable effort.

The Hon. Member for Parkdale—High Park (Mr. Witer) may now answer.

[*English*]

Mr. Witer: Mr. Speaker, the Hon. Member will know that we are now debating the principle of the Bill. I hope members of the standing committee will have an opportunity to examine this Bill carefully at committee stage and come back with recommendations to the House. The Hon. Member will know, as someone who has been close to this subject since as far back as the mid 1970s, that the progress we have seen in multiculturalism in this country has come in small steps. In multiculturalism, as in other areas of government, we do not achieve and accomplish everything we want in one day or one week.

• (1630)

The Member was present in Toronto at the hearings of the Committee on Multiculturalism and will know that the report to which he refers received a wide variety of reaction and opinion. There were those who thought that the report was right on. There were those who thought that the report went too far in making its recommendations. Of course, there were those who thought that it did not go far enough. Therefore, to suggest that there is unanimity in support among the ethnocultural communities on either the Bill before us or the report tabled by the standing committee would be inaccurate.

I hope that during the committee stage we will have the appropriate time to examine the existing legislation and perhaps improve it where required. However, and this is important to note, I have not heard anyone during this debate indicate that the introduction of this Bill is not a significant step in taking multiculturalism forward in Canada. It is to that aspect that I address my remarks today.

[*Translation*]

Mr. Marchi: Mr. Speaker, I appreciate my Hon. colleague's feeling. I agree that the multiculturalism program, in the history of this Parliament, had a degree of success in furthering a just society.

[*English*]

I realize that while the report was unanimous among the committee members of all three political Parties, there was not unanimity of feeling throughout the country with regard to all of the recommendations. I did not expect that there would be.

However, surely one of the recommendations ought to have found its way into the text of this Bill. I agree with the Member that no one is arguing that the presentation of the multiculturalism Bill, which would offer a legislative framework to any program or policy, is negative. We all concur with that.

However, we cannot allow ourselves to applaud simply because a Bill was introduced in the House. Rather, we must scrutinize the Bill to see how the legislation advances the cause. I was somewhat disillusioned by the fact that this Bill does not reflect the hopes of those in the community that, while this would not solve the world's ills at one swoop, it

would be an opportunity to push a few more things through the window.

I hope that the Member will agree with me that from that vantage point the Bill is in need of amendment. One recommendation which received unanimous consent in the community and at the hearings was the one regarding the commissioner position. It is felt that a commissioner would try to resolve the dilemma by talking about the realization of a certain objective and then actually realizing it. The establishment of a commissioner's position would be one step toward, not by command and control, but by enforcement throughout the civil service. This would not be done in a coercive manner, as some Members have suggested but, similarly to the responsibilities of the Commission for Official Languages would ensure that that to which we subscribe as a firm policy and tenet of the country in this Chamber is not ignored once the lights are out and the debate is over but that every day of the working week the Government of Canada starts with its own house and ensures that, through its departments, agencies, and crown corporations, multiculturalism becomes the rule rather than the exception.

The Acting Speaker (Mr. Lanthier): I am sorry to advise the Member that the answer must be much shorter than the question. He will have two minutes to answer.

Mr. Witer: Mr. Speaker, I will try to confine myself to two minutes, albeit with some difficulty.

My colleague, the Member for York West (Mr. Marchi), asked an important question. He referred to two specific issues which are critical in any Bill. First, he said that the mere introduction of a Bill is not that significant. The important thing about this Bill is that it puts into law something which to date has been at the whim of the government in office. That is an important distinction.

Second, the Member leaves the impression that there is no monitoring function. That is not the case. The Bill provides for the Minister to report to Parliament, on the fifth sitting day after January 31 of each year, his progress on the implementation of this Bill and, second, provides for the review of that progress by the House of Commons Committee on Multiculturalism.

Therefore, although the Bill may not have all of the requirements to which the Hon. Member referred, it would be inaccurate to leave the impression that it contains no monitoring facilities.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I realize that there is only a short time before we receive Royal Assent, but I would like to say a few words on this very important Bill dealing with a very important subject.

I would ask the House to indulge me for a moment while I wallow a little bit in nostalgia. I grew up in the north end of Winnipeg, the society of which is a source of perhaps the majority of gag writers in Hollywood and senior bureaucrats in Ottawa, which is a rare combination. It is certainly one of the parts of the country which combines the most interesting mixture of cultural groups; Ukrainians, Jews, Germans, Poles, even the odd Welsh Canadians, such as my family, which are in some ways the most ignored cultural minority in the country, aside from Liberals in western Canada.

I recall very vividly that one day in high school a good friend of mine by the name of Sawchuk came to school and announced that his name was no longer Sawchuk but was now Saunders. When we inquired as to why that was, he said that his father, who worked for one of Canada's largest department stores, had reached the point where he was looking for a promotion but that the condition of his promotion was that his name be changed.

At that age perhaps we did not have quite the same understanding of what that meant in terms of the indignity that was being imposed upon my friend and his family of having to deny their roots, their culture, their language, their heritage, and their history for the sake of getting a small promotion in one of Canada's largest companies.

I mention that, Mr. Speaker, because to me that is what the multicultural policy is all about. It is an attempt to respond to the second class citizenship which has been imposed on far too many Canadians. Simply because of what they are, not who they are, they are labelled, and because of name, language, or culture are stereotyped or type-cast and not given the same rights or recognition as are those who have had a longer history in this country or have the name of a French or English antecedent.

There is no doubt that we have made a lot of progress since then. There has been a lot of accomplishment, and even in this Chamber today we can see examples of Canadians who have come from non-French or English backgrounds who now exercise prominent roles of leadership in politics. The same is true in business, the arts, culture and professions throughout the country.

However, it would be wrong to say that we have reached a satisfactory state. I think we are a long way from that. We are, to my mind, as I understand it from my own community of Winnipeg, at a very important juncture. The sense of accomplishment and aspiration of a large majority of Canadians, about whom the Hon. Member from High Park was talking, is still restrained, still circumscribed by sometimes real discriminatory actions. I still think that is at the forefront of the multicultural issue.

• (1640)

There is the example of a young Vietnamese couple who came to this country when I was Minister of Immigration. Their children are about ready to enter university but do not have the money to go. It is simply an economic fact of life that they are not able to acquire the means to send their very bright and able kids to university. That is a form of discrimination.

The same thing we faced back in the 1940s and 1950s is there for that newer group.

I spoke to a Ukrainian business and professional group a few weeks ago. They have a great sense of still trying to search out their roots and language back in the Ukraine. They have a sense of denial. The Secretary of State for External Affairs (Mr. Clark), who is sitting opposite, knows of the problem of Ukrainians in the Soviet Union feeling that as a Government we must do more. I do not in any way take away from the efforts of the Secretary of State for External Affairs because he has made great efforts. But there is still a feeling of uncertainty, of a tentative acceptance. There is a feeling that they are still not fully, 100 per cent, guaranteed all their rights.

That is why, I think, my colleague, the Hon. Member for York West (Mr. Marchi) has argued the need for a strengthened structure in this country, a more effective commissioner of multiculturalism, for example, to give strong, effective leadership in weaving that fabric together in a more effective way, of having in the federal apparatus individuals who, by way of their office, can provide further leadership.

A very important victory was won with Article 27 of the Charter which recognized the multicultural fact of Canada. It is important to note that recently a group of legal experts gathered together to determine the meaning of that article and said it is still an open question as to how it can be incorporated into the fabric of the rights of Canadians. We need someone to give initiative to this particular Bill to ensure that the right challenges are made in the courts and to ensure that Article 27 is given life and meaning.

Without that apparatus, without that ongoing watch-dog role, initiative role, I am afraid it will not happen. That is why the argument we are making is not against the principle of the Bill and not against the philosophy of the Bill. We are simply saying that it could be a lot more. The time and age calls for it. There is a certain kind of mustiness about the Bill. We are not going back to the time when one had to change one's name, but it is not the kind of Bill that will deal with the realities of today and, certainly, tomorrow.

The role of the federal Government, I believe, in this area, as in all areas of human rights, is to provide leadership, to show the way, not simply to follow. That is why the argument that we are making is that this Bill, as strong as it may be in philosophy, is weak in implementation and structure. It is weak in the real hard-nosed organizational ability which is required to make any bureaucracy or large organization work.

I will conclude my remarks because I know the royal presence is near and I do not want to frustrate that. We argue strongly that the Bill should be amended to take into account that leadership role in making the multicultural fact not just a philosophy but to bring it to its full fruition as a reality. That is why we hope government Members will be prepared to consider the kinds of amendments my colleague will bring forward.

Mr. Marchi: Can the Chair clarify the procedure? Some Members are saying that I can ask a question of my colleague, although he has only completed five minutes of his 20-minute speech. Can we have a clarification on what is happening?

Mr. Speaker: The Hon. Member has asked for clarification. The Gentleman Usher of the Black Rod has not arrived. The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) still has the floor.

Mr. Axworthy: Mr. Speaker, this is called "ragging the puck", is it?

Mr. Clark (Yellowhead): It is the only time we would encourage you to speak, Lloyd.

Mr. Axworthy: I thank the Hon. Secretary of State for External Affairs for that warm endorsement.

As I was saying, one of the reasons for this kind of Bill is to give that leadership. Let me point to another example that triggered my interest when the Member from High Park was speaking. I believe he touched upon a very important aspect of multiculturalism, one that has not been properly developed, that is, the utilization of part of its characteristics, as a way of extending ourselves to the rest of the world. I do not think there is any argument that we live in a time when all of us must realize we are going to have to be much more competitive and effective in terms of our international economic and political relations.

I was struck again by that thought three or four months ago when I was at a hearing in Edmonton. A coalition of ethnic leaders appeared before our trade task force and pointed out that very limited development takes place in terms of the use of our cultural heritage for trade promotion or development in terms of learning other languages, learning about other cultures and using the strengths so many of these groups bring to our country. We are not properly exploiting them. I address this point to the Secretary of State for External Affairs. He knows I have other grievances about the cut-backs on promotion and development work.

It would seem to me that a very major role would be to utilize, through our universities, colleges and schools, the kind of strength that can arise out of this emergence of multiculturalism. Let us talk about the Pacific Rim, for instance. There is an incredible richness of the Indo-Chinese population in Canada in terms of opening up avenues of understanding for the rest of Canadians.

We can also use that as a ways of developing our opportunities abroad. That seems to me one of the aspects of multiculturalism I have talked about, the new fabric or new reality. These people are saying: "We are here. We have skills. We have now reached a point in our own maturity. Use us. Put us to work". But we need some support in doing that. I do not have a perfectly calculated formula but, I think the objective is worthy. I think what should be looked at is how the federal Government can work out the proper means and mechanisms.

That comes back to the basic thesis we have followed in this debate.

We do not believe this Bill enables us to do that. We do not believe there is sufficient presence of the multicultural fact in the federal Government, either at the ministerial or departmental level or at the commissioner level, to give us the capacity to wield our influence and to bring about those kinds of judgment calls that are required.

There are two very different areas, one is the case of the prosecution of Article 27 of the Charter, extending it over to basic economic fact in the area of trade. There are two ways in which we could substantially exploit and develop the new reality of Canada, something we have not done. We ask, why not? Part of the reason has been the way the multicultural issue has got stuck in a time warp at the federal level. I think this legislation is partly a reflection of that. We have become perhaps too used to the conventional ways of doing things and we have not attempted to go beyond those things. We have not opened up our opportunity for further development in this area.

Let me point to yet another area where I think we must develop the multicultural fact where federal leadership will be required, that is, on the side of immigration that does not deal with people coming to this country. It is what happens when people get here. There has been a long-standing argument and debate between federal bureaucracies, between the Department of External Affairs and the Department of Employment and Immigration, about their role in the settlement and development of immigrants once they arrive, to say nothing about the debate between the provinces and the federal Government. That is still a debate that is unresolved. It has still not been given the kind of clear direction it requires. Yet we see all kinds of examples, whether it is in the area of the development of language skills for immigrant women or whether it is with respect to training skills for people who are in the refugee stream. In these areas it is still somewhat of a patchwork arrangement.

• (1650)

Once again, it seems to me that if there were somebody, both in terms of a department with a clear interest or even a commissioner of multiculturalism, then that would be a cause that they could take up. They could provide the focal point within this type of vast apparatus around Ottawa to try to bring it all together and to get the factions and the departments which are each fighting for their turf to say, "Wait a minute. There is a very important issue happening here".

Once again, I do not see it happening. Part of the reason is the vacuum. That role is not being exercised as it effectively should be exercised.

I offer that comment as a demonstration of the case made by my colleague about the need not only to think forward but to have the means and organizational strength at the federal level to do so.

I also bring up this point concerning the area in which we relate to other jurisdictions, particularly to the provinces but to the municipalities as well. I do not have the latest account, but I have been intrigued by the number of cities which have had to set up race relations commissions. In Toronto and in my own city of Winnipeg this has been done. These commissions play very important roles because they are dealing right at the ground level with problems of discrimination in hiring practices. In some cases they are dealing with actual conflicts between different cultural or racial groups.

There was an example just recently in the case of police relations with cultural groups. This is something which is becoming far too common, unfortunately so, in our cities. The question I asked and one which I pose again to members of the Cabinet is this one. Who is responsible at the federal level for relating to that real issue that is taking place in Vancouver, Toronto and Winnipeg? Who is working with those very important grass-root racial commissions to see what might be done to try to co-ordinate, whether it is employment programs or the immigrant development programs about which I spoke?

There may be individual Members of Parliament doing it. But they do it in a piecemeal fashion. Some may go to the Minister of Employment and Immigration (Mr. Bouchard). As I recall, the commission in Toronto came to me when I held that post to say that there was an emergence up in the York area of some real gang problems with young visible minorities. Kids were running into real problems and conflict on the streets. I was asked if I could help with a couple of employment programs in that area.

That was but one piece of the puzzle. The problem is, who do we go to at the federal level to organize the entire issue for us all? I do not think there is that person there right now.

I use those examples simply by way of argument to show why it is important that this Bill be strengthened substantially and that the proper and useful principle that it espouses be given a much more effective form or structure by the time we debate this Bill at third reading.

Mr. Clark (Yellowhead): Mr. Speaker, I have a question for the Hon. Member. I was genuinely interested in the remarks of the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy). I know that he is speaking not only from his experience as a Minister and a parliamentarian but also as a citizen of a very multicultural city—

THE ROYAL ASSENT

[*English*]

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

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

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

And being returned:

• (1700)

Mr. Speaker: I have the honour to inform the House that when the House did attend His Honour, the Deputy to Her Excellency the Governor General in the Senate Chamber, His Honour was pleased to give, in Her Majesty's name, the Royal Assent to the following Bills:

Bill C-91, an Act to amend the Corporations and Labour Unions Returns Act—Chapter No. 4.

Bill C-96, an Act to validate certain customs duty orders relating to fresh fruits and vegetables—Chapter No. 5.

Bill C-99, an Act to amend the Currency Act—Chapter No. 6.

Bill C-109, an Act to provide borrowing authority—Chapter No. 7.

[*Translation*]

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

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

PARLIAMENT HILL

PROPOSED ERECTION OF STATUE OF QUEEN ELIZABETH

The House resumed from Thursday, February 4, 1988, consideration of the motion of Mr. Tupper:

That, in the opinion of this House, the Government should consider the advisability of commissioning the structure of a statue of Her Majesty, Queen Elizabeth II, to be placed on Parliament Hill in commemoration of the thirty-fifth anniversary of Her ascension to the Throne.

Mr. Speaker: When the motion was last before the House the Hon. Member for Cardigan (Mr. Binns) had the floor. On debate, the Hon. Member for Kenora—Rainy River (Mr. Parry).

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I am glad to have the opportunity to add a few remarks today to the remarks of many of my colleagues in the House from all three Parties concerning the motion in the name of the Hon. Member for Ottawa—Carleton (Mr. Tupper) that a statue be erected to commemorate the contribution of Her Majesty, Queen Elizabeth II, to Canadian society.

The suggestion made by the Hon. Member for Ottawa Centre (Mr. Cassidy) that a commission be established to look into the number and nature of statues to be erected on Parliament Hill is a good one and worth following.

Most of us in the House have lived most of our lives in the reign of Queen Elizabeth II. The contributions of this monarch have been very considerable to Canadian society, to the society of the Commonwealth, and to the society of Great Britain where she customarily has her residence. The parallel has been drawn between Queen Elizabeth II and Queen Victoria. Those two monarchs have reigned in Canada for 100 of the last 161 years. That reflects the contribution of two great women, according to the lights of their own belief and the values of their own time, to the development of Canadian society and indeed to the development of the Commonwealth as a whole.

The ascension of Queen Elizabeth II to the Throne is a day that is very fresh in my memory. Her father, the late King George VI, died on my sixth birthday. Thus, since my sixth birthday, both in Great Britain and here in Canada, I have only known Queen Elizabeth II as the reigning monarch. Therefore, I think it fair to say that my formative years, my maturing years, and the years of my adulthood and political career have been spent under the reign of Queen Elizabeth II.

She has surely seen some changes in those 36 years. After all, in 1952 when she acceded to the Throne, the Commonwealth was by and large made up of colonies which were in some form of tutelage or subordinate relationship to Great Britain under the British Crown.

Now I believe that we can truly say that the Commonwealth is a commonwealth of nations where all, despite differences in size, prosperity, and influence within world society, are rightly and correctly treated as being equal within the framework of the Commonwealth.

The Commonwealth has not been an institution merely for the preservation, the spread, or even the development of British culture. It has become a forum where nations that share a common heritage, particularly in terms of their institutions as well as the English language, can discuss matters of world affairs and can, when the spirit moves them, exercise collective influence on those world affairs.

Having set the historical context, and turning to the matter of the statue, it seems to me that one of the practicalities in such an initiative would be to ask Her Majesty if she would like to see a statue erected on Parliament Hill within her lifetime. It has not been the practice in Britain, although it is in some countries, to erect statues during the lifetime of the person commemorated or represented by the statue. It is still not something about which many of us who have British heritage feel particularly comfortable.

Many excellent suggestions have been made in this debate concerning other people who might be commemorated. I do not feel it demeans or derogates in any way from Her Majesty the Queen and Her achievements to discuss that in the context of this motion. After all, the opportunity to discuss such a topic, important and interesting as it is, does not come regularly or frequently to us by way of any other opportunity. This is not to establish any form of comparison between Her Majesty and other people who might be commemorated, but to suggest that not only the political history, political traditions, and political life of Canada should be commemorated by way

of statues on Parliament Hill, but many other integral and fundamental Canadian values, Canadian activities, and Canadian achievements should also be considered in the erection of statues.

Because we are an extremely far-flung federal nation, we should consider whether we should concentrate our efforts, energies, and attention on the statues which should be erected on Parliament Hill or whether we should set our scopes wider and look at other strategic or historic locations where statues might be erected.

Of course the matter of partisanship must always be avoided in the consideration of the erection of statues. It does not come into the consideration of the present motion since the Queen and the institution of the monarchy historically, and certainly today, have been above the level of political partisanship and political fray.

[*Translation*]

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

Some Hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Lanthier): It being 5.14 p.m., this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 5.14 p.m..

HOUSE OF COMMONS

Wednesday, March 23, 1988

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*English*]

WILDLIFE

DESTRUCTION OF FOREST HABITAT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, Canada's extensive forests are the home of a rich and varied wildlife. Unfortunately, all too often harvesting the forests destroys the habitat upon which wildlife depends.

This does not have to be. An effort must be made to integrate wildlife and forestry management policies and practices. Therefore we urge the Government to incorporate wildlife conservation goals in federal and provincial forestry agreements when they are renegotiated this fall.

On April 14 a full day on Parliament Hill will be devoted to wildlife. On that day parliamentarians will have an opportunity to hear organizations and groups speak about wildlife, this priceless Canadian heritage which we too often take for granted and which needs political support very badly.

* * *

HISTORIC EVENTS

PAKISTAN—ANNIVERSARY OF REPUBLIC

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, it gives me great pleasure to rise today to recognize Pakistan's National Day. This young nation was proclaimed a republic on this day in 1956. This special day marks the beginning of its nationhood which allowed Pakistan to help to determine the destiny of its people. Pakistan is striving to achieve a better democratic system and an improved standard of living for its people.

Canada is well recognized for the contributions it has made to this country through various CIDA development efforts over the years in areas such as agriculture, immunization, and transmission of hydroelectricity.

Canada has been made richer by having among its cultural mosaic Canadian citizens of Pakistan origin. I for one would vouch that they have made a tremendous contribution to our country and to Canadian society as a whole.

I am proud to have citizens of all cultural origins in my riding of Etobicoke North. I am pleased to be able today to pay tribute to those of Pakistan origin.

* * *

• (1405)

SEARCH AND RESCUE

DELAY IN RESPONDING TO ACCIDENT ON TRAWLER

Mr. Jack Harris (St. John's East): Mr. Speaker, yesterday the House saw the Minister of Transport's (Mr. Crosbie) cavalier attitude and joking response to an occurrence which could have seen a tanker break in half and result in the worst oil spill in Newfoundland's history. It is clear that this Government is waiting for a disaster to happen. We hope that it will not involve danger to life, because we fear that the search and rescue facilities of the Coast Guard would not be able to respond.

Last Wednesday a crewman aboard the trawler *Osprey* lost his leg in an accident at sea. Search and rescue at Gander could not help because the only helicopters they have are not equipped with any de-icing capability and could not take off. The trawler took almost eight hours to reach St. John's with the injured crewman and no medical help. This is unacceptable.

On any given day as many as 60 trawlers can be operating off the coast of Newfoundland alone with more than 1,000 crewmen aboard. If the weather is bad they are on their own in case of serious accidents or other marine emergencies.

When will the Government realize that helicopters that cannot fly in bad weather are useless in an emergency?

I call upon the Government, especially the Minister of Transport, to update the search and rescue helicopter fleet and establish a station in St. John's, or at sea on a Coast Guard vessel. Our fishermen, marine workers, and oil workers need more protection than they are getting from the Government.

S. O. 21

HISTORIC EVENTS

ANNIVERSARY OF GREEK INDEPENDENCE

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, March 25 marks the one hundred and sixty-seventh anniversary of the independence of modern Greece. It is only fitting that this day be given due recognition because of the importance of Greece and its history and the impact that this has had on western civilization for almost 2,500 years. Much of western culture and western civilization, and the democratic form of government, can trace their roots to Greece, the cradle of democracy.

In spite of the fact that Greece was occupied by numerous successive invaders for some 1,800 years prior to 1821, the Greek culture and Greek traditions, together with the Greek language and religion, were never subdued or diminished, but continued to flourish even under the most difficult, oppressive, and tyrannical overlords that occupied the country.

I would like us as Members of this House and all Canadians to join with my fellow Canadians of Greek descent in celebrating March 25, not only as the National Day of Greece, but as a shining beacon emblematic of all things that have helped to shape a large part of our Canadian way of life.

* * *

FILM INDUSTRY

GENIE AWARDS CELEBRATION—ADVICE TO GOVERNMENT

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, last night we witnessed first hand at the Ninth Annual Genie Awards that Canada does have a film industry that can compete with the best in the world. Last year the world was talking about *Decline of the American Empire*, and this year it is *Un Zoo La Nuit* which won in all nominated categories. All Canadians will be biting their nails at the Academy Awards with its nomination for an Oscar.

More Canadian films and television programs than ever before were presented at festivals in Canada and around the world, and more were winners, not only in attracting audiences at the box office but also on television screens in every major world market.

Last night was not all celebration. Quebec film maker, Rock Demers, eloquently expressed concerns about the Government's lack of commitment to the arts. He stated that the Government should place more money into the arts, less into nuclear subs, ban its censorship Bill C-54, and forget about free trade.

It took a decade of painstaking public and private action to create the structural impetus for Canadians films and television to flower. Now the Government wants to reverse itself and kick the supports and platform from under this industry. I would strongly suggest that the Government heed this advice from an industry that knows what it is all about.

[*Translation*]

PUBLIC WORKS

MIRABEL EXPROPRIATIONS—TRIBUTE TO JEAN-PAUL RAYMOND

Mr. Guy St-Julien (Abitibi): Mr. Speaker, next Sunday we celebrate the victory of Mirabel farmers who, twenty years ago, heard on the radio they had just been expropriated to build an airport.

It took these farmers nearly twenty years to have this gross error set right. Unwilling to admit publicly it had made a mistake, the Trudeau Government preferred to harass its victims instead of giving them a fair deal.

When the Conservatives came in with Brian Mulroney, and thanks to the support and sympathy of the Hon. Member for Joliette (Mr. La Salle) and the Hon. Member for Argenteuil—Papineau (Mrs. Bourgault), the situation was finally normalized.

Thanks to the C.I.A.C., the most tenacious citizens' group Quebec has ever known, its members were able to survive, and also thanks to the determination of its first chairman, Mr. Goyer.

Mr. Speaker, Quebecers and Canadians should pay tribute to Mr. Jean-Paul Raymond of Mirabel who continued this struggle for freedom with leadership and perseverance.

* * *

THE ENVIRONMENT

OPPORTUNITY TO TAKE CONCRETE ACTION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, the Premier of Quebec claims to be very concerned about the environment. A non-profit foundation supported by the Premier (Mr. Mulroney) and the federal Minister of the Environment (Mr. McMillan), is planning a fund-raising campaign for the environment. Should we rejoice? Will Quebec's environment be in good hands?

Unfortunately, the same Ministers are taking action that puts the environment at risk. The free trade agreement will have a disastrous impact on the environment by encouraging the export of non-renewable resources and the use of energy resources that cause pollution. Furthermore, the Government of Quebec is planning more energy mega-projects, despite the fact that these projects are harmful to the environment.

The Ministers supported the Brundtland Report, whose fundamental principle is sustained development. However, decisions taken subsequently by the governments have failed to respect the recommendation that environmental considerations be incorporated in economic decisions. Talking about the environment is useless if our actions do not reflect what we say.

AIR BALLOONS

1991 WORLD BALLOONING CHAMPIONSHIP EVENT

Hon. André Bissonnette (Saint-Jean): Mr. Speaker, yesterday morning, Canada was appointed host country for the Tenth World Ballooning Championship Event in 1991. The *Festival des montgolfières du Haut-Richelieu* was chosen by the National Aeroclub of Canada as official host of this world famous event, where 450 balloons from at least 25 countries will lift off and which will attract at least one million visitors to Saint-Jean-sur-Richelieu in the summer of 1991.

I would like to draw the attention of the House to the exceptional work done by the organizing committee of the festival, and to the involvement of the local community, the riding of Saint-Jean, Tourism Quebec and the Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development (Mr. Valcourt).

The Canadian tourism industry, which supports 600,000 jobs directly and has an annual revenue of $20 billion, must constantly innovate and provide a broad range of attractions.

Mr. Speaker, again I want to thank my colleague, the Hon. Bernard Valcourt, for his support.

* * *

• (1410)

[*English*]

AIR SAFETY

AIRPORT SECURITY—NEED FOR PERSONNEL TRAINING

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the House of Commons and, more to the point, the Minister of Transport (Mr. Crosbie) must take immediate action to restore integrity to the security system at Canada's major airports.

The system is in a shambles and, indeed, the notion of security at Canada's airports is a farce perpetrated upon the people of Canada by the Minister of Transport and by his predecessor, the Deputy Prime Minister (Mr. Mazankowski).

Last night Canadians were shocked to witness on the CBC program *The Journal* the spectacle of airport security employees testifying that even after three years of employment they still did not have the necessary training to identify bombs or hidden weapons on Canada's X-ray machines.

More shocking, Mr. Speaker, in the light of commitment since the Air-India disaster—we ought to have learned from that disaster which took many innocent lives—we saw a student being hired after watching a 2.5 hour video and being made responsible for weapons and bombs screening. That same student, after only three hours on the job, was assigned the task of training yet another new recruit.

The Government of Canada—and these are strong words—is playing with the lives of Canadians and has a responsibility to restore integrity to Canada's security system—

Mr. Speaker: The Hon. Member for Western Arctic (Mr. Nickerson).

* * *

POLITICAL PARTIES

LONG DISTANCE TELEPHONE CHARGES—POSITION OF NEW DEMOCRATIC PARTY

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, formerly the cost of providing telephone service was dependent on the distance between the points served. Modern communications technology is obliterating this dependence. As a result, in relative terms, the cost of long distance service should decline and that of local service should increase.

I am therefore dismayed by the NDP position outlined by the Hon. Member for Vancouver—Kingsway (Mr. Waddell) last Friday who boasted of his Party's obstruction to rate rebalancing. This blatant disregard of the interests of northern and rural Canadians, whom the Hon. Member would have to subsidize urban dwellers such as his own constituents, will not go unnoticed at the next election.

* * *

EXTERNAL AFFAIRS

IRAN-IRAQ WAR—CALL FOR HOSTILITIES TO END

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, the war between Iran and Iraq is in its eighth year now. All the world has watched helplessly and with horror as these two countries have wasted and slaughtered their youth, as they have polluted their common marine heritage in the Gulf, and now as they have added a new dimension, not only the war of the cities but the use of chemical weapons.

• (1415)

I would hope that all Members of the House would join with me in saying to both countries that they have no right to pollute the planet in the way they are doing in the Gulf, they have no right to use chemical weapons, they have no right to carry on this madness, and, in the name of all that is holy, they should stop that war now.

ORAL QUESTION PERIOD

[*Translation*]

FREE TRADE

AGREEMENT WITH UNITED STATES—CONSEQUENCES FOR CULTURE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I knew the Prime Minister would not be in Toronto last night to present one of the Genies, because his platform got lost at the Juno awards! Nor was I surprised when the Minister of Communications did not show up on the platform, since Roch Demers, our world-class film maker who received an award for his exceptional work in the Canadian film industry, condemned the Prime Minister's free trade agreement with the United States, saying: Hello free trade, Goodbye Canadian culture!

What does the Minister of Communications have to answer to that?

[*English*]

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I am sorry that I cannot be everywhere that the Right Hon. Leader of the Opposition thinks I can be. I have to tell him that I was working in cabinet committee on a very important dossier which I hope he will approve when I bring it forward.

May I just say to the Right Hon. Member that I agree wholeheartedly that both the private and the public sectors should be putting more funding into the cultural community. That is why we have increased the budget to the cultural agencies this year by some $113 million, bringing it to a total of $2.2 billion. That is why we have put $165 million into a feature film fund, something that was not there before. That is why we have put $25 million into a sound recording fund, something that was not there before. That is why we have introduced a program for public lending rights, payments to authors for books from public libraries, something that was not there before. That—

Some Hon. Members: Hear, hear!

Miss MacDonald: One further point—

Mr. Speaker: I recognize the Right Hon. Leader of the Opposition.

[*Translation*]

Mr. Turner (Vancouver Quadra): Mr. Speaker, the answer is as clear as "Un zoo la nuit".

The Minister did not answer the question: What is she going to say to performers, filmmakers and directors in this country like Jean-Claude Lauzon, who claims that the free trade agreement with the United States will destroy, will deal a fatal blow to Canadian culture.

REQUEST FOR PROTECTION OF TEXTILE INDUSTRY

Right Hon. John N. Turner (Leader of the Opposition): I shall, if I may, direct my question on the free trade agreement with the United States to another Minister.

The Minister of Finance knows perfectly well that the free trade agreement with the United States will put the jobs of 100,000 workers, 100,000 Canadian men and women working in the apparel industry, at risk. The program he announced yesterday will cost Canadian taxpayers $60 million. His announcement has angered the unions that represent workers in the apparel industry and also upset garment manufacturers and the entire textile industry.

When will the Minister of Finance start supporting the textile industry and speak out against the Prime Minister's free trade agreement with the United States?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I can see that the Right Hon. Member got totally cowed by my colleague and had to switch his line of questioning.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I think this is an example of the Liberals flip-flopping on both sides of the same issue. On the one hand they are saying that we should not be doing these things, and on the other hand yesterday they said that we should be doing a lot more of them.

We have tried to find a balance in the program on duty remission and tariff reduction to help the clothing industry. I can tell the Right Hon. Member that this is a program that the clothing industry has been trying to get Governments to agree to for the last 10 years, and we have, starting about two years ago, commenced on this track. The announcements yesterday move us further down the track of providing the clothing industry with lower cost business inputs. Manufacturers can then provide clothing to Canadian consumers at lower prices with greater variety. That will put them in a more competitive position with clothing manufacturers in other countries.

• (1420)

Mr. Turner (Vancouver Quadra): Mr. Speaker, despite the fact that the Minister's answers may not be satisfactory from time to time, at least he tries to address the questions. That is why I abandoned the Minister of Communications.

Some Hon. Members: Oh, oh!

Miss MacDonald: Coward.

POSITION OF APPAREL ADVISORY BOARD CHAIRMAN

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I wonder who the Minister is trying to kid, given that the Chairman of the Apparel Advisory Board advising the Prime Minister, Mr. Peter Nygard, said last night on national television: "We really question whether it is wise any longer to

keep our industry in free trade. It would be better not to surrender to the U.S. and let them have their way. Take us out."

What does the Minister of Finance say to the Chairman of the Prime Minister's Apparel Trade Advisory Board who wants nothing more to do with the trade agreement with the U.S. and wants out?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me quote from the Canadian Apparel Manufacturers Institute press release. It says: "CAMI welcomes Finance Minister Wilson's March 22nd announcement as an important first step in the essential objectives of reducing costs and enhancing the competitiveness of the Canadian apparel industry."

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): "The major benefit to the majority of apparel manufacturers will be tangible across-the-board tariff reductions on fabric and yarn to a level comparable to U.S. tariffs."

That is what we are trying to do. We are trying to provide the apparel manufacturers in Canada with a competitive system that will allow them to take advantage, in a major way, of the opportunities now available to them through the U.S.-Canada Free Trade Agreement.

MINISTER'S POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the same Minister. I want to ask him about the comments made by the Chairman of the Government's own advisory group SAGIT, which advised the Government on the trade deal and the clothing industry.

Mr. Nygard, chairman of that group, says his own operation will have to be substantially scaled back because federal attempts to shelter the industry from the trade deal have failed. He goes on to say: "It is hard to say right now how we will be able to structure our business to be able to hold on to jobs in Winnipeg. The new package will not prevent U.S. companies from taking over the Canadian market. The free trade deal no longer has any benefits to the Canadian clothing industry."

Does the Minister not find it embarrassing that our industry says to him: "You have sold out"? Does he not find it embarrassing that he has had to succumb to the pressures of a U.S. lobby group and put our industry in jeopardy? Is it not shameful for a Canadian Minister to be engaged in that kind of a sellout?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I saw this morning with my own eyes on national television this same man, Mr. Nygard, saying: "We support Michael Wilson". That is me, Mr. Speaker. I am Michael Wilson.

Some Hon. Members: Hear, hear!

Mr. Speaker: Perhaps the Hon. Minister would answer the question.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I forget the Hon. Member's words, but he said we caved in to the United States, or something like that.

Mr. Axworthy: You did.

Mr. Wilson (Etobicoke Centre): If he had watched the same program this morning he would have seen the real balance we had to achieve in providing this program. On the one hand we had the apparel sector saying they wanted a lot more. On the other hand we had the textile sector saying: "If we had our druthers, we would prefer you did not do anything".

• (1425)

We have come up with a classical compromise to try to help the apparel sector achieve a degree of competitiveness which it did not already have. We have done that in a way which will not undermine the profitability and, therefore, the job creating capacity of the textile industry. That is the balance which I believe we have achieved in this program.

Mr. Axworthy: Mr. Speaker, that may be what the Minister thinks but it is not what the head of the textile industry in Canada thinks. Mr. Barry has said that the deal which was announced yesterday is going to put the Canadian textile industry in jeopardy because of the trade deal and the pressures they will face. I do not know what the Minister is reading or what he is looking at, but he obviously does not understand what he has done.

Mr. Speaker: The Hon. Member will put his question.

REQUEST THAT CANADA-UNITED STATES AGREEMENT BE SCRAPPED

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, we now know that the Government has caved in on this issue. Other industries such as the food processing industry, the printing industry, and the auto parts industry have said that they will need an exemption from the trade deal in order to survive.

Is the Government going to provide exemptions for these industries? Should it not just scrap the deal, because it is clear that it will put these Canadian industries in a deep, dark hole?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me address some comments to the Hon. Member's preamble. On the one hand he says that we did not do enough, that we should have done an awful lot more for the clothing industry. On the other hand he says that we have done far too much because it is going to hurt the textile industry.

Mr. Axworthy: You blew it both ways.

Mr. Wilson (Etobicoke Centre): Which side is the Hon. Member on?

Mr. Axworthy: You blew it. That is your problem. That's the way you do things. You stand on your head and spit nickels.

* * *

NATIONAL REVENUE

PRINCIPAL TRUST BANKRUPTCY—PLIGHT OF INVESTORS—PAYMENT OF INCOME TAX

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of Finance. I am glad that he knows who he is today. That is a good first step.

Mr. Clark (Yellowhead): Who are you? Shirley?

Mr. Broadbent: I would like to ask a question about the Principal Trust fiasco. The Minister will recall that almost a year ago thousands of Canadians across the country lost their life savings in the Principal Trust fiasco. Most of these people were concentrated on the Prairies and many of them are pensioners who lost their life savings through no fault of their own.

Yesterday in the House the Minister of National Revenue seemed to confirm that, incredible as it may seem, the Department of National Revenue is now going to impute income to these people that they will never get, and force them to pay taxes.

Is this the case? Is the Government now going to compel these people to pay taxes on income they will never get, adding insult to a great deal of injury which they have already experienced?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I am rising on behalf of the Minister of National Revenue. I share the Hon. Member's concern for the situation faced by those particular customers of the Principal Group. It is true that under accrual accounting the formal result is as the Hon. Member suggests. However, the whole case is being looked at in order to identify whether a policy change can be put in place.

Mr. Broadbent: Mr. Speaker, it is one thing to say that the case is being looked at and quite another to make up your mind quickly that there should be a change so that these people will get some justice at last.

REQUEST FOR ASSURANCE OF NON-PAYMENT OF TAXES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, we now have established policy which will give companies complete tax remissions under certain circumstances which will result in over $30 billion of tax deferrals for the business sector.

Therefore, will the Minister guarantee that, either through cabinet decision or, if required, a special measure in the House—and we have acted very quickly before—the Government will assure the House that these Canadians who have already been unjustly dealt with will not have to pay taxes on income they will never get, under any circumstances? Will he guarantee that?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the hon. gentleman is taking an absolutely untenable position from an accounting point of view. He knows that.

Some Hon. Members: Oh, oh!

Mr. Hockin: To insist upon the kind of treatment the Hon. Member is suggesting is to change the whole Income Tax Act of Canada. We are going to look at this specific case carefully with these people in mind, but we are not going to throw the baby out with the bathwater.

• (1430)

REQUEST FOR TAX EXEMPTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, there have been special exemptions for corporations in the past. In fact, the Government brought in a Bill that we passed in 24 hours for the banks of Canada. Why can he not act just as promptly for the pensioners of Canada? That is the issue.

No one has asked the Minister for a widescale exemption, just one for these people in the Principal case. Will he guarantee that they will not have to pay taxes on income they will not get? That is the issue.

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the House knows that the Government has acted with resolution and alacrity on behalf of depositors in previous cases in the last few years. It is absolutely incorrect to say that it has not acted that way in the past. We will continue to be very alert to the justice of depositors and other clients with regard to the Principal Group.

REQUEST THAT MINISTER ORDER TAX REMITTANCE

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister responsible for financial institutions. It also concerns the collapse of the Principal Group of companies.

The Minister's approach to this whole issue has been to blame it on provincial jurisdictions. When he has a clear opportunity to act on behalf of 67,000 Canadians who may have lost their life savings, he says that he will study the problem. I suggest that that is not sufficient.

Will the Minister exercise the authority he has under the Financial Administration Act, in view of the public interest that exists, and today order a remittance in this particular case?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, as usual with questions like these, the Hon. Member is jumping on side with other Members from both sides when

they ask questions of this sort. His question adds nothing to that which was just asked by the Hon. Leader of the New Democratic Party.

Yesterday the Minister of National Revenue said that the taxability of interest payments depends on whether a tax filer has chosen to report interest on the cash or accrual method. Under the cash method, interest is reported for tax purposes in the year it is received, whether as cash or as a credit to a person's account. Under the accrual method, interest is recorded as it accrues.

He said:

"I want to make it clear that people on the cash method who neither received interest payments in cash nor had such payments credited to their account prior to the account being frozen will not be taxed on those amounts. However, if they did receive interest in cash or as a credit to their account the amount is required to be included in income".

That is what we are examining.

Mr. Dingwall: The Minister fails to understand that there is absolutely nothing in the accounts of these investors. He can cut it any way he wants, there is no money in the accounts.

REQUEST FOR QUICK GOVERNMENT ACTION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, surely on the basis of fairness, since these 67,000 Canadians have lost much of their savings, the Minister would want to act on their behalf not next week, tomorrow, or next year, but today, and give them the break they rightly deserve?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I can only respond similarly to what the Minister said yesterday. While the Income Tax Act already provides a measure of relief, as the Hon. Member knows, the Government is concerned about those individuals suffering hardship. My colleague, the Minister of Finance, and I hope to be able to make a further announcement concerning the taxability of interest payments when we have completed examination of the facts. That is what any Canadian would want the Canadian Government to do, and that is what we are doing.

ACCOUNTING SYSTEM—REQUEST FOR GOVERNMENT FLEXIBILITY

Mr. Simon de Jong (Regina East): Mr. Speaker, I wish to pursue this topic further. Is it correct that the Minister of State responded to an earlier question that the Government is not prepared to change the accounting system to ensure that there is some fairness and justice for these investors who have lost so much? Surely the Government is prepared to be as flexible as it has been in so many other circumstances, to ensure that the regulations are changed and these investors do not end up paying taxes on dividends and interest that they will never see?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, as I responded to the previous question, the taxability of these payments will be examined by the Minister of National Revenue, together with the Minister of Finance. An interdepartmental committee is considering it.

I object to the Hon. Leader of the NDP standing up and insisting in all cases, when he does not like the sound of something, that formal accounting be thrown out the window, when poor Canadians as well as other Canadians can be hurt by such action. We must act deliberately and carefully.

Mr. de Jong: I do not think my Leader ever suggested that sound accounting practices be thrown out the window. He did suggest that surely a remission order can be issued, as has been done in so many other cases, to ensure that some justice is done.

FILING OF INCOME TAX RETURNS—SITUATION OF INVESTORS

Mr. Simon de Jong (Regina East): Mr. Speaker, these Canadians have received their T-5 slips and are filling out their income tax forms right now. What advice can the Minister give them in the next week or two? Should they simply not file and wait for further instruction, and, if so, how long should they wait?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as my colleague just said, we are reviewing this matter on a very urgent basis. We understand the predicament in which the depositors have been placed. We are concerned about the impact of this and hope to have an answer very soon about how to deal with it.

This matter has come up on short notice and until we have a chance to look at it—

Mr. Broadbent: Short notice? You have known about it since last June.

Mr. Wilson (Etobicoke Centre): It only came up in the House yesterday—

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Humber—Port au Port—St. Barbe.

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AIR SAFETY

AIRPORT SECURITY—PRESIDENT OF AIR TRANSPORT ASSOCIATION OF CANADA'S LETTER

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Minister of Transport. The Minister knows that security at Canada's major airports is a disgrace. Indeed, the very concept of security at Canada's

airports is a farce being perpetrated on the innocent travelling public—

Mr. Speaker: Order. I would ask the Hon. Member to use the preamble necessary to ask the question and not just get into assertions which may very well be arguable.

Mr. Tobin: Mr. Speaker, I am holding a copy of a letter written by Mr. Gordon Sinclair, President of the Air Transport Association of Canada, to the Minister of Transport on February 23, 1988. It is a three-page litany of complaints that Canada's new security systems are not working.

Mr. Sinclair said: "The system is causing delays and major expenses". He went on to say: "We have no control on the system. It is not performing as promised".

In light of Mr. Sinclair's three-page litany of examples why the system is not working, and in light of the shocking spectacle on *The Journal* last night of employees saying they are not properly trained, is the Minister prepared to accept the unanimous recommendation of the Standing Committee on Transport last October that airport security be taken out of the hands of the airline industry itself, which is in a conflict of interest, and put into the hands of Transport Canada so that adequate standards can be maintained?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I will ignore the silly adjectives that the Hon. Member used in his question. Of course, he cannot have it both ways and claim that the aviation representatives are complaining about delays, and then say we have an inadequate security system. It must be working if the aviation industry is complaining about delays.

When I have gone through the system, perhaps I look suspicious, but I have always been thoroughly checked. I empty all my pockets and I still buzz. I still have to be searched. Perhaps it is personal magnetism.

• (1440)

Since the Air-India incident of several years ago, we have spent an additional $60 million on improving security systems at our airports. We know that that is not perfect. We know that the system can occasionally be gotten around.

On April 14, 1986, a task force was appointed by my predecessor on this matter. It reported on May 15. The report was approved at the end of May. We have given contracts since for new training programs. We have trained 115 supervisors and trainees at Cornwall with a five-day course.

We now have ready audio-visual material and written manuals. They were ready in English in January and in French in March. We are now ready to ensure that proper training is implemented for all who work in the system.

PARLIAMENTARY COMMITTEE RECOMMENDATIONS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I enjoy the Minister's wit as much as the next person in the House. However, I can tell him that a security system that was supposed to be improved in the aftermath of the Air-India disaster that cost some 300 plus innocent Canadian lives is no laughing matter today in the House of Commons.

I say to the Minister that the record is clear. In the letter from the Air Transport Association it is stated that the system is not working. We have heard from security employees who have gone to work after two and a half hours' training and one with three years' training, that they do not know their jobs. It is not a laughing matter.

I ask the Minister again if he is prepared now in the name of finally doing the proper thing to accept the all-Party unanimous recommendation of the Standing Committee on Transport that security at Canada's airports not be done on the cheap, that it be taken out of the hands of airlines and taken over by Transport Canada, the Government of Canada, to ensure that members of the travelling public can believe the Government when it tells them that the system is secure. Today, they cannot.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, responsibility for the airport security system is delegated to the airlines themselves. They have the responsibility for operating the security system. If their representatives are not satisfied with the way it is functioning, then they had better pull up their socks. To ensure that they do pull up their collective socks, I sent a letter to the presidents of our major airlines before this matter was on *The Journal* last night. Without the *The Journal* or the newspapers the hon. gentleman would not have a word in his mouth or a question to ask.

I have asked the presidents to come in. I am convening a meeting. I expect them to discuss and to review with me the situation with respect to wages, contract duration of the security companies, performance pay, turn-over rates, and other matters. We will see how the system works after they pull up their socks, as they should.

REQUEST THAT GOVERNMENT TAKE OVER AIRPORT SECURITY

Mr. Les Benjamin (Regina West): Mr. Speaker, the Minister has been aware for something close to three years now that many Members of the House, including the Hon. Member for Thunder Bay—Atikokan and myself, have raised repeatedly the issues of airport security and safety. The Minister knows that. We did not have to wait for *The Journal*. But I suppose a brick wall has to fall on the Minister, and I wish one would.

Some Hon. Members: Shame!

Mr. Speaker: Perhaps the Hon. Member would put his question.

Mr. Benjamin: Mr. Speaker, instead of getting the Minister's jocular codswallop will he answer the question as to whether or not the Government will implement the unanimous report of the Standing Committee on Transport which

recommended that the Government of Canada take over airport security, and operate it by the RCMP or other police forces, so that the airlines cannot save bucks, so that the security companies cannot make bucks, and so that the Minister cannot pass bucks?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the Hon. Member is going to need more than brick walls to get into power.

Mr. Broadbent: That is pretty funny.

Mr. Crosbie: The Hon. Member is trying to be jocular, with not much success, I must say.

The position is that there was a report of the House of Commons Standing Committee on Transport which is under consideration—

Mr. de Jong: Now you are being funny.

Mr. Crosbie: The system which is in effect has been in effect for many years, including when the main opposition Party was in power during the previous 20 years. There have been many improvements made to that system.

I have called in the presidents of the airlines to discuss how they could better operate the present system and to see whether it is necessary for the Government to expand its tentacles to take over this service or not. There are many countries in the world which operate just as we do.

I can give Hon. Members the nine steps that we have taken since the Air-India—

Some Hon. Members: Order!

Mr. Riis: Spare us!

REQUEST THAT GOVERNMENT IMPLEMENT COMMITTEE RECOMMENDATIONS

Mr. Les Benjamin (Regina West): Mr. Speaker, the Minister has still run around the question. I do not understand the mental block about doing something that the committee found—

Mr. Speaker: Perhaps the Hon. Member could put his question.

Mr. Benjamin: You are right, Mr. Speaker, I would be glad to do so.

The committee found airport security in London, Amsterdam, Frankfurt, and Paris being handled by the Governments of those countries and the airport authorities, and not by airlines. That is why we recommended unanimously that airport security be taken over and operated by the Minister of Transport and the RCMP. Will the Government implement that recommendation of the Transport Committee?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, since coming into office three and a half years ago the Government has taken many steps to improve security at airports. Most of those steps have been resisted with vim and vigour by the New Democratic Party, particularly—

Some Hon. Members: Oh, oh!

Mr. Crosbie: —steps that we have taken for security checks that connect with access to restricted areas. It has been fought every inch of the way by the Hon. Member's Party and by the unions that it represents.

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF M. CORNÉLIO SOMMARUGA, PRESIDENT OF INTERNATIONAL RED CROSS

Mr. Speaker: Order, please. I am pleased to draw the attention of the House to the presence in our gallery of Mr. Cornélio Sommaruga, President of the Red Cross International Committee.

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[*English*]

CORRECTIONAL SERVICES

EXODUS LINK CRISIS CENTRE—REQUEST FOR TERMINATION OF CONTRACT RENEWAL NEGOTIATIONS

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, my question is for the Solicitor General. The Minister will know that the Pepino inquiry report identified serious violations of security and supervision procedures in breach of contractual obligations at privately operated halfway houses in Toronto. The Minister will also know that serious allegations, including illicit drug use, have been made against Exodus Link Crisis Centre by a former inmate and concerned residents of Parkdale—High Park.

In view of these serious allegations, will the Minister instruct his officials to terminate all negotiations for contract renewal with Exodus Link and can he tell the House what action he has taken to address the breaches in contractual obligation of other halfway house operations in Toronto?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I know that the Hon. Member is very interested and concerned about these houses. I can advise him and the House that we did not renew the contracts of either Montgomery House or Exodus Link. I have instructed and ordered that no further inmates be placed in those houses, and that an audit be done by Correctional Services of Canada. That has already started. When those audits are completed I will then make a decision as to what to do with those homes.

I can assure the Hon. Member that if they do not meet federal standards then they will not be allowed to reopen.

* * *

[*Translation*]

AIRPORTS

SECURITY—REQUEST THAT MINISTER INTERVENE

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I want to remind the Minister of Transport that the weakness of Canada's air safety system is due to the fact that the Government got rid of its responsibilities by shifting them over to the airlines. The Minister simply has no excuse for having refused for the past six months to implement the committee's recommendation. Mr. Speaker, here is my question to the Minister: When will he at long last face up to his responsibilities with respect to passenger safety and stop getting rid of them by throwing the ball in the airlines court which in turn send it to security agencies which finally pass the buck to badly trained employees? When will the Minister take his job seriously?

• (1450)

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the hon. gentleman should think a bit before he asks such a question. It was the Liberal Government of which he formed a part that instituted the present system. No one is getting rid of their responsibility.

The Department of Transport and the Government have delegated responsibility in this matter to the various airline companies at the airports across the country. We set the standards. We have a training institution at Cornwall which, as I stated a few moments ago, has trained 115 supervisors and trainers. We now have the training material, in audio-visual and in written form, to be used by those supervisors and trainers across the country.

We have spent an additional $60 million since the Air-India incident. We are doing everything possible, without entering into a complete police state, to improve security at our airports.

The system now in effect was initiated by the hon. gentleman's Party, and he now says that somehow we are getting rid of our responsibilities. What did the Government of the Hon. Member do, if that is the case?

[*Translation*]

REQUEST THAT GOVERNMENT ASSUME DIRECT RESPONSIBILITY FOR SECURITY

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the Minister is right when he says that the existing inspection system was set up under a Liberal administration, but this was before the Air India incident which took place when the Conservative Government was in office. It was before the current world-wide increase in terrorist activities, and it was at a time when the country was administered by a responsible Government.

I simply want to ask the Minister when will he stop playing Russian roulette with the lives of passengers, assume his responsibilities, and carry out the inspections himself instead of relying on others to do it for him?

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the following are some of the steps taken in the last two years to improve the inadequate procedures that were left behind by the derelicts who preceded us.

On airport policing and security services we spent an additional $7.5 million in 1986-87; $20.4 million on physical security; an additional $2.1 million on training; $2.9 million on security organization. The following year we spent an additional $8.4 million on security guards, physical security, emergency response, training, and so on, and altogether an additional 115 person years.

In addition to all the other steps that I have mentioned, I can now give the list of nine other steps: more stringent security controls on passengers, carry-on baggage, checking baggage and cargo—

Mr. Speaker: Perhaps the Hon. Minister could speak with the Hon. Member.

Mr. Crosbie: Mr. Speaker, I will send over the list to the Member.

* * *

FILM INDUSTRY

DISTRIBUTION OF CANADIAN FEATURE FILMS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is directed to the Minister of Communications. I am sure that the Minister will join with me in congratulating last night's Genie nominees and winners, including Jean-Claude Lauzon and the cast and crew of *Un Zoo la Nuit* which, Mr. Speaker, is a film and not the Cabinet meeting of last night.

Some Hon. Members: Oh, oh!

Mr. Waddell: Does the Minister agree with Monsieur Lauzon's statement, "Glory means nothing if people in Canada don't see our films"?

I wish to ask the Minister, why can Canadians not see their own feature films?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, that is one of the most sensible questions that we have had today, and I wish to thank the Hon. Member.

I wish to join him in congratulating those films and the producers who were winners last night. I may say to the Hon. Member, regardless of what the Liberal Party does to knock Telefilm, it was the funding of Telefilm for *Un Zoo la Nuit*. Telefilm and the National Film Board put $1.2 million into a film that cost $1.8 million. Telefilm put $163,000 into *I've Heard the Mermaids Singing* a film which cost $350,000 in total.

In other words, we are making the films and they are good ones. Now we must address the distribution system. That is what the legislation that I will be bringing in will do. I can say that Liberal cabinet Minister after Liberal cabinet Minister backed down from doing this. But I can assure you, Mr. Speaker, we will be creating a separate market for distribution rights for films in this country.

INTRODUCTION OF LEGISLATION—TIME QUERY

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I checked with Cineplex Odeon in Kingston last night. They are showing movies all week like *Aloha Summer*, and *Three Men and a Baby*, which is the American version of a French film. At Famous Players they are showing *Good Morning Vietnam*. I checked in Toronto, Ottawa, Winnipeg, and Edmonton. The only place I could find *Un Zoo la Nuit* was in an arts theatre in Vancouver.

The Minister knows that only 3 per cent of screen time is taken up by Canadian feature films in Canada, which is a disgrace. When will she bring this policy in? How long do we have to wait? Every time I ask the question, she states that we have to wait. When? Give us a time.

Hon. Flora MacDonald (Minister of Communications): Thank you again, Mr. Speaker. I have said that we will be bringing this legislation in, and we will.

Some Hon. Members: When?

Miss MacDonald: I will look for the Hon. Member's support. I ask him, seriously, to consider the need for this type of legislation, and to give us the support that we need. I had superb support from the members of the New Democratic Party in putting copyright legislation through the House. I wish to tell you, Mr. Speaker, that at this moment in the Senate the Liberals are holding up copyright legislation which is so critical—

Mr. Speaker: The Hon. Member for York West.

IMMIGRATION

TURKISH CLAIMANTS FOR REFUGEE STATUS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Immigration and it concerns the Government's action last night in relation to the Turkish claimants. Last night the Minister decided to suspend deportation against Turks living in the Province of Quebec, and is hoping that the provincial Government will show the moral leadership that this Government abandoned through applying the special measures in the immigration agreement between the Province of Quebec and the Government of Canada.

Given that some individuals within the group of 2,000 individuals in Canada live outside the Province of Quebec and that no other province enjoys the immigration agreement as Quebec does, can the Minister explain what action will be taken against those Turkish claimants who live outside Quebec? Can he give the House the assurance that one standard, consistent application will be fairly applied to those individuals?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, my hon. friend I am sure is aware of the fact that first of all, the immigration process does not operate on a community basis but on an individual case basis. Also, in 1977, his Government signed with Quebec the so-called Cullen-Couture Agreement . . .

An Hon. Member: Liberal!

Mr. Bouchard: Listen, please! Eleven years ago the Liberal Party signed with the Quebec Government an agreement dealing with Immigration and Quebec's right to select its own immigrants. Yesterday, Mr. Speaker, the Quebec Government advised us of its intention to ask for the review or assessment of a number of cases in Quebec. We have accepted to delay the execution of the deportation order while the Quebec Government is adivsing us of its decisions; until then, I feel it would be advisable to wait and see.

[*English*]

APPLICATION OF REGULATIONS

Mr. Sergio Marchi (York West): Mr. Speaker, I accept the Minister's answer. Neither this Member nor this Party is criticizing the agreement that exists between the Province of Quebec and the federal Government.

My question was very straightforward, and the Minister did not answer that question. If the Minister was prepared to relax the regulations, that is, the deportation, because of legitimate concerns facing this group of 2,000 Turks, and given that within this group many individuals find themselves outside the Province of Quebec, will the Minister inform Canadians if we are going to have a consistent application of the regulations?

Will he specifically inform the House what action those Turkish individuals living outside Quebec can expect from the

federal Government which must assume the federal responsibility because there is no provincial agreement to show the leadership that this Minister is willing to abandon?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, when I hear a Liberal Member talk about honesty and suggest that we should expedite matters, I feel compelled to ask him when will he help us overcome situations such as these by convincing his colleagues to adopt Bill C-55.

Some Hon. Members: Bravo!

Mr. Bouchard: Mr. Speaker, I should like to quote part of the statement which the Quebec Minister of Immigration made yesterday in the National Assembly: "Canada is one of the countries of the world where border controls are the least stringent". Now that the Senate has been blocking this Bill for the past eighteen months, some 10,000 people have entered this country and one year from now, the opposition will probably be asking us to grant them amnesties on the grounds that these people were not properly assessed under the law.

• (1500)

[*English*]

Mr. Speaker: A single question. The Hon. Member for Winnipeg—Birds Hill.

* * *

LABOUR RELATIONS

CANADIAN PACIFIC RAILWAY—REFUSAL OF WORKERS TO PASS PICKET LINES

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Minister of Labour. It has to do with the way in which the CPR is using the provisions of Bill C-85 to intimidate rail workers who are refusing to cross the picket lines set up by their fellow workers in another bargaining unit. The Minister knows, as we all know, that that legislation was put in place to enforce the back to work legislation, not to provide a club for the CPR to intimidate workers forever and ever in these kinds of situations which are not the same as the back to work legislation.

Will the Minister rise in the House today and indicate to the workers and to all Canadians the injustices of this action on the part of the CPR, and that that is not the intent of Bill C-85, and that CPR should cease and desist from using the Bill in that way?

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, Bill C-85 was not intended to intimidate anybody.

ROUTINE PROCEEDINGS

[*Translation*]

EXPORTATION AND IMPORTATION OF CULTURAL ASSETS

PRESENTATION OF 1986-87 ANNUAL REPORT OF STANDING COMMITTEE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Pursuant to Standing Order 67(2), Mr. Speaker, I have the honour to table the 1986-87 Annual Report concerning the Cultural Property Export and Import Act.

Pursuant to Standing Order 67(4), the Report will be referred to the Standing Committee on Communications and Culture.

* * *

[*English*]

CANADIAN ENVIRONMENTAL PROTECTION ACT

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE ON BILL C-74

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, I have the honour to present the report of the legislative committee on Bill C-74, an Act respecting the Protection of the Environment and of Human Life and Health.

If I may just add a few extra words, Mr. Speaker, the workings of this committee were somewhat unique in that during clause by clause analysis we passed 261 amendments which came from the Liberals, the New Democrats and government Members. It was a superb non-partisan exercise, an example of how the parliamentary process should function. I wish to congratulate all Members, our staff and all of our witnesses for a job well done.

* * *

CONSUMER AND CORPORATE AFFAIRS

AUTHORIZATION TO TRAVEL

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, there have been discussions among the Parties and I think you will find there is unanimous consent for the following motions to be made and passed immediately. First:

That the Standing Committee on Consumer and Corporate Affairs and the necessary supporting staff be authorized to travel to Washington, D.C. from

March 28 to 30, 1988, inclusive to study how the United States Government deals with deceptive or misleading advertising.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. The caucus of the Liberal Party approves of that trip but I want to give notice to the Government that after Easter that kind of authorization to travel might be a little more difficult to obtain. We would like to think that we have 12 weeks of continuous work in this House. I invite the committees and anybody else to think seriously about travel.

The Acting Speaker (Mr. Paproski): Does the Hon. Minister of State have the unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

EXCISE TAX ACT

CHANGE IN ORDER OF REFERENCE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, the second motion is on consent also. It is really a change of committee reference for Bill C-117.

I move:

That the order for second reading and reference to a legislative committee of Bill C-117, an Act to amend the Excise Tax Act and the Excise Act standing on the Order Paper, be changed to read second reading and reference to the Standing Committee on Finance and Economic Affairs.

The Acting Speaker (Mr. Paproski): Does the Hon. Minister of State have unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

CUSTOMS TARIFF ACT

CHANGE IN ORDER OF REFERENCE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, the third motion is on consent. It is a change of committee reference for Bill C-118. I move:

That the order for second reading and reference to a legislative committee of Bill C-118, an Act to amend the Customs Tariffs Act standing on the Order Paper, be changed to read second reading and reference to the Standing Committee on Finance and Economic Affairs.

The Acting Speaker (Mr. Paproski): Does the Hon. Minister of State have the unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

PETITIONS

OPPOSITION TO BILL C-33—RETENTION OF FULL INDEXATION OF PENSION BENEFITS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, it is my pleasure and my honour on behalf of a number of constituents from the Windsor and district area to present two petitions, both duly certified, which ask of this Parliament to maintain full indexation of federal Public Service, Armed Forces and Royal Canadian Mounted Police pension benefits by rejecting Bill C-33.

[*Translation*]

OPPOSITION TO THE EXPULSION OF TURKISH NATIONALS

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I have the honour to table a petition that started with the name of one dedicated woman, Mrs. Diane Ducharme of Notre-Dame-du-Rosaire parish, and calls urgently upon Minister Bouchard to be so kind as to take the necessary measures.

This petition is remarkable in that one woman started it, followed by her husband who wanted to join her as did everybody, at the corner store. That woman went to Notre-Dame-du-Rosaire parish where everybody wanted to sign the petition.

I want to thank publicly that woman of great christian principles who spontaneously undertook to have this petition signed. And it is a great honour for me to table that petition, Mr. Speaker.

I also have the honour to table a second petition, and to make things easier—

[*English*]

I may help you in putting them all together according to the rules so I will not have to come back tomorrow, Mr. Speaker.

This petition is highly interesting. It so happens that the person who asked me to table this petition had it signed by a multitude of people.

First I would like to recognize the Samuelson Company which now employs 250 to 300 people, with 10 per cent, or 21 persons being *Les Turcs*. The lady asked me if I would present this petition which was presented by her to all the employees in the park extension and surrounding area. It is a great honour for me to thank that person for her great devotion to that cause.

• (1510)

The reason I am saying more is that Canadians have to understand that already these people known as *les Turcs* are at work in the manufacturing industry in that district and are showing that they are so devoted that I am sure they will make excellent Canadians. I am very honoured to table this petition on behalf of Madam Samuelson.

PROTECTION OF UNBORN CHILDREN

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, it is my honour and privilege today to present a petition signed by a number of people from the federal constituency of Moncton, and particularly from the St. Bernard's Catholic Church parish.

The petitioners express their concern over the recent Supreme Court of Canada decision regarding abortions, and they humbly pray that the Government of Canada take whatever legislative action necessary to protect the rights of the unborn child.

PROPOSED FREE TRADE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the responsibility and the privilege of entering a petition signed by residents of Chatham, Wallaceburg, Merlin, Dresden, Tilbury—

Mr. Fulton: Quite a bundle of them, John.

Mr. Rodriguez: Yes, quite a few—Kemptville all in Ontario. These petitioners point out that the Conservative Government had no mandate whatsoever from the Canadian people to enter into any trade agreement with the United States—

Mr. Fulton: You're right, too.

Mr. Rodriguez: That is right. Second, whereas the Prime Minister (Mr. Mulroney) had promised in the course of the bilateral trade negotiations that Canadian sovereignty would not be compromised whatsoever, and whereas the proposed trade agreement is denying Canada the policy freedom to determine its own economic future and undermines the ability of Canada to build a society which is distinct from that of the United States of America, the petitioners call upon Parliament to dissolve and to allow the people of Canada the opportunity to accept or reject this so-called free trade agreement with the United States.

OPPOSITION TO THE EXPULSION OF TURKISH NATIONALS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I was most pleased to see on television last night and again this morning that the situation of the Turks in Montreal seems to be on the way to being resolved, although there is still no firm commitment or full understanding of the situation, and I can certainly appreciate the destabilization of these families.

I think the open and warm-hearted approach of Quebecers to these new Canadians-to-be is a wonderful demonstration of the multicultural reality that is the Canada of today. I would hope that the Minister, in looking at this issue, would find answers not only for the Quebec Turks but for those across the land.

I was pleased that my colleague mentioned Mrs. Samuelson, and I bring to your attention, Mr. Speaker, that these petitions, one of which has 25 signatures and one of which has over 43 signatures, come from my riding, from people who live on streets like Plamondon, Desrosiers and Barclay.

I thank you for your indulgence, Mr. Speaker, and I thank everyone for having thought about these people's rights in this society.

REQUEST FOR EXEMPTION FROM SUSPENDED SALE OF ATVs

Mr. Thomas Suluk (Nunatsiaq): Mr. Speaker, it is my honour and privilege to present a petition signed by 761 residents of the federal riding of Nunatsiaq in the eastern Arctic.

The people who signed this petition are extremely concerned that the federal and provincial Governments have suspended the sale of the cheaper, more versatile and lighter three-wheel all-terrain vehicle. As most people know, we do not have any roads up in the Arctic except just around houses, and these vehicles have been used for hunting and for work. Even little old ladies use them to haul their drinking water in the spring and summertime.

The petitioners are asking that the Minister of Transport (Mr. Crosbie) and this House review the decision to end the sale of the three-wheel versions with the hope that the eastern Arctic could be exempted from this suspension in Canada.

PROPOSED FREE TRADE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my privilege to present a petition on behalf of a number of constituents who indicate that the trade deal negotiated with the United States would have a fundamental impact on Canada's economic, cultural and political independence.

They believe that the negotiated trade deal will certainly result in a loss of jobs in many sectors and regions of Canada. They are requesting that the Parliament of Canada obtain a clear mandate from the people of Canada through a national

debate on the alternatives available to the country, and that this debate result in a national General Election prior to the signing of the agreement; that means prior to its taking effect on January 1, 1989.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if Questions Nos. 205 and 265 could be made Orders for Returns, the returns would be tabled immediately.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House that Questions Nos. 205 and 265 be deemed to have been made Orders for Returns?

Some Hon. Members: Agreed.

[*Text*]

INCREASE IN DEATHS 1986 AS COMPARED TO 1985

Question No. 205—**Mr. Caccia:**

1. For the period May to August, 1986, as compared to the same period in 1985, has there been a rise in the number of deaths (*a*) of babies (*b*) of people with AIDS (*c*) of people with other infectious diseases and (*d*) of people aged 25 to 34 and, if so, in what provinces and territories?

2. Can increases in death rates in these categories be attributed to radioactive fallout from the Chernobyl accident in May 1986 and, if not, what could explain such increases?

3. What data have been collected in Canada to monitor the effects of the Chernobyl accident?

Return tabled.

SMALL CRAFT HARBOURS PROGRAM

Question No. 265—**Mr. Henderson:**

In (*a*) 1984 (*b*) 1985 (*c*) 1986 (*d*) 1987 did the Department of Fisheries and Oceans spend money under the Small Craft Harbours Program and, if so, in what amounts for each (*a*) province (*b*) constituency?

Return tabled.

[*English*]

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

The Acting Speaker (Mr. Paproski): Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I would ask that all Notices of Motions for the Production of Papers be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall all Notices of Motions for the Production of Papers be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADIAN MULTICULTURALISM ACT

MEASURE TO ENACT

The House resumed from Tuesday, March 22, consideration of the motion of Mr. Crombie that Bill C-93, an Act for the preservation and enhancement of multiculturalism in Canada, be read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Paproski): When the House rose yesterday, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) had the floor. Since he is not in the House, I now recognize the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano).

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I welcome this opportunity to take part in this very important debate on Bill C-93, an Act for the preservation and enhancement of multiculturalism in Canada.

Mr. Speaker, Canada has welcomed people from all over the world who come here to find freedom, social peace and economic prosperity. From the first immigrants, whether they were French, Irish or Scottish, down to the recent waves of nationals from Asian countries and including the great migration that took place after the war, when so many immigrants came over from Europe, they have all found in Canada a country that was growing and especially, Mr. Speaker, a country where dreams could become a reality.

Like thousands of people from all parts of the world who became Canadian citizens, my family and I are very grateful to Canada and Canadians for welcoming us as brothers and for giving us a chance to participate fully in the life of our community, our city and our new country.

[*English*]

I feel that the most concrete way in which we can express our gratitude is to pursue an active role in the country we have chosen. We want to continue to progress toward greater harmony and prosperity. Our objective is to create a Canada which reflects the ideals and ambitions of its citizens.

[*Translation*]

As members of Canada's various cultural communities, each one of us brings with him his own cultural baggage. Each one

of us, Mr. Speaker, brings his traditions and knowledge which have helped to give Canada its unique character and a uniquely dynamic social and economic thrust.

Obviously, Mr. Speaker, the more our cultural communities are strong, alive and dynamic, the more Quebec and Canada will be strong and productive. This is why a great majority of Canadians support a generous, open and, most important, non-discriminatory immigration policy.

The family reunification program has always been the favourite of Canadians, we should re-establish this program and make it a cornerstone of our immigration policy. We must improve our system to make it more effective and reduce the frustrations of those who want to sponsor new immigrants. Many people in my riding of Saint-Léonard—Anjou come to see me every week and say that they are willing to provide any guarantee that might be asked of them to have relatives, such as brothers and sisters, come to Canada. Unfortunately, existing legislation and current policies do not allow them to do so.

Mr. Speaker, we have to implement a policy which will allow people to sponsor their relatives and which will promote family reunification to ensure that our country will always remain properous and tolerant. We must also develop a fair and effective system to identify refugees and provide them with adequate facilities on their arrival. Finally, we must eliminate from the system influential but unscrupulous lawyers and advisors who throughout the world mislead thousands of candidates anxious to emigrate to Canada. Those people, who are more motivated by greed than by compassion, cause untold damage to the immigration candidates and to the reputation of Canada.

• (1520)

[*English*]

We must re-establish family class and family unification categories as the unquestionable corner-stone of Canada's immigration policy. We must introduce a more effective and expeditious processing to resolve the lengthy delays and frustration which Canadians encounter in sponsoring immigrants. We must establish and implement a refugee determination system that will provide an efficient and fair processing system. We must address the problem of immigrants who are a part of visible minorities, and especially women who face tremendous and unique challenges. We have to move swiftly and vigorously to eliminate those unscrupulous lawyers and advisors around the world who viciously misinform candidates about our immigration system.

[*Translation*]

We in Canada already have an advantage in being able to dialogue and deal with the rest of the world in two official languages. When we add to that the linguistic contribution of our cultural communities, we gain access to the richest markets in the world, such as the European Community, Japan, China, and so on. This dialogue between the various components of our society must be based on mutual knowledge combined with the recognition of our diversity and even sometimes our differences.

Mr. Speaker, pious wishes are all very well, but we have to be realistic and practice what we preach.

As the Leader of the Official Opposition (Mr. Turner) so aptly put it, there are no longer any majorities in this country. One way or another, all Canadians belong to a minority and we are all equal.

Mr. Speaker, here is what former Quebec Minister Paul-Gérin Lajoie had to say about a new immigrant:

> If we expect him to like our culture and feel at home in Canada we must not give him the impression that he has to shed his own identity and forget all about his own cultural background. He went on to say unequivocally: "The only way he can make a useful contribution to Canada is to remain faithful to his past. His integration will be all the more real that he be allowed to lead a full life in Canada. It will be worthwhile only to the extent that his fellow citizens benefit from his presence and find enrichment is such diversity."

In fact, the true purpose of multiculturalism is not only to give people a chance to become part of Canadian life, but also to live in Canada and continue to develop their own culture. As Canada and its cultural communities develop their cultural strengths, we will have a strong Canada, a prosperous Canada, a Canada that will be able to compete with the rest of the world.

Once we have perceived and acknowledged this fact, it is much easier to create a cultural dialogue and to acknowledge that we are all genuine parties to this dialogue. To fight racism, to harmonize diversity, to develop a consensus among diverging attitudes, and to make equal opportunity apply to all is no mean challenge, Mr. Speaker, for a country or for a people! A very recent study in the United States found that despite the heroic struggles of black leaders like Martin Luther King, the general perception was that racism continues to exist at a level almost as dramatic as it was during the sixties. The forms it takes may not be as visible as they were when segregation was still legal, but its impact remains practically unchanged, Mr. Speaker. Unfortunately, Canada is not impervious to such attitudes or to their impact.

By the year 2000, three out of five people in Montreal will be of ethnic origin. Today, it is already fifty per cent. This means that Canadians of all origins, especially those who live in big cities, will have to make a quick mental and behavioural adjustment to this situation, and especially to the phenomenon of visible minorities. This takes time and energy, Mr. Speaker, and above all, it requires tolerance.

We need moral and political leadership. Token appointments to second class positions and administrative bandaid solutions are a thing of the past. We must now define new directions, generate innovative ideas and identify today's pressing problems. We have indeed come a long way under previous Liberal governments. Today, however, we must take a hard look at new challenges. We must respond to the new aspirations of our children, of members of our cultural

communities who represent a second or third generation. Their attitudes, needs and objectives are not necessarily those of their parents or yours, or mine Mr. Speaker.

[*English*]

The present Government has clearly not understood Canada's multicultural reality of the 1980s, and understands even less the coming reality of the 1990s. Despite the election promises of 1984, the situation has not improved. The lack of government direction has produced nothing but stagnation, confusion and, in my opinion, a deterioration which will, sooner or later, heighten social agitation.

[*Translation*]

It was just a matter of polishing his campaign image for our cultural communities. Last December, the Government tabled a Bill on multiculturalism, referred to everywhere as being without scope or substance. Instead of giving multiculturalism the kind of support bilingualism is given through the Official Languages Act, the Conservative Government's Bill merely provides a legislative framework for the existing program and extends the principles of multiculturalism to various branches of the Government. In three and a half years, Mr. Speaker, we have had three Ministers of State (Multiculturalism). That is how important this vital issue is to the Government!

Although the operation to launch this Bill was packaged in a glossy brochure, everyone realized the Government was merely making a symbolic gesture that could not hide the lack of substance. Mr. Speaker, throughout the Bill we read constantly: "The Minister may . . . ", but never a sentence that says: "The Minister shall . . . " Will our cultural communities always be at the mercy of a change in government or a change of ministers?

[*English*]

The same half-hearted approach was taken by the Government in the area of appointments.

• (1530)

With seemingly impressive numbers, the Government claims to have treated the cultural communities well in this regard. However, looking closely at the appointments, they have been at low levels in Crown corporations, the bureaucracy, and often in strictly advisory organizations.

Canada's cultural communities deserve better. To everyone's benefit, we should be able to find Canadians of ethnic backgrounds involved in all sectors, in decision-making roles at the highest levels of bureaucracy right up to the presidency of any Crown corporation.

[*Translation*]

So we are still at square one. The Conservative Government cannot be relied on to forge ahead, it has just tabled Bill C-93 last December, and that is as far as it will go. The Bill is a positive proof that it simply cannot see the sociological evolution and respond with fairness and compassion to the needs of Canadians, regardless of their origins.

On the other hand, Mr. Speaker, multiculturalism has always been part of the Liberal vision of Canada. Proud of its tradition and many achievements in promoting Canadian multiculturalism, the Liberal Party purposely envisages what Canada might be in the 1990s. Architect of the first and now the second stage of multiculturalism, our Party still maintains a broader long-range perspective whose strength is its very foundation and which is at one with the new generation of Canadians and Quebecers. This leadership reflects our conviction that a policy can never be an end in itself but an ever-fresh challenge which calls for unrelenting efforts and unconditional selflessness.

More than anyone else our Leader of the Opposition is aware of the tangible contribution and vital role of cultural communities in today's and tomorrow's society. What we want is to find dynamic avenues, still more worthwhile programs to be implemented with logic and coherence so as to maximize the scope and impact of all our initiatives in immigration and multiculturalism.

[*English*]

Most of the people came to a new land with an undying promise of hope and purpose. Therefore, we in this House must recognize one inescapable reality, namely, that history has placed you and me, Mr. Speaker, within a common border and under a common law. All of us, from the wealthiest and most powerful of men to the weakest and poorest of children share one precious possession—the name "Canadian".

[*Translation*]

And so, Mr. Speaker, I want to tell my colleagues in this House that I am proud to be a Canadian. I am proud to belong to a cultural community. I am proud as well to contribute to a political Party which has always been conscious of the multicultural reality and which has never skimped in terms of measures designed to enable our communities to fulfil their aspirations within the great Canadian mosaic.

Mr. Speaker, I feel confident that we can achieve the dialogue of cultures, that we can shape the Canada of the 1990s to reflect its wide variety of citizens. Mr. Speaker, let us give ourselves the tools to build a Canada where we can stand united, and let us give ourselves the tools to build a Canada to our own image.

[*English*]

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to a legislative committee.

WESTERN ARCTIC (INUVIALUIT) CLAIMS SETTLEMENT ACT

MEASURE TO AMEND

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development) moved that Bill C-102, an Act to amend the Western Arctic (Inuvialuit) Claims Settlement Act, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, very briefly, I wish to commend this legislation to the House. I want in advance to express my thanks to all Members of the House who have allowed this to come forward and to be concluded at this time. I look forward to the debate and discussions which will follow.

Mr. Penner: Mr. Penner, I rise on a point of order. I noticed in the reading of the Orders of the Day that this Bill was to be given second reading and then referred to a legislative committee. If my information is correct, there is a willingness on the part of my colleague, the Member for Skeena (Mr. Fulton), and myself, with the concurrence of the Minister, to proceed through all stages of the Bill this afternoon. It is not in any way a controversial Bill. It is, in the main, a housekeeping Bill. Although I want to reserve the right to make a few comments about this important agreement, I wonder if we could determine at this time that in fact there is agreement that we proceed through all stages.

Mr. Fulton: Mr. Speaker, it is my understanding as well that we could, with the co-operation of the Minister and the Government side, proceed through all stages and ship this Bill off to the Senate today.

Mr. Hawkes: Mr. Speaker, I had some conversations with the House Leader of the New Democratic Party. The Government is certainly predisposed to move to report stage and third reading stage on this Bill.

However, we would like to have clarity in the House as to whether it is the intention of the Opposition and the Government to work together to pass Bill C-116 through all stages this afternoon as well. If there is not that predisposition, then I think we should move on to Bill C-116 and perhaps have time to return to this Bill later.

I seek some guidance from the House as to its willingness to commit itself to the passage of Bill C-116 through all stages this afternoon if we go through all three stages of Bill C-102.

Mr. Rodriguez: Mr. Speaker, I want you to know that this Party is committed to passing through all stages today of Bill C-116 which amends the Unemployment Insurance Act. It provides paternity benefits and corrects the problem with premature births. I want to make that clear, to ensure that the Bill is passed through all stages today. We have committed ourselves to doing that and want to stick to that commitment.

The Acting Speaker (Mr. Paproski): Is that agreed?

Mr. Penner: Agreed.

Mr. Hawkes: In that case, Mr. Speaker, I think we should finish this Bill first and then move on to Bill C-116.

The Acting Speaker (Mr. Paproski): I will therefore recognize the Hon. Member for Cochrane—Superior for debate on Bill C-102.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, it is not my intention to speak for an undue length of time, but I believe that even a non-controversial Bill on which there is all-Party agreement deserves some expanded explanation in order that Members of the House will know what we are doing and those who are observing today's proceedings will understand what Bill C-102 is about. It certainly cannot in any way be described as a major Bill, but it is nonetheless important. It is certainly important to the 2,500 Inuvialuits in the Western Arctic and the Inuvialuit Regional Corporation which represents this group of aboriginal people who live north of 60.

• (1540)

The Bill contains only one clause. That single clause amends the definition of agreement in a previous statute passed by Parliament in June, 1984. That previous statute to which I refer was the Bill that ratified the Inuvialuit final agreement which came out of a very protracted period of negotiations arising out of a claim in the Western Arctic put forward by the Committee on Original Peoples Entitlement, known as COPE. In the past we often spoke about the COPE agreement, the COPE negotiations and so on.

During one part of my parliamentary career it was my privilege—one that I consider to be a very special privilege—to assist in that negotiation process. That assistance in only a small way led to an agreement in principle which was reached prior to the election of 1979. That agreement was reached under the then Minister of Indian Affairs and Northern Development, the Hon. Hugh Faulkner, who was the Member for Parliament for Peterborough.

When the Clark government took office, this agreement in principle was put on hold in order to pursue and consider certain changes which the Government thought to be necessary. I will not dwell on that unduly, but there were some difficulties to which the Hon. Member for Western Arctic (Mr. Nickerson) will probably want to refer if he is speaking on the Bill today.

However, when a new Liberal government took office in 1980 those difficulties were recognized and efforts were renewed to try to achieve a new agreement in principle and a final agreement. That did not happen quickly. While it took some time to achieve this, finally, on March 28, 1984, it was announced by the Minister of Indian Affairs and Northern Development, the Hon. John Munro, that a COPE final agreement had been approved by Cabinet.

On June 4 it was signed by that Minister and the representatives of COPE. On June 26, the Western Arctic Inuvialuit Claims Settlement Act, Bill C-49, was passed by the House of Commons.

That agreement to which I referred was very large and complicated. Like any agreement that is drawn up in some haste, it had a number of minor difficulties, such as punctuation mistakes, spelling and typing errors and, in one case, an incorrectly drawn map. Like some of the first drafts of essays many of us have written in the past, it needed a lot of work. However, there was so much anxiety to get this agreed to and ratified by Parliament, many of those details were overlooked.

Last year, all of these necessary corrections were quite properly made by Order in Council in what we would call housekeeping changes. A few years prior to that Order in Council, another Order in Council permitted the Petroleum Incentives Program to be applicable to Inuvialuit lands. One can see immediately that that is a dead issue, for all intents and purposes, because since December 3, 1987—the last day to incur any eligible expenses under PIP—and April this year, all eligible claims must be in. To the best of my knowledge, this has no applicability to the Inuvialuit people.

However, I am sure that these two Orders in Council were of some concern to the Government because Orders in Council are always under the watchful eye of the statutory instruments committee. The statutory instruments committee is not at all pleased about changes being made which in fact ought to be properly ratified by Parliament.

Finally, Bill C-102 makes it clear for the future that when non-substantive amendments are agreed to, "consent by Canada" means precisely and exactly consent by Governor in Council. That is how the Statutory Instruments Committee prefers it. It wants parliamentary approval and parliamentary authority for Orders in Council, even if they are routine and housekeeping in nature. If an amendment in the future is non-substantive, it will be done by Order in Council.

Of course, if amendments in the future have anything to do with the terms in the agreement that actually affect benefits or any specific aspect of the agreement, then it must come before Parliament for ratification and approval.

Let me describe some of the principles and benefits contained in this agreement. The agreement involves 2,500 Inuvialuit people living in six Arctic settlements: Sachs Harbour, Holman Island, Paulatuk, Tuktoyaktuk, Inuvik, and Aklavik.

There were at least three main objectives that were recognized throughout the negotiating process as essential ingredients of a just and fair settlement. The first was the preservation of Inuvialuit culture and values within a changing northern society. The second was the preparation of the Inuvialuit to be equal and effective participants in the northern and national economies and in society in general.

The third being the promotion and the preservation of the Arctic's wildlife, biological productivity and natural environment. There are no groups of people in Canada, even the most ardent environmentalists, who have a better philosophical and ancient tradition in respect of preservation of the natural environment than do the Inuvialuit.

What about benefits? The agreement we are talking about intended to protect the rights of the Inuvialuit as Canadian citizens and as aboriginal people under the Constitution Act. It is very important to emphasize over and over again that negotiating these agreements which confer special rights, which I will mention in a moment, in no way cuts off or excludes these people from the normal rights of Canadian citizens. That is why I am such a strong advocate of the recognition of aboriginal rights and the settlement of aboriginal title. Even where it leads to a very high degree of self determination, in no way can it ever be described as some kind of pseudo or semi apartheid. It is because the larger society, the dominant society of which we are a part, in no way excludes access to any of its institutions or to any of its rights. It says that because aboriginal people had established themselves many thousands of years ago—in fact, a recent archaeological estimate is that the origin of these people in North America can be dated back 100,000 years. I am not about to become involved in archaeological disputes about time. I simply accept that aboriginal people were here since time immemorial. We can put whatever figure we want on it.

• (1550)

Aside from conferring or recognizing that they have the rights that all of us enjoy, what are these special rights that go into this agreement because of aboriginal title? Very briefly, they are wildlife harvesting rights, land ownership and management, surface and sub-surface rights and environmental protection; that is, screening and review bodies. Economic and social development is encouraged.

Then, there is the issue of compensation, which includes $152 million through annual payments over 13 years. That calculation, that agreement, is based on dollars at the time. Those dollars are calculated in 1977 terms. That takes into account inflation. The annual payments are to continue until 1997. There is an economic enhancement fund of $10 million, and $7.5 million for social development. Inuvialuit ownership of 91,000 square kilometres of land is recognized. There are surface and sub-surface rights to which I referred earlier of 11,000 square kilometres. There are also certain exclusive and preferential hunting and fishing rights, structures for wildlife management, a conservation regime for the Yukon, northern slope, including a national park west of the Babbage River and a territorial park on Herschel Island.

Those are just some of the items contained in this agreement that was ratified in June of 1984.

In return for the provision of a range of rights, benefits and compensation, what did the Inuvialuit do in exchange for that?

What they did was surrender their interest in and to certain lands in the Northwest Territories and the Yukon and adjacent off-shore islands and waters. In other words, the Government of Canada recognized the existence in this part of Canada of aboriginal title. I refer to the Mackenzie Delta in the western Arctic. The right of Canada, or as we sometimes say the right of the Crown, has been affirmed by way of agreement which flowed from the negotiations and the settlement of a claim.

I cannot end my remarks without repeating once again, and I know I do it perhaps too often but I do so because I feel strongly about it, that it is my view that the Government of Canada still has it all wrong in its understanding of what constitutes aboriginal title. I repeat again categorically and outright that aboriginal title is not merely an awkward, embarrassing and difficult lien, a shadow or an encumbrance on the Crown right. That is what the experts in the Department of Justice would like us to believe. I cannot accept that.

They would argue that despite recognizing aboriginal title in those terms and agreeing to negotiate a settlement, the Crown right is and the Crown right remains at all times and in every instance pre-eminent. I say, not so. I disagree. Aboriginal title precedes the Crown right and where surrender has not occurred then that aboriginal title in my view takes precedence over the Crown right.

How I ask, historically, could suddenly the Crown right take pre-eminence over aboriginal title? How did that happen? It could only have happened on one kind of historical basis that I am able to understand; that is, if one asserts the divine right of monarchs and one says that the God that was believed in by those who came from Europe was a more powerful God. Therefore the power that the Crown had from that God, that right, remains pre-eminent.

All of that theological nonsense has long been thrown in the ash can of history. That is why we have democracies, Sir. Here in Canada we have one vestige of this divine right concept. It is what we use to hammer the aboriginal people over the head with to say, "Well, whatever you do in your negotiations with us do not think you are talking to an equal here. This is not an equal process at the negotiating table. We will give you something. We will toss you some bucks. We will give you some land and we may even let you fool around a little bit with running some of your own affairs. But do not for a moment get up on your high horse and think that your claim is in any way equal to our claim. Our claim, the Crown right, is always and forever pre-eminent".

To that I say nonsense. That point of view is being chipped away at little by little by little. We have on our side a number of important court decisions that have chipped away at it. Eventually, that ridiculous outdated structure of the pre-eminent Crown right based on the divine right of monarchs will come tumbling down. We in Canada will have to negotiate these outstanding aboriginal claims based on aboriginal title. We are going to have to sit down in a serious way to negotiate as equals.

More about that on another day, because that is a full debate. I wish to end now simply by saying that I have been in contact regarding Bill C-102 with the Inuvialuit Regional Corporation which advised me:

> This will confirm for you the substance of our phone call of Friday, December 4, 1987, indicating that the proposed legislation amending the Western Arctic (Inuvialuit) Claims Settlement Act has been discussed with us by the Minister of Indian Affairs and Northern Development and meets with our approval. Your support for this Bill and efforts to achieve unanimous consent permitting expeditious passage in the House are greatly appreciated.

It is signed by Mr. Roger T. Gruben, Chief Regional Councillor for the Inuvialuit Regional Corporation.

Mr. Jim Fulton (Skeena): Mr. Speaker, I too am pleased to participate in today's debate on an Act to amend the Western Arctic (Inuvialuit) Claims Settlement Act. As my friend from Cochrane—Superior has pointed out, the process with which we are dealing today is second reading and third reading debate on Bill C-102. It is timely in that several of the amendments have already passed into history. However, the amendment proposal is important for future business to be consensually and mutually negotiated and agreed upon between the Government of Canada and the Inuvialuit.

I am pleased to also understand that agreements have been reached between the Government of Canada, for example, the Government of the Yukon so that when future proceedings are taking place they are also involved in and informed of the process that is taking place.

My friend has covered some of the points. I think it is important for the record to have a bit more of the history of the original settlement Act, what it means, who was involved and how it came to be.

The Committee for Original People's Entitlement, COPE, as it was widely known in the media and here in the House of Commons and in committees, was the key structure that dealt with the negotiations process in the original agreement that was signed by the then Prime Minister Trudeau and Mr. Munro as the Minister of Indian Affairs and Northern Development. Simon Reisman was the chief negotiator for Canada, Dennis Patterson was for the Government of the Northwest Territories. He is now the leader of that Government. Chris Pearson represented the Government of the Yukon. He has now gone from politics. For the Committee for Original Peoples' Entitlement at that time it was Peter Green, who was President. He signed together with Charles Haogak, Sam Raddi, Billy Day, Eddie Gruben, Bertha Ruben, Annie Gordon, Elsie Klengenberg, Nellie Cournoyea, Andy Carpenter, Robert Kuptana, Nelson Green, Mark Noksana, Renie Arey, Agnes Semmler, and Bob DeLury, the Chief Negotiator for COPE. At that time it was witnessed by Richard Nerysoo, Maurice Lafontaine, Michael Flavell, and Randal Pokiak.

• (1600)

It was an important moment in time. The Chief Negotiator, Bob DeLury who was living in the area of Burns Lake, was a

wildlife biologist at the time. He got involved, and became the Chief Negotiator. He is still there and still very much involved.

COPE entered into the agreement with Canada on June 5, 1984. It was tabled in the House on June 19, 1984. It was passed by the House on June 26.

In negotiations between the two parties, Canada and the Inuvialuit it was quickly realized that the amendment we are dealing with today was necessary within days of the agreement being passed here in the House.

Let me return to that moment in time and discuss what brought that on. The negotiations began to proceed following the landmark 1972 Supreme Court of Canada decision on the Calder case that was referred to by my friend, the Hon. Member for Cochrane—Superior (Mr. Penner). It was immediately prior to that time, under Jean Chrétien, the then Minister of Indian Affairs and Northern Development, that a White Paper was being developed on how to handle aboriginal matters in Canada. What reversed the flow of what was going on in Parliament, particularly coming from the Government, was the Calder case.

The justices of the Supreme Court of Canada unanimously found and determined the ongoing existence of aboriginal title in Canada. They also came to a remarkable conclusion in terms of the Nishga case in British Columbia, because they split three-three. They wanted to send as strong a message as possible to Parliament to get on with negotiations. It was not too long after that remarkable Supreme Court of Canada decision that a new federal policy was proclaimed in Ottawa, on August 8, 1973, reversing the assimilationist policies that had been in place since the last major treaties were signed in the past century.

There is an old saying of which I am reminded from time to time as to what happened following the Supreme Court of Canada decision, which is, "Nothing clears the mind like the prospect of hanging at dawn". I wish Members to think of that for a moment, because I hope that we do not have to have another Supreme Court of Canada decision, whether it is on the Gitksan-Wet'suwet'en case or some other case, to reverse the folly of the present road that the Government of Canada is going down. We are almost back to those slippery slopes of 1971-72 where the assimilationist dogma and politics overtook the proper consideration of what treaties are, and what the historic relationships between Canadians and the First Nations of this continent have long been.

The agreement in principle took some years to reach. It was reached on October 31, 1978. Some problems have arisen in the past decade a result of ineffective and, at times, non-existent communication between Ottawa, the federal Government, the Inuvialuit, the principal communities in that area, and also a lack of communication between the Government of Canada and the Governments of the Yukon and Northwest Territories. I hope that is something that does not continue to occur. Hopefully there will soon be provinces north of 60° and self-government to a much greater extent north of 60°, and those types of communication problems will be less likely to occur.

The Inuvialuit final agreement contained 18 principal points. My friend alluded to the size of the land, some 35,000 square miles in title fee simple absolute, full sub-surface rights to 5,000 square miles, to a seventh of that land. On the other 30,000 square miles the Crown holds rights to gaseous, solid or liquid minerals, principally natural gas, oil, and that type of mineral prospecting that has gone on for so long in, around, and off the mouth of the Mackenzie River.

Compensation was arranged of $44 million in 1977 dollars. Approximately $12 million was borrowed by the Inuvialuit and their negotiators to complete the process of negotiations. At present the full amount in inflation-protected dollars is $152 million of which $73 million has been put out. There is $73 million permitted yet to be outstanding.

I wish to touch on some of the other components of the agreement, because it is the amendment with which we are dealing today that will deal with anything that comes up in relation to these. As listed, they are principles, definitions, agreement and legislative approval, and citizens' rights and programs. Point 5, eligibility and enrolment, is the key, and it is what is being held up particularly at this point in time; corporate structures, Inuvialuit and Crown land, Husky Lakes/Cape Bathurst Areas, selection of Inuvialuit lands, participation agreements, environmental impact screening and review process, Yukon North Slope, wildlife compensation, wildlife harvesting and management. My friend touched on that point. There are exclusive rights in relation to some species such as muskox provided to the Inuvialuit and preferential rights to other species.

Many Canadians will be interested in the principles on which wildlife harvesting and management are based. It is found at page 25 under the heading "Principles" which states:

> 14. (1) A basic goal of the Inuvialuit Land Rights Settlement is to protect and preserve the Arctic wildlife, environment and biological productivity through the application of conservation principles and practices.
>
> 14. (2) In order to achieve effective protection of the ecosystems in the Inuvialuit Settlement Region, there should be an integrated wildlife and land management regime, to be attained through various means, including the coordination of legislative authorities.

It lays out exactly how that will be met. One is reminded that the bulk of this was drafted a decade or more ago. We now see it in documents such as "Our Common Future", the Brundtland Report, and other proposals that have been discussed recently in the House. A report was released earlier this week which discussed the need for an Arctic Basin council to start bringing together not only the aboriginal peoples of the Arctic but the nations of the Arctic in a move that hopefully the globe will see before too long in terms of scientific and environmental co-operation among those nations, to a greater extent on polar bears, birds, and on the greenhouse effect, and so on, but also in terms of the demilitarization and denuclearization of the Arctic. This is a role that certainly the aboriginal people and most Canadians would like to see.

One also has to keep in mind the words of the Secretary of State for External Affairs (Mr. Clark) in the House two years ago when he was speaking on the effect that the voyage of the *Polar Sea* had had on Canadians. The Secretary of State for External Affairs planted the seeds and the reality of Canadian sovereignty in the Arctic on the backs of the aboriginal people who, as my friend pointed out, for millennia—not thousands, but tens of thousands of years—have inhabited the Arctic portions of Canada.

We should keep in mind that Members from all sides of this House have recalled time and again the important role played by the aboriginal people, particularly in relation to security and sovereignty in the Arctic. That is something that is very clearly part of the Inuvialuit final agreement in terms of the western Arctic. One can hope that very soon the other agreements north of 60° will be signed, ratified, and recognized as binding treaties between nations that are protected by Canada's Constitution.

The other points I wish to raise in terms of the agreement are financial compensation, economic measures, Inuvialuit social development program, arbitration, agreement approval process, and transitional and consequential provisions, and the annexes to which in part I have referred.

• (1610)

My friend pointed out that some parts of the amendment have already died, namely, the PIP grant reference and the second amendment. The importance of having a procedure for amending without always having to come to the floor of the House is something that perhaps should have been looked at before. I will come in a moment to the other option that was proposed but is something thankfully the House did not choose to pursue.

The problem to be addressed today results from the technical drafting problems, in particular Section 5 as it relates to eligibility and enrollment. These lists for enrollment and membership exist but cannot be fully implemented due to the drafting impediment. It affects the approximately 2,500 Inuvialuit.

Interestingly enough, I am advised that most of the Inuvialuit were historic residents as recently as the last century farther west along the coast which is now Alaska. Dealing with the problem of wording has been extremely slow. This was realized in 1984. It could have been dealt with then through what I was referring to a moment ago, a negative resolution procedure here on the floor of the House. Proposed changes or amendments would be tabled in the House. The Minister of Indian Affairs (Mr. McKnight) would table them and we would then have a 30 day shot gun clause where 50 MPs or more got together and objected. This would bring about a negativing in the House which would simply send the Minister and the Inuvialiut back to the starting gate again. It would have been a preposterous and extremely slow way of dealing with a matter in respect of which it has taken almost four years to get us to where we are today.

Amendments will be made by mutual consent by the Inuvialiut and Canada with consultation as outlined in letters to the Government of the Yukon and the Government of the Northwest Territories.

The key components of what is before us today were tabled June 19, 1984 by the Minister. First was Document 322-7/20 which is the basic document. On December 14, 1987 the Minister tabled Document 332-4/43, which was the Order in Council from 1985. Document 332-4/43 (a) was the Order in Council from 1987 and Document 332-4/43 (b) was the amending agreement dated April 11, 1987. Of course Document (d) is the other key component. Any other amending agreements made pursuant to Subsection 3(13) will be able to proceed to Order in Council by mutual consent without the requirement for another Bill, such as Bill C-102 to come before the House.

I am pleased to have had a moment to add a little bit to what my friend the Hon. Member for Cochrane—Superior (Mr. Penner) had to say, and to what the Minister had to say. I know my friend, the Hon. Member for Western Arctic (Mr. Nickerson) has some remarks to make.

Hopefully what we do here today is in the interests of the Inuvialuit, the 2,400 souls who I am sure have been waiting with bated breath these many years to get this activity finally completed by the House.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I will keep to the Bill a little more than perhaps did the previous speaker. I want to point out that this Bill does three things. It incorporates into law three agreements that have already been made between the Inuvialuit Regional Corporation and the Governor in Council of Canada.

The first one of these deals would be retroactive application of PIP grants on certain Inuvialuit lands. Inuvialuit lands are private lands. They are not public lands anymore. Title to them has been conveyed to the Inuvialuit organizations. We no longer have PIP grants. They went the same way as the rest of the National Energy Program, fortunately, but apparently there must have been applications made for PIP grants for work done on Inuvialuit lands.

When we get to Committee of the Whole perhaps the Minister would be kind enough to explain how this comes about, how much money is involved, how many dollars worth of PIP grants are to be given, if they have not been given already, and to which corporations.

The second thing we do in this Bill is to correct 14 pages in all of errors that appeared in the Inuvialuit final agreement. There are reams and reams of errors that came to light and now have to be corrected. Most of them are of a typographical nature. Quite a few deal with land descriptions, wrong latitudes and longitudes. This came about as a result of the

undue haste toward the summer of 1984 by the then Minister, the Hon. John Munro. He knew in the election to be held later that year that he and his Government would stand very little chance of re-election and he wanted to get a feather in his hat. He pushed this matter before he had dotted all the i's and crossed all the t's.

It is also interesting to note that at that time the great Liberal negotiator was none other than our good friend Simon Reisman. In occurs to me that if these 14 pages of errors are a sample of that hon. gentleman's handiwork, I hope he has done a little better with the free trade agreement.

Some Hon. Members: Oh, oh!

Mr. Nickerson: I know when we discussed the Inuvialuit Bill way back on June 26, 1984 some of those errors were already apparent, especially those dealing with land descriptions. I pointed them out at that time and I remember questioning the Parliamentary Secretary in Committee of the Whole. He said, "Don't nit-pick. Don't bother with those little errors. They are not important. You should have faith in the negotiators. They have done a good job. It is not for you or I to read through the fine print. We can leave that up to the negotiators and the people in the government departments. What is the difference between 68 degrees and 69 degrees? It doesn't make any difference."

I stand here today and feel somewhat vindicated. I have the pleasure of being able to say, "I told you so". It doesn't do me much good, because it is all water under the bridge now, but it gives you a nice feeling.

The third thing today is to amend the amending formula. Under the old Article 3(13) you need an agreement by Canada and the IRC. Presumably that meant an active Parliament to make any change at all. Now Canada is represented by the Governor in Council and the IRC can be done by the Order in Council route. When you have these very complex lengthy agreements you need some form of flexibility. At the same time, I share some of the concerns mentioned by the previous two speakers.

In the Canadian Constitution, if you look at Sections 25 and 35, Mr. Speaker, you will see that we have constitutionally enshrined, not treaties and land claims settlements but the rights that flow from there. If you want to make a change there, you have to go by the whole amending formula—seven out of ten provinces and 50 per cent of the population. This requirement will shortly need to be changed to unanimity. Then at the other end of scale we are making it extremely easy. All you need is a little Order in Council to make changes. I do not know if we have the balance right. It all depends, I guess, on what you can change by the Order in Council route. Perhaps when the Minister speaks in committee he can explain to us what types of changes will be made under the new Subsection 3(13) and what types of changes cannot be made by that simple route.

Perhaps you will forgive me, Mr. Speaker, for looking back just a little over what has happened in the last three and one half years or so since the land claims agreement came into effect. I do not want to take up too much of the House's time doing this, nor do I not want to address every issue that I addressed in the lengthy speech I gave on June 26, 1984. At that time I pointed out the bureaucratic nature of the agreement.

• (1620)

It is unfortunate that native organizations negotiating these land-claim agreement so often become the mirror images of the government bureaucracies with which they have to deal. We end up with an extremely complex and bureaucratic settlement which needs continuous administration. I made that point at the time, and that has come to light over the years.

There was a myriad of boards and committees to be established to administer the settlement. Now the Inuvialuit regional corporations and the others that were set up are in the process of trying to amalgamate to become more workable. At that time, one of my main points was the collective rather than the individual nature of the settlement and what that would likely lead to. I think I deserve at least seven out of 10 on my predictions on that score.

What has happened now is that those people who are part of the system, members of the bureaucracy, or those who hold elected positions within the Inuvialuit organizations, seem to be doing okay, but it is debatable whether or not the people who are not part of that system, the ordinary guys on the street, so to speak, are getting a lot of advantage from the settlement. When I talk to people, I find that there are always questions in their minds about where the money goes. We know that there is approximately $170 million involved in this and I get asked questions like why some of that money is down in Bermuda instead of in Inuvik. People question consultant fees and those kinds of things.

Perhaps there is some room for improvement. Perhaps we should learn from the mistakes we are bound to make as we negotiate these settlements. We have the James Bay and the Inuvialuit settlements, and with the ones that come, perhaps we could learn from the mistakes that have been made and try to get a settlement from which everyone can benefit, not just a new class of people that grows up for administrative purposes.

Now I want to make a few points about one of the things that was not addressed four years ago, but which ought to have been addressed, and this is the question of Mr. William Nasogaluak, proprietor of Canadian Reindeer Limited. Perhaps I should explain what went on in the past.

In the 1920s, I believe, the Government of Canada brought reindeer in from Alaska, drove them overland to the area around Tuktoyaktuk and operated the herd as a government herd for quite a few years. Eventually, it was privatized. It was sold to private individuals and with the reindeer went property in the form of grazing rights. Mr. Nasogaluak acquired the

herd and the grazing rights. However, under the Act and under the Inuvialuit final agreement, his property rights, those grazing rights, were expropriated, taken away from him, without any compensation whatsoever. I cannot recall any other instance of a citizen of Canada being treated so badly by his or her Government.

Were the Canadian Bill of Rights to have paramountcy, as the Hon. John Diefenbaker originally had wanted, and were property rights to be included, as they ought to be in our Charter of Rights and Freedoms under the Canadian Constitution, what happened to Mr. Nasogaluak could not have happened or there would have been an automatic recourse at law.

I feel that the Government of Canada has a moral obligation to make sure that Mr. Nasogaluak is treated properly. We recall that Simon Reisman is quoted to have said, when this was brought to his attention, "What's 15,000 reindeer to the Government of Canada?" It is quite a bit to me, and the property rights of one individual Canadian are important to me.

Can you imagine, Sir, what would have happened if the person whose land had been expropriated had not been a reindeer herder from Tuktoyaktuk but a rancher from Alberta, a farmer from Saskatchewan or someone whose apartment house in downtown Toronto had been expropriated without any compensation?

When we were discussing this matter four years ago in Committee of the Whole, I asked Mr. Gingras, the Parliamentary Secretary who was then representing the Government, the following:

> May we have the assurance of the Government that it will deal honestly and faithfully with the owners of the reindeer herd so that those owners do not find themselves at a loss as a result of the passage of this Bill?

The answer was:

> Yes, Mr. Speaker.

That undertaking given by the Liberal Government of the day was a promise broken. Nothing was done.

The current Minister has tried to get Canadian Reindeer Limited and the Inuvialuit together to negotiate an agreement whereby the Inuvialuit would take over the reindeer herd at a reasonable price. There is an agreement by one who acted on behalf of the Government of Canada, Mr. Gunther Abrahamson, as to what the value of that herd was, but the Inuvialuit would never offer anywhere near the figure that was agreed to. I would like to have seen the Government step in to provide that extra little bit to make it up. We have $170 million being paid out pursuant to the agreement, so what is another couple of million dollars to provide proper compensation? However, that was not happening.

I understand some of the difficulties the Minister has faced. Although there is an undoubted moral obligation on the part of the Government of today, regardless of the fact that the Party in office has changed, I understand that the advice of the Department of Justice is that outside of a judicial finding which might arrive in the future, there is no legal obligation on the part of the Government to make that compensation at the present time.

What we have done is to force Mr. Nasogaluak to go to the courts to get recompense or fair treatment. Then, of course, if someone were to ask a Minister of the Crown about the matter, he could say that it is before the courts, we cannot do anything. This is something about which I feel extremely strong. I think justice must be done, and I look forward to the opportunity we will have to question the Minister on this issue when, very shortly, we get to the Committee of the Whole proceedings so that he can tell us what he is now doing and what he will continue to do to make sure that justice will be done.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Paproski in the chair.

The Deputy Chairman: Order, please. House in Committee of the Whole on Bill C-102, an Act to amend the Western Arctic (Inuvialuit) Claims Settlement Act.

Shall Clause 1 carry?

On Clause 1—*Agreement*

Mr. Penner: Mr. Chairman, first I would like to thank my hon. friend from Western Arctic. He has posed the three questions that need to be answered.

The first aspect is that with PIP gone, as of April, in terms of any claims, what is the history with respect to the Inuvialuit?

• (1630)

The second question deals with what type of changes will go through Order in Council and what type will require legislation. Is there a distinction there?

Finally, there is the matter of the Canadian Reindeer herd. My hon. friend from the Western Arctic said the Liberal promise had been broken. I found that curious because when the Parliamentary Secretary said "Yes", it was June 26, 1984, and a few weeks later there was an election. It is very difficult for a Liberal Government to fulfil a promise when it is not returned to power by the electorate. However, I accept the argument that a commitment is a commitment and I take the view that a commitment is passed on from one administration to the other. It is a moral commitment and I hope the Minister will tell us that he will not fall back on the legalistic point of view, and that the Government will do what is right.

Those are the questions that were on my mind and I thank my hon. friend from the Western Arctic for articulating them so precisely.

Mr. McKnight: Mr. Chairman, on the Hon. Member's first question, basically the legislation put forward did not allow for

PIPs which were obtainable from Crown land to be obtainable from what was now Inuvialuit land. The proposal, and both Members asked about this, retroactively made it legal to have the PIPs which would have applied to Crown land now apply to Inuvialuit land even though PIPs expired as of April. I am attempting to obtain the dollar figures. I have asked my officials to get this information for Members before we adjourn. If I am not able to do that, I will communicate it in writing to Members who have expressed an interest.

On the second question, all amendments would be by Order in Council. However, as the Hon. Member knows, we would not entertain basic changes that would fundamentally alter the agreement signed between Canada and the Inuvialuit.

On the third question, my colleague, the Hon. Member for Western Arctic, and I have had discussions on this in the past. The history of the Canadian Reindeer herd has been reviewed by this House. Members who are familiar with it understand that in the Inuvialuit settlement agreement about half the grazing area available to Canadian Reindeer had been transferred to Inuvialuit land. Both my predecessor, the Hon. Member for Rosedale, and I have tried to initiate discussions between two private parties to resolve the concern. I met with both the owner of Canadian Reindeer and the Inuvialuit leadership. We put forward the possibility of arbitration. We hoped both parties would agree to accept binding arbitration even though it was not incumbent upon them to do so. As long as the agreement was there, we would bring into play the experts who could assess the value of the herd at the time. That was acceptable to Canadian Reindeer but not to the Inuvialuit.

In the discussions we have had since, I have attempted to fulfil Canada's obligations in other ways. I want to draw the attention of the House to the fact that I found it a bit difficult. The owner of Canadian Reindeer had, as I understand it, an opportunity to make sales. The Government of the Northwest Territories made those sales very difficult by looking at the export permit which the owner had. At the same time, while Canada was not objecting to the sale, Canada did reserve the right to repurchase 3,000 of the herd. I think that was prudent.

Right now, as my colleague from Western Arctic indicated, there are court actions under way. Starting in May, 1987, the Inuvialuit initiated legal proceedings against Canadian Reindeer Limited in the Supreme Court of the Northwest Territories. Canadian Reindeer in turn launched an action against Canada on September 2, 1987. It also filed a third party notice, I gather, in the Supreme Court of the Northwest Territories. That does make enunciation of ways to resolve this dispute a little more difficult, as Hon. Members will understand. I can say only that we have attempted to arbitrate and would be prepared to continue to do so. I believe there is a business opportunity in the Northwest Territories involving Canadian Reindeer Herd Limited and I hope we are able to maintain that business opportunity.

I am sorry to be taking so long but I find it difficult to explain the discussions between two private parties as they came to pass through the signing of the final agreement.

Mr. Fulton: Mr. Chairman, I listened with care to what the Hon. Minister had to say concerning amendments associated with, I take it, basically the 18 essential elements. If it is related to the elements, then by mutual consent new amendments can be dealt with through Bill C-102. What I am wondering about, though, concerns additional matters. Let us take self-government as an example. Is the Minister suggesting that if there is going to be a major add-on such as self-government or something else in relation to the Inuvialuit—or, for that matter, other groups, but let us deal with the Inuvialuit for the moment—then that would require either a constitutional process or a new Bill coming through the House? Is that what the Minister is saying with respect to major new add-ons?

Mr. McKnight: Mr. Chairman, the self-government provisions which the Hon. Member finds in the final agreement will stay. However, any other form that would change the structure of the self-government would have to be either through processes that recognize other types of self-government and be done in the same form, or else it would have to be done through legislation. I would consider that to be a major deviation from what was negotiated in the final settlement.

Mr. Fulton: Mr. Chairman, different figures have been sort of bobbled around. I wonder if the Minister could clarify them for the record. How much has been actually paid out under the agreement and how much more is yet to be paid out? Hopefully we could have those figures in 1982 dollars, 1977 dollars, or whatever.

• (1640)

Are the basic elements in the Inuvialuit agreement the essential elements which the Minister sees as being in the other comprehensive claim negotiations which are going on at this time, or are there others? Will it will require new legislative action for the Inuvialuit to make major new add-ons? We are talking about only certain things related to the elements that are there that can be dealt with through the Order in Council route by Bill C-102. Are those other comprehensive negotiations that are going on in the Yukon, B.C., and elsewhere, restricted by that?

Is the Minister suggesting that the Government policy is that if one is to look at the collective land title and rights box of the Inuvialuit agreement that is seen as being one contained route one could have it passed through the House as legislation? Or can those negotiations which are presently under way have additional elements such as some broader definitions of self-government? As the Minister well knows, that is what some of the negotiations are dealing with, as well as issues such as fishing rights, land rights and so on.

Mr. McKnight: Mr. Chairman, in response to the Hon. Member's first question, $74 million, current value, has been paid out which, I understand, leaves $76 million, current value.

With regard to the Hon. Member's other point, the most direct way to put it would be that self-government or definitions of self-government which cannot be obtained through other processes cannot be obtained through comprehensive claims. That would, I think, be fair to say. The comprehensive claims process is not in place to put into law that which cannot be obtained through other negotiations and by other aboriginal people.

Mr. Fulton: Mr. Chairman, I would like just a little more clarification. I am sort of coming back to the Inuvialuit agreement as a box containing, you could say, 20 elements and the annexes. However, are the 18 essential principles the essential principles, both legal in terms of absolute title fee simple and in terms of fishing rights, wildlife rights, compensation and so on, that are being considered by government policy to be the basic components of the other six comprehensive claims negotiations which are presently under way?

Mr. McKnight: Mr. Chairman, the Inuvialuit settlement was reached before the claims policy which was announced in December of 1986. There is, I believe, more opportunity for an expanded box—but I would suggest it is still a box—for discussions and recognition of land which is important to communities plus recognition of land which has been used historically for hunting and trapping.

With regard to the defining of land into different zones, there is a limitation to quantum depending on the number of zones and the type of selection made.

The ownership of subsurface on all lands is not available. However, certain lands can be selected for ownership of subsurface. That is an additional flexibility which I would see in the other comprehensive claims agreement which are not and were not available in the Inuvialuit agreement.

Mr. Nickerson: Mr. Chairman, returning to the reindeer question, am I to understand that at the present time the Government of Canada is doing nothing to try to resolve this issue?

Mr. McKnight: Mr. Chairman, with regard to the attempt to have a binding arbitration between the two private parties, the owners of Canadian Reindeer and the Inuvialuit, I made an offer after meeting with both the owner and the Inuvialuit that we would enter into binding arbitration and assist them in that. That offer was accepted by Canadian Reindeer and not found to be acceptable to the Inuvialuit. After that time, in May of 1987, if I am correct, action was initiated in court.

At this time I am prepared to assist in any form of mediation, but I would not become involved in supporting a case or discussions with either party which would involve the actions taken in court until that action is either concluded or withdrawn.

Mr. Nickerson: Mr. Chairman, one of the problems is that the value of the herd is likely to be in decline. There is undoubtedly a lot of poaching going on. The owners of the herd are unable to have a proper harvest because they are scared that as soon as they move the abattoir up there and get it hooked up and ready to go and bring in the slaughterhouse workers, an injunction will be slapped on them. There is a big investment involved in starting up and they would lose many tens of thousands of dollars.

Proper management techniques cannot be applied to the herd and revenue cannot be generated from it by way of meat sales and there is therefore no money to reinvest into the herd. Canada is the loser.

This was a great, successful experiment. We ought to have a reindeer industry in Canada. There are other places in the North where it could be applied. Prices are excellent as a result of the unfortunate circumstances in Europe with the Chernobyl disaster. We should be able to capitalize on that but that is not taking place.

I am afraid that if the legal proceedings run their full course by the time a settlement is made by the court there will be nothing left for anyone.

I know that if the Government of Canada really wants to take it upon itself to do something, whether to change the Canadian Constitution or to enter into a free trade agreement with the United States, it can do it. If the will is there the Government of Canada can do virtually anything. Is it not possible to try to open up negotiations again or to have another go around, another shot at it?

So far the tack taken by the Government appears to have been to get the Inuvialuit and Canadian Reindeer together to negotiate some kind of deal between them. However, I do not think there is any moral obligation on the Inuvialuit to do that if they do not want to. It would be nice if they would, but the moral obligation is on the Government of Canada, not on the Inuvialuit. If the Inuvialuit say, "We do not want to play ball", surely the obligation rests on the Government of Canada to address the issue in another way.

Can we not have another go around at this? Can he not appoint someone to look at it again and meet with the people involved to find out what is happening and see whether there is another avenue of approach? Perhaps he can meet again with some of the principals involved.

• (1650)

Mr. McKnight: Mr. Chairman, let me answer the last question first. I find it very difficult to enter into negotiations. I sincerely believe that there must be a willing buyer and willing seller in order to conclude the agreement.

As the Hon. Member knows, an offer was made of $1.2 million. The independent assessment was that the herd was worth over $5 million. I believe my hon. friend is saying that the Government of Canada should enter into it and make up

the difference. I understand and appreciate the way in which he expresses his concern.

Since that offer took place I discussed it with both the Inuvialuit and the owner of Canadian Reindeer. That is when I put forward a proposal in a letter to both parties in which I suggested that I would like to see a contract outlining the conditions for the sale and purchase of the Reindeer herd which is mutually acceptable. I went on to say: "This contract could contain certainly a clause whereby the purchase price would be established through a binding arbitration procedure".

When there are two private individuals, one selling and one buying, it is very difficult for the Government of Canada to come into the middle without some recognition that an arbitrator would be required to make a binding decision. It has been further complicated since that time by the court actions taken by both parties.

I can assure my colleague that I have not washed my hands of this, but I do find it very difficult to be involved in it at this time.

Mr. Fulton: Mr. Chairman, I want to return to a point I was raising with the Minister a moment ago. It concerns changes that can be made. As I understand the amending agreement now, it can only be done with mutual consent. Therefore, if the Inuvialuit or the Government has an idea, they must find a mutually agreeable way to word any change. It then gets the imprimatur of Order in Council and becomes added to the agreement.

Clause 3(2) of the agreement states that: "For greater certainty it is the intention of the parties that this agreement be a land claims agreement within the meaning of Section 35(3) of the Constitution Act, 1982".

Does this mean that the only way the Government can change the agreement is through legislation before the House, with the exception of some subsections? For example, for the expropriation of land there are certain powers provided to allow the Government to take certain steps.

In relation to the legal and constitutional nuance, however, is this a treaty or is it an agreement? As I read it, it is not protected by the Constitution of Canada.

If one looks at the wording, it is the intention that it be considered as such, but I would like some clarification from the Minister. Is it protected by the Constitution? What is the difference between the Inuvialuit agreement and a treaty like Treaty 8?

Mr. McKnight: Mr. Chairman, as the Hon. Member knows, the agreement states that it is considered to be under the protection of the Constitution of Canada. That is the way it reads and that is the consideration of the Government of Canada. It is considered to be under the protection of the Constitution of Canada.

It is a piece of legislation under that clause of the Constitution which was considered by the House to have protection in the Constitution.

I do not want to put words in my colleague's mouth, but I think he was asking if it is recognized as a treaty. It is recognized as having protection under the Constitution of Canada.

Mr. Penner: Mr. Chairman, I have one further question regarding the kind of changes that can use the new amending formula. In the agreement between the Inuvialuit Regional Corporation and the Government of Canada, as signed by the Minister and Mr. Roger Gruben, there is reference to the fact that where an amendment to this agreement requires consequential legislation to achieve its effect, Canada agrees to take all reasonable steps to put in place suitable legislation forthwith.

Could the Minister explain clearly what is envisaged within the ambit of that phrase "consequential legislation"?

Mr. McKnight: Mr. Chairman, the only example I can give my colleague at this time is the Parks Act, which may need to be changed to bring into effect the changes that are contemplated or could be made. That is the only one I can identify.

The Government of Canada will make those consequential amendments to other Acts. I do not believe it would be substantially changing the agreement, just keeping it current.

Mr. Fulton: Mr. Chairman, I would like to take one more try at finding out from the Minister the difference between the Inuvialuit agreement, which is considered to be protected by the Constitution of Canada, and a treaty like Treaty 8. What are the legal and constitutional differences?

Mr. McKnight: Mr. Chairman, I can only inform my colleague that this is considered to have the protection of the Constitution of Canada. Treaties are identified in the Constitution of Canada. I suggest that that is the difference.

Mr. Fulton: Mr. Chairman, I would just like to learn a little bit more from the Minister. If the Minister were an Inuvialuit, would he prefer to be protected by an agreement such as the Inuvialuit agreement with this amending formula, or by a treaty?

Mr. McKnight: Mr. Chairman, the point is that this is a land claims agreement which is considered to have the constitutional protection. The other is a treaty which is identified as having constitutional protection.

Not being an Inuvialuit, I would have a great deal of difficulty making that decision. However, when I view the land claims settlement which is considered to have constitutional protection or a treaty which is identified, I think they are equal.

Mr. Deputy Chairman: Shall Clause 1 carry?

Some Hon. Members: Agreed.

Clause 1 agreed to.

Title agreed to.

Bill reported, concurred in, read the third time and passed.

* * *

• (1700)

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO AMEND

Hon. Benoît Bouchard (Minister of Employment and Immigration) moved that Bill C-116, an Act to amend the Unemployment Insurance Act, 1971 be read the second time.

Motion agreed to, Bill read the second time, and, by unanimous consent the House went into committee thereon, Mr. Paproski in the chair.

The Deputy Chairman: Order. House in Committee of the Whole on Bill C-116, an Act to amend the Unemployment Insurance Act, 1971.

Shall Clause 1 carry?

On Clause 1—"Disentitled"

Mr. Rodriguez: Mr. Chairman, I have a few words to say about the Bill. First, I wish to congratulate the Minister for moving so expeditiously on a particular issue that caught the attention of the nation. I think it is fair to say that when Mr. McInnis visited Ottawa and his picture was flashed around the country with his baby I realized that underneath the Minister's tough exterior beats a heart that any socialist might be proud to have.

There are those of us who might be so unkind as to suggest that in spite of all the complaints and the recommendations of the Boyer Commission report, *equality for all*, the standing committee report and the forget commission report, the Government ought to move in the direction of establishing parental care within the Unemployment Insurance Act. For all these last four years nothing could move the Government or the previous Minister, who is now the Minister of Communications, to move in this direction. The Government did not see fit to move.

What adults and politicians were not able to achieve by logic or by consensus a small baby was able to achieve. I think that is appropriate. I wish to congratulate the Minister for having responded in such a human fashion and in such a sensitive fashion to correct this need.

It happened fortuitously that the other aspect of change which is included in the Bill came about at the same time when two women, one in Halifax and one in Vancouver, gave birth prematurely. The babies had to stay in hospital while the mothers went home. They, of course, went back to work and when the babies came home from the hospital they went down to the UI office to file for their maternity benefits. However, they discovered to their amazement that they could not collect because they were outside the initial benefit period, which is the first 25 weeks of every claim. Thus the Minister was able to tackle two problems at one time.

In Bill C-116 there are two aspects. First, there is the ability of fathers, when the mothers have died or have become disabled to a point where they are incapable of caring for the child, to collect unemployment insurance benefits, provided they have a major attachment to the workforce, that is, they have contributed 20 weeks of insurable earnings.

The second aspect is with regard to the premature child. The mother will now be able to collect benefits provided it is within a 52 week period.

These are both very laudable moves. This Bill will correct those inequities. Unfortunately, it is our view in the New Democratic Party that this Bill does not go far enough. This Party has said to the Government that it ought to establish maternity benefits for which only the mother is eligible. Those maternity benefits ought to amount to 17 weeks. They ought to be only for the mother. They are not to be shared between the mother and the father.

This is very unlike the position taken by the Official Opposition, the Liberal Party. In fact, the Hon. Member for Hamilton East announced that she was entering a Private Member's Bill that would in fact share maternity benefits between the mother and the father. That is totally unacceptable to the New Democratic Party. I am glad to see that the Government accepted that position and refused to have those 17 weeks shared.

We also said that the Government ought to go beyond that and include parental benefits, an additional 26 weeks. All the enlightened countries of Europe have recognized the need for parental benefits within their unemployment insurance programs. We have urged the Government to do this. Not only have we urged it, but so has the Boyer Commission in its report and the parliamentary committee on day care. We are still pushing for it.

We have to accept and take what is being offered because it corrects an injustice. However, we fully recognize that the Minister has established a principle which it will take a New Democratic Party Government to complete. I wish to say to all parents who are watching this debate that that is the only guarantee they have that we will move toward treating parents and children with some justice under the unemployment insurance program.

• (1710)

I wish to say, Mr. Chairman, that we will support this. My leader and gave our commitment in the House that we will expedite this Bill and move it through.

I also said to the Minister the other day that the Hon. Member for Vancouver East wished to say a few words on this particular Bill. I think that this is only fair and just since she participated in the parliamentary day care committee which filed its report in 1987. It had a lot to do with child care and parental care in the unemployment insurance program.

Mr. Deputy Chairman: I will have to recognize the Hon. Member for Montréal—Sainte Marie, and then I will return to the Hon. Member for Vancouver East.

[*Translation*]

Mr. Malépart: Mr. Speaker, I am pleased to rise and deal with Bill C-116, a major peace of legislation the purpose of which is to amend the Unemployment Insurance Act.

As my NPD friend just did, I want to congratulate the Minister for having responded. Unfortunately, I have also cause for complaints. In this particular matter as in many others, this Tory Government had to wait for a disaster before taking action.

The Minister certainly remember the Forget Commission which cost Canadian taxpayers $6 million. There was also a Committee of the House where all Members were unanimously asking, on the paternity leave issue, a certain equality as far as unemployment insurance benefits are concerned. The House will remember that the Minister tore up this document and threw it into the waste basket, thereby squandering a lot of taxpayers' money. The Government had to wait for a mother to die to take action.

If, at the time, in view of the unanimous recommendations of the House Committee—my friend the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) was quite active on this committee—on the changes to be made to the unemployment insurance legislation to improve the effectiveness of the administration and do justice to people . . .

And while the debate continues with respect to sharing, or the allowances for maternity or paternity leave, to carry forward the weeks eligible for unemployment insurance benefits, we also remember that today still in other instances there is discrimination against older workers.

The Minister has reacted and we commend him for that, but I would be remiss if I failed to congratulate my colleague from Hamilton who put a lot of pressure on the Minister. Otherwise we might not have this Bill. Pressure came from the public, from my colleague from Hamilton, from my colleague from Notre-Dame-de-Grâce—Lachine East, and at long last the Minister came up with Bill C-116 to correct his mistakes, particularly his failure to give serious consideration to the unanimous parliamentary report urging him to change some of the unemployment insurance rules.

Mr. Speaker, indeed we can be positive, but unfortunately I would like the Minister to tell us why every time this Government . . . We remember the de-indexation of old age pensions. There again people had to demonstrate, elderly Canadians had to walk on Parliament Hill, Mrs. Denis had to throw insults or show the Prime Minister (Mr. Mulroney) the truth before he would even admit he was wrong. It was the same for the tax on pharmaceutical products, Mr. Chairman. Once more, the Government waited until there had been pressures and a demonstration before deciding to withdraw its proposal. The same happened in the case of unemployment insurance. The Minister of Employment and Immigration (Mr. Bouchard) went through a similar experience recently. No one in this Government, in the party opposite, seems able to realize that certain members of our society have needs which differ from those of the majority, of those who are able to make arrangements and pay their own way.

I must congratulate the Minister for having introduced this Bill, but as I said earlier, it is thanks to my colleague for Hamilton East (Ms. Copps), my colleague for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), and the entire Liberal caucus, and to the pressures exerted by the population that this Government acted quickly in this instance.

On the other hand, we have to wonder why, since the Minister is making two changes in this Bill, he did not take this opportunity to make other changes as concerns unemployment insurance benefits for older workers who lose their jobs. As he was correcting one injustice and trying to improve the situation, why should we have to wait until there have been more pressures and more representations to have another Bill which will bring about a complete reform of the Unemployment Insurance Plan to provide better equity and more justice for our young poeple? The public, the unions, as well as the employers all requested a complete reform of the Unemployment Insurance Plan, but the Government is making piecemeal changes. This means that all that we are doing now is to correct past mistakes. Such has been the case for the refunds to the 46,000 senior citizens, and thanks again to the early retirees who pressured the Government, they got a grandfatherly refund.

We have another example now with paternity leave. But speaking of paternity leave, we should ensure that what the minister will be offering tomorrow is not something else than the choice for the family. When the parent at home, either the mother or father, has to look after a child, he or she will be eligible for UI benefits. Under the Bill now before us, only in case of death would the father have automatic eligibility to UI benefits. It is not an opening to sex equality in the sense of choosing, or allowing those people the right of choice.

Therefore, Mr. Speaker, we in the Liberal Party are proud that this legislation was tabled. We will co-operate as my colleagues did to its speedy adoption. But there are still questions, interrogation marks. It is my hope the Minister will tell us in the first place why he waited for so long. Why did he not anticipate? I would think that governing is not simply correcting, but anticipating the future, rather than simply putting out fires, because on that matter the Minister has been acting like a fireman who puts out fire. Firemen we have no

need of. We have them in our cities to put out fires. A Government is there to anticipate. Hopefully the Minister will indicate and explain why, in the wake of the recommendations made not only by the Forget Commission but the recommendations indeed of the Standing Committee on which three Conservative Members were very active . . . The Hon. Member for La Prairie (Mr. Jourdenais) worked on that issue, and I know he is a close friend of the Minister of Employment and Immigration and the Hon. Member for Hochelaga—Maisonneuve (Mr. Desrosiers). The support for a greater extension of paternity and maternity leave is unanimous.

Mr. Chairman, it seems there are friendships I was not aware of. But I remember, and I am sure my colleague from the New Democratic Party can testify to that, that the Hon. Member for La Prairie played an active role. He even put his head on the block defending those interests. But why was not the minister attentive, sensitive and understanding? Why did he not listen? The important thing is to listen to the people. One must not only reason but also listen to one's heart and remember there are people with needs. Those are three changes people requested. One must listen, reflect, follow one's heart and then act. If the Minister had done all that immediately, following the recommendations made in the Committee's report, he would have made changes and introduced amendments, and then this particular case would not have become a public issue, the Minister having made provision for such an eventuality at the time.

Incidentally, I wish the Minister would tell us why he waited so long to do something about this case. I also wish the Minister would tell us why . . . well, I imagine there are a lot of older workers, all the people from Vickers and Coleco, all those people across Canada, people from the Quebec City area and Sorel who are going to be laid off because of the Conservative Government's decision, and who when they turn 55 go to the Unemployment Insurance office. So one of them says: Look, the Tories put me out of a job because they gave the frigate contracts to my pals in New Brunswick, and so there was nothing left for Quebec. So he says: I came to get my unemployment insurance cheque. So then the UIC man says: Sure, you paid your contributions, you made sacrifices for so many years, and you and your employer both paid into your pension, because the Government said to be prepared. But unfortunately, we have this Bouchard Bill and now you aren't entitled to full unemployment insurance benefits. Even if you did lose your job. Sure, but I didn't want to lose my job. And the man says: Sure, I realize that, but I'm afraid the Conservative Members and the Minister didn't understand. So I wish the Minister would tell me . . .

I know there are some Conservative Members, maybe not the Member for La Prairie (Mr. Jourdenais), since he may have trouble talking to the Minister, but maybe another Member told the Minister that older workers who are losing their jobs wished the Hon. Member for Montreal—Sainte Marie had something to congratulate the Minister about in this Bill. I wish I could have said thank you to the Minister today. I wish I could have said congratulations, you were generous! You removed the injustice about paternity leave and extensions and made maternity leave more flexible. But what the Minister should do as well is remove the discrimination against benefits for older workers.

My second question, Mr. chairman—and I would like the Minister to give us a clear and specific answer so I will repeat the question: Why did he waste all that money on inquiries and studies? Why didn't he think of it beforehand? Why didn't he plan ahead so as to bring forward a Bill in time instead of going uphill all the way and always having to react to events and put off fires? Why didn't he take this opportunity to bring forward amendments relating to the pre-retirement of older workers who lose their jobs? He could also have proposed changes to improve eligibility requirements for maternity leave and accessibility criteria for part-time workers.

There were several aspects to the matter. The Minister could have taken that opportunity to correct these mistakes. Of course, the Minister would prefer congratulations. Unfortunately, we cannot congratulate him as much as he would have wanted because had he listened not only to Opposition members but to Government members, he would not have had to flip-flop and be embarrassed the way he is.

Today, the Minister may feel well. But once more I have to ask him to listen to his own heart. Mr. Minister, you sure feel all right. I feel all right too. I had a pension plan in my previous job. With a pension and a Minister's or an M.P.'s salary, you've got to feel all right. But there are thousands of working men and women out there who do not feel that good.

At the end of the month they have to pay for groceries and rent, so when there is no unemployment cheque and they can see the neighbour who used to be a school principal, who had a lot of money to invest in an RRSP, who now gets his money back and enjoys the good life . . . So it is not a question of whether we parliamentarians feel fine, but whether we have done our job to make sure that the people we represent are feeling fine. I must tell the Minister that I am familiar with his beautiful riding, the beautiful region of Saguenay—Lac-Saint-Jean—I am their spokesman in the Liberal Party—where I met people who are not at all satisfied with the Minister, even in the riding of Roberval. Older workers in that region are not pleased with the Minister because he does not listen to them, he does not understand them. I also visited the Eastern Townships, and the situation is the same. Older workers, both men and women—and even those of Trois-Rivières—are reorganizing in Quebec City, and even in Abitibi people are disappointed because they have the impression that their Members of Parliament fail to represent them properly.

Perhaps Hon. Members are saying something because the Hon. Member for La Prairie, I know, had warned him, but my impression is that the Minister should listen a little more and respond with his heart, just as he did yesterday on the immigration issue.

There are three question marks, Mr. Speaker. I still have some time left and I see that the Minister is interested in what I am saying. He is starting to listen. We can feel his heart is opening. Perhaps he is going to tell us, and it is a pity that the Hon. Member for La Prairie is not here . . . The Minister may let his heart speak out. Do not listen to the civil servant over there: He is well paid and he will do what he is told. We have been elected to tell him what to do and he will do what we tell him to do. The Minister's problem may be that he listens too much to the civil servant who is saying: "Benoît, this is what you have to do". We have been elected to tell . . .

Personally, if I had wanted to be a civil servant, I would have remained an employee of the Unemployment Insurance Commission and I would have operated the way the other guy said. But you are all here as elected Members of this House, and this is something that affects each and every one of your ridings. We are here to tell civil servants what to do. You operate the way the people who elected us want you to operate. I am sure that if each . . . If there were no TV cameras, I am sure that the Tory Members would tell the Minister that Canadians want him to remove all discrimination against older people. I am convinced that within the Tory caucus, there is not a single Member—except perhaps one or two, because you will find all sorts in that party—who would stand up and suggest that the Government should fall hard on older people. I should not be extremely surprised if one or two did, though. I am convinced that the Minister will tell us—Please, tell your official to keep his papers and tell us what you really think personally. You are going to see that the Hon. Member for Montreal—Sainte-Marie and the other Members who sat on the House Committee which dealt with the unemployment insurance situation were right to warn us about paternity and maternity leaves.

I suggest that if you allow your heart to speak out, you will say that I was right, but that because of the situation, corrections had to be made. On another aspect, you are going to say that it is true, that the Hon. Member for Montreal—Sainte-Marie is right, that Canadians are right to demand changes for older workers who were denied unemployment insurance benefits. You are going to say that it is true, because if you do not say so, it will appear to the public that your colleagues never talk about that. This would go down badly in their ridings, even in Western Canada. As I look at the member opposite who used to be a policeman, I am reminded of the fact that policemen pay unemployment insurance and have compulsory retirement, just like the military. I do not think that policemen are very happy with the president of the national caucus, who is himself a former policeman. I am convinced that he spoke to the Minister. However, the Minister listens, opens his heart, and then starts talking.

I trust . . . Mr. Chairman, I wonder how much time I have left because I have the feeling that the Minister is beginning to respond, that we are slowly getting him away from the influence of his officials, that he is now taking over and that he will agree with the amendments moved either by ourselves or by the NDP, because whatever our party, we all want what is best for Canadians. I now see that my time has expired, Mr. Chairman. I shall come back to this when we deal with the other clause if we find that there is still something missing, because I want to ensure that we shall have a compassionate piece of legislation which will meet the needs of the public and that the officials will operate how we want them to operate in serving the public. However, in closing, I must say that our public servants basically do a good job. Some of them in their sixth floor offices in Ottawa might be a bit out of touch with reality, but the officials in my own riding, that of the Minister and that of the NDP Member also find the system discriminatory, and they are the ones who must deal with the complaints of the older workers who are being penalized. They are the ones who have to deal with the problem when the head of a family tells them: Why am I not entitled to the benefits? They are the ones who get called names.

It is not the Deputy Minister in his ivory tower with his well-paid job. We are here to urge these people to move, and I have the feeling that the Minister will let his heart speak for him. I expect a favourable answer.

• (1720)

[*English*]

Ms. Mitchell: Mr. Chairman, let me say as quickly as I can that I am very pleased to speak in favour of this Bill. I want to congratulate the Minister. However, I wish I were also able to—

Some Hon. Members: Oh, oh!

Ms. Mitchell: —congratulate him on having included more comprehensive coverage under the Unemployment Insurance Act for maternity and parental leave. I must say that I am very sorry that the federal Government's strategy for child care neglects this very important aspect of child development which is that working parents, either fathers or mothers, must have the opportunity to be at home with their children during the first year of their children's lives.

I think it is very interesting that this case was started by a father. I think it is very natural that the men in this House, some of whom have spoken today, immediately identified with that father who did indeed face a serious situation in being widowed and left with the care of a new infant without the benefit of unemployment insurance.

I would like to remind the men who did identify very strongly with Mr. McInnis, however, that there are thousands and thousands of single-women parents who are on welfare and are not eligible for unemployment insurance. We all felt very strongly for Mr. McInnis, but let us not forget those thousands of women who are trying to bring up children and new babies and have no choice but to live on very low rates of welfare.

• (1730)

I would like to congratulate both Mr. McInnis and the women who were the guinea pigs whose cases resulted in changes to the Act. I am referring particularly to the case of Cathy MacLean from Nova Scotia, a case I raised in the House when I asked the Minister to use his discretionary powers to assist her. I am glad he did not have to use those powers. Instead, he amended the Act. This also means that Melanie Williams of Vancouver, whose case was raised several times by the Hon. Member for Capilano along with many other women who have had premature babies, will benefit.

Now the mothers of premature babies, babies who have to be left in hospital for a much longer period than normal and need their mothers' care when they come out of hospital, will benefit from the flexibility in the Act that will allow unemployment insurance benefits to be delayed until they are needed. That is a very good move.

These two amendments have significant implications suggesting that the Government is finally accepting the need to incorporate child care provisions in the Unemployment Insurance Act. We are pleased about that. We are also very pleased that these provisions are incorporated under the adoption section of the Act rather than the maternity benefits section of the Act. Maternity benefits that are intended for mothers during the period of time after birth will be protected.

I would join with my colleague in saying that I am very surprised and disappointed that the Liberals, and particularly the Hon. Member for Hamilton East, have not seen the point. They have not been sensitive to the needs of mothers who have given birth and need the protection of maternity leave for their own recovery as well as for the care of their newborns. These mothers must have that right protected under the Unemployment Insurance Act. Incidentally, they should not have to wait for two weeks to apply for unemployment insurance, it should be a 17-week provision. That was the recommendation of the special committee majority report as well.

I will try to cut my remarks short, but I did want to comment on the need for extended and enriched maternity and parental benefits. The Minister knows full well that the Canadian Human Rights Commission, the parliamentary committee on equality rights, the Forget Commission, the New Democratic Party report on child care, as well as many groups across Canada have advocated the doing away with the two-week waiting period and the use of a two-tiered system of maternity and parental leave. Maternity benefits should go to the biological mother and parental benefits to either mothers or fathers. We hope more fathers will take advantage of this. This provision should apply after the first 17 weeks and it should be available for natural as well as adoptive parents.

With so many parents working, it is extremely important that we recognize, as most western European countries have, that parental and maternity leave are absolutely essential. We will make children as well as families suffer if there is no option for the mother and later the father to be at home during that important first year of a child's life. That should be part of the government child care program as well as part of the programs under the Minister's responsibility.

Let us take a quick look at the provisions in a couple of European countries. France offers 16 weeks for mothers at full pay and six months at up to 100 per cent of maximum earnings for the third or subsequent child. As well, France offers unpaid parental leave of up to two years for both mothers and fathers. Sweden provides 40 weeks for mothers or fathers at full pay and an additional unpaid leave is available when the child reaches the age of 18 months.

Canada ranks 22 out of 23 in all the world's industrialized countries when it comes to the level of benefits paid to women workers who take leave on the birth of children and to fathers. We recommend that there be maternity leave for the first 17 weeks, followed by parental leave, which would allow either parent to have UI coverage. We would like to see this phased in gradually and eventually reach a total of 43 weeks. That is not out of line considering what has been done for many years in European countries.

We also recommend that benefits should be gradually enriched so that low-income parents have a choice. Otherwise, they will be forced to go back to work because they will simply not be able to survive on the low payments.

We were disappointed that the government strategy on child care did nothing to improve maternity and parental leave. It was not even included, and that was a great omission. We believe that this is a very important part of a parental leave program. Therefore, as a New Democrat, I must express disappointment that the Bill did not move beyond establishing the principle of a two-tier benefit system as it should have done by providing comprehensive maternity and parental leave.

We support the Bill for the specific inequities it addresses, but we desperately need a more comprehensive parental and maternity leave program.

Mr. Hawkes: Mr. Chairman, we are just about ready to vote on the Bill, and I would like to express pleasure on behalf of the seven Conservative members of the standing Committee who worked so hard on unemployment insurance. I would also like to speak on behalf of the Hon. Member for Capilano who is busy with other responsibilities but who did bring forward a Private Member's Bill on this same subject. I would like the record to show that we are deeply appreciative of the Minister's efforts and of the speed and thoroughness with which he has moved to reduce these inequities.

The Deputy Chairman: Shall Clause 1 carry?

Some Hon. Members: Agreed.

Clause agreed to.

Clause 2 agreed to.

On Clause 3—*Paternity*

Mr. Rodriguez: Mr. Chairman, I would like to get this very clear. A father would be able to collect paternity benefits if the mother of the child died. Does the father necessarily have to be the biological father? What is the answer?

Mr. Bouchard: Mr. Chairman, it is the biological father or the one who is considered by the community as the father.

• (1740)

Mr. Rodriguez: Mr. Chairman, if, for example, the mother was on unemployment insurance, she had collected only three weeks benefits and then she died, how much would the father be able to collect?

Mr. Bouchard: He would be able to collect the full 15 weeks.

Mr. Rodriguez: What if the mother had collected 12 weeks and then died? How much would the father be able to collect?

Mr. Bouchard: Always the full 15 weeks.

Mr. Rodriguez: Always?

Mr. Bouchard: If they collected 12 weeks, they are always able to collect the full 15 weeks.

Mr. Rodriguez: Mr. Chairman, I want to get this crystal clear. Irrespective of how many weeks the mother had collected, the father is entitled to the full 15?

Mr. Bouchard: Yes, Mr. Chairman.

Mr. Rodriguez: With respect to the disability section, if the mother was entitled to collect benefits and delivered the baby, collected a couple of weeks and then became disabled to the point she was incapable of caring for the child, would the father be able to collect any benefits?

Mr. Bouchard: The only occasion when the father is entitled to get the benefits is when the mother is not entitled to get benefits.

Mr. Rodriguez: Am I to understand that what the Minister is saying is that the mother who is disabled and is collecting, continues to collect her benefits and no father can grab those benefits?

Mr. Bouchard: That is correct.

[*Translation*]

Mr. Malépart: Mr. Speaker, about the same clause, where it refers to what happens in case of death, I imagine that once they have a certificate, employees should have no trouble administering this legislation. But when we talk about disability, about a mother being unable to look after her child, who is going to decide and on the basis of what criteria that there is a disability? The Workmen's Compensation Board already has trouble determining what the procedure should be in such cases. Should there be a letter from the mother's attending physician to the Unemployment Insurance Commission, saying that this patient, for such and such a reason, will be unable to take care of her child? Will the Unemployment Insurance Commission, having received such a letter, automatically transfer the benefits to the father or will the Commission want a second opinion? I would like to know who is going to decide, in the case of the disability of the mother.

Mr. Bouchard: If the disability is specified in a doctor's certificate, the Commission will accept it.

Mr. Malépart: Mr. Speaker, I would appreciate further clarification, because in the legislation on workmens compensation, a medical certificate is required. However, I would like to know who is supposed to issue this certificate. Sometimes we have two or more certificates that don't say the same thing. So which one is supposed to be valid? Are we to assume that if a certificate signed by the mother's or the patient's attending physician is submitted, the Unemployment Insurance Commission will automatically assume the certificate is valid and will not question its authenticity, or might the Commission require, as is done in other areas, both a certificate from the attending physician and certificates signed by physicians chosen by the Commission? In this particular case, will the Unemployment Insurance Commission have a group of physicians on call to check the statement on the certificate?

What I am getting at is that I realize we are talking about a medical certificate. But are we talking about a certificate issued by the person's attending physician?

Mr. Bouchard moved:

That Clause 3 of Bill C-116 be amended

(a) by striking out line 18 on page 2 and substituting the following therefor:

"the week in which the mother";

(b) by striking out line 26 on page 3 and substituting the following therefor:

"became disabled, the primary".

[*English*]

Clause as amended agreed to.

Clauses 4 and 5 agreed to.

On Clause 6—*Retroactive Effect*

Mr. Rodriguez: Mr. Chairman, this clause provides for retroactivity for one year from the date this Act is proclaimed. I have two questions.

First, I represented Mrs. Sharon Taylor in 1987 before the Umpire, the Hon. Bud Cullen. She is the mother of a premature child. She was not eligible. Mr. Cullen told me the date of his decision was March 30, 1987.

If this Bill carries and is receives Royal Assent before March 30, 1987, will Mrs. Sharon Taylor be able to get her benefits?

Mr. Bouchard: It depends on when the baby came home from the hospital. However, if my colleague sends the case to the commission, we could take a look and see if it is possible to give her the benefits.

Mr. Rodriguez: I sensed in that answer the possibility that Mrs. Taylor could qualify.

Ms. Mitchell: He is smiling.

Mr. Rodriguez: He is smiling but you never know with this Minister.

My second question is this. Going back retroactively for a year, there must be a considerable number of mothers who would have been affected by this. Is the department or the commission prepared to use its computers to retrieve the names of all those women who would have been eligible to collect?

Mr. Bouchard: Mr. Chairman, I think the very good news that we will have tonight will be publicized enough so that those mothers who are affected will refer their cases to the department. We will be very pleased, as usual, to assess every case proposed.

Mr. Rodriguez: Not good enough, Mr. Chairman. While I know that we who are practitioners of politics wait anxiously every morning for our copy of *Hansard* and we watch TV assiduously—

Ms. Mitchell: Not everyone.

Mr. Rodriguez: —not everyone reads *The Globe and Mail* or watches the House on television. I ask the Minister if he will use the same process as was used with respect to the pensioners who were sent letters by the commission after they had filed applications and were subsequently been turned down. Will he use the same method to notify women who were eligible and had been turned down because of the prematurity of their child?

• (1750)

Mr. Bouchard: Mr. Chairman, I may not be as familiar as is my friend with the methods we normally use to issue that kind of information. However, I am sure that my friend will understand that we cannot go much further than we normally do. I believe that all these women who were refused for any reason, good or bad, will be very eager to contact the department when the bill is passed.

Mr. Rodriguez: Mr. Chairman, I wanted a commitment. The Government made a change with respect to people who took an early retirement, got a pension, and then applied for UI. Their pensions were used as income. We subsequently made a change and if they had made an application prior to January 5, 1986, they could get benefits and collect their pension at the same time.

The commission used the system. All the people in that category who had applied were pulled off the computer and were sent a notice informing them that they may very well be entitled to benefits and should get in touch with the commission. I want the same process to be used for women in this situation.

Mr. Bouchard: Mr. Chairman, the cases to which the Hon. Member is referring were registered in the department. I think that all such cases will be advised. However, I do not want to make the commitment that we will try to find people whom we could not find.

[*Translation*]

Mr. Malépart: Mr. Speaker, I would like the minister to make a more definite commitment in that respect. I think that we are all happy today to have taken a good step forward in a legislation and we must remember that it is those people's money. The money is not the government's, not the minister's, nor mine, but the taxpayers'.

Some people have been refused because the law did not allow it then. I think that across the government, all those cases are entered in a computer. I think it is important first that the minister make the formal commitment to see to it that a memo be sent to all offices so that these people take care of the promotion and the publication. It is not being generous to say today: See, now, we recognize . . . It is kept secret so that nobody benefits from it.

So I would like to have the formal commitment that the Department will see to it that all the people on file across Canada get a notice telling them that the Act has been amended and that they can apply, because their situation will be considered again and they could be entitled to the benefits provided for by the Act.

I remind the Minister that it had to be done for senior citizens, and I am sure there are still people who did not file an application because not everone reads the newspapers, every day and watches the news and our proceedings.

It seems that one of the Minister's tasks should be to see to it that all those entitled to benefits can take advantage of the legislation we pass. Because after all, the Unemployment Insurance money is paid by the employee and the employer. So it is their money, and those people should be entitled to it.

Mr. Bouchard: Mr. Chairman, the Department of Employment and Immigration does not base its decisions on the fact that the money belongs to the people. The Department obviously reacts to claimants whose cases have been turned down. As long as the people involved have placed a request to the Commission, their files are already there.

Now, listen, I do not believe that ignorance of the Bill can serve as a pretext in the application of the legislation itself. The Unemployment Insurance Commission has no means whatsoever to find out about people who for some reason would fail to contact the Commission in the first place.

Therefore, it is obvious that people whose names have been filed will be traced down. But I would not go so far as to suggest that everybody entitled to the benefits will file a claim, even though they do not read newspapers and do not hear from the media at all. One must draw the line somewhere. The Commission will certainly take all the necessary measures to see that people who are entitled to the benefits take advantage of the legislation.

The Acting Chairman (Mr. Paproski): Is Clause 6 agreed to?

[*English*]

Mr. Rodriguez: Mr. Chairman, I told the Minister about Mrs. Sharon Taylor who, when she received her decision, appealed it to the board of referees. we then took the case to the Umpire and the Umpire's decision was:

> This is an unfortunate case but there is simply nothing which can be done to assist the claimant. The legislation does not make allowance for this type of situation.
>
> Here is an area where only Parliament can bring about the necessary changes . . .

It says that this is a true copy of the original and it is dated in Ottawa, Ontario, the 30th day of March, 1987.

I want the Minister to give me a positive answer to this. Clause 6 reads:

> A regulation made pursuant to the said Act for the purpose of giving effect to sections 32.1 and 32.2 of the said Act, as enacted by this Act, or otherwise relating to those sections, shall—

Can the Minister give me the assurance that when the regulations are drawn up they will provide that where a mother with a premature baby did launch a series of appeals, that would be included, and not only when the baby came out of the womb?

Mr. Bouchard: Mr. Chairman, I have said before that it depends upon when the baby came out of the hospital. It is possible to have that information and we will make the decision on the basis of the time when the baby came home from the hospital.

Mr. Rodriguez: Mr. Chairman, as a last comment, the Minister will have this immediately following the passage of this Bill. He is on the record and I am going to hold him to this.

Mr. Friesen: When was the baby born?

Mr. Rodriguez: It is not that, it is that the woman appealed the process because she felt it was unfair. It went all the way to the Umpire. It was not her fault if the Umpire took time to write his decision. Surely she was entitled to exhaust all the appeal processes. Having taken advantage of the appeal processes she should be treated in the same way as we treated the pensioners who took advantage of the appeal processes and thereby established their claim. It is a simple question of carrying out justice, and I am sure it is not going to break the bank.

Mr. Friesen: You are being sneaky, John.

Mr. Rodriguez: Mr. Chairman, the Parliamentary Secretary said I was being sneaky. I am not being sneaky. I represented Mrs. Taylor. I felt it was a justifiable case then and I believe it is justifiable now. She kept her claim alive.

Mr. Bouchard: Mr. Chairman, I believe that my friend can read the clause as well as I can. It says:

> Where a child is hospitalized, the period during which initial benefit is payable under section 30, 32, 32.1 or 32.2 shall be extended by the number of weeks the child is hospitalized.

If the child is in the hospital for 10 weeks, it is extended for 10 weeks. It is clear in the legislation that the period during which initial benefit is payable is extended by the same period of time that the baby is in the hospital. I think it is clear in the legislation.

The Deputy Chairman: Shall I not see the clock?

Mr. Rodriguez: Please do not see the clock.

Mr. Hawkes: Do not see the clock.

The Deputy Chairman: Shall Clause 6 carry?

Some Hon. Members: Agreed.

Clause agreed to.

On Clause 7—*Coming Into Force.*

Mr. Rodriguez: Mr. Chairman, I have one last question because this is the clause which says that this Bill is retroactive for one year. That is the point I am trying to get at, and perhaps I should have raised the point on Clause 7 rather than on Clause 6.

Mrs. Taylor received the decision from the Umpire on March 30, 1987. I argue that she ought to be entitled to collect the benefits.

• (1800)

Mr. Bouchard: Mr. Chairman, the clauses are very clear. We say that the Bill is retroactive to the date of the proclamation. If the Bill is accepted tonight, it will be retroactive to March 23, 1987. It is in the legislation.

Mr. Deputy Chairman: Shall Clause 7 carry?

Some Hon. Members: Agreed.

Clause 7 agreed to.

Title agreed to.

Bill reported.

The Acting Speaking (Mr. Paproski): When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

Mr. Bouchard moved that the Bill be read the third time and passed.

Mr. John Reimer (Kitchener): Mr. Speaker, I want to thank my colleagues for the opportunity to say a few words on the action being taken this afternoon.

I want to congratulate the Minister of Employment and Immigration (Mr. Bouchard) on the action he has taken to extend unemployment insurance benefits to biological fathers in cases where, because of the death of the mother, the father leaves work to become the primary caregiver of the child, or in the case of a mother who becomes incapacitated to the extent that she cannot care for the child.

The Unemployment Insurance Act is also being amended to make the time limits more flexible where a premature newborn is hospitalized.

The Canadian Human Rights Commission, the Forget Commission, the parliamentary committee on employment, and the *Equality for All* report all support the concept of extending this type of maternity benefit to fathers.

These changes, as they apply to fathers, were sparked by John McInnis, a constituent of mine from Kitchener, Ontario. The mother of this infant girl died from a brain tumour shortly after the birth. Mr. McInnis left his work to take care of the baby and when he discovered that maternity benefits were unavailable to him, he turned to living on welfare.

Mr. McInnis and I requested a meeting with the Minister to see if there could be some redress for his unique circumstances. Because of the Minister's compassion, we had this meeting, quick action was promised to remedy the situation, and thus we have before us today the present amendment to the Unemployment Insurance Act.

In addition, another amendment that we will be approving today will allow the payment of maternity benefits during a period of up to 17 weeks from the time the baby comes home from the hospital, rather than from the expected or actual date of birth. That will benefit another of my constituents, Sharon Beaucage. This will allow mothers separated from their premature child due to the baby's hospitalization to take their maternity benefits when the baby comes home from the hospital.

I want to commend the Minister and the Government, under the leadership of the Prime Minister (Mr. Mulroney), for acting in the spirit of the following words spoken by a former leader of the Conservative Party, the Hon. Robert Stanfield:

> I pledge to you a government prepared to act, impatient with the notion that problems cannot be solved.
>
> I pledge to you a government that will deal openly and honestly with the people and with Parliament, one whose word can be trusted, one of compassion, conscience, commitment and principle.

I commend the Minister of Employment and Immigration. He has proven that governments do indeed listen, can act with reasonable speed, can act with flexibility where required, and with the compassion spoken of by the Hon. Robert Stanfield.

[*Translation*]

Mr. Jean-Claude Malépart (Montréal—Sainte-Marie): Mr. Speaker, I just wanted to stress the fact that when the Government introduces a Bill filling the needs of the people, Opposition parties can cooperate. In this instance, we were able to deal with such a Bill in less than one hour and a half. And as I said a few moments ago, if tomorrow, the Minister wants to introduce a Bill to do justice to older workers, we are ready to pass it in one hour! I would invite Conservative Members of Parliament to press for changes.

The Acting Speaker (Mr. Paproski): When shall this Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

[*English*]

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

Some Hon. Members: Agreed.

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

[*Translation*]

The Acting Speaker (Mr. Paproski): It being 6.08 p.m., this House stands adjourned until tomorrow at 11 a.m. pursuant to Standing Order 3(1).

The House adjourned at 6.08 p.m.

HOUSE OF COMMONS

Thursday, March 24, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

THE CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

TABLING OF ANNUAL REPORT

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, I wish to table, in both official languages, two copies of the Annual Report of the Canadian International Development Agency for the fiscal year ending March 31, 1987.

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour of tabling, in both official languages, the Government's response to petitions Nos. 332-3867, 332-3918 and 332-4114.

* * *

COMMITTEES OF THE HOUSE

COMMUNICATIONS AND CULTURE—TWELFTH REPORT OF STANDING COMMITTEE

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, I have the honour of tabling, in both official languages, the Twelfth Report of the Standing Committee on Communications and Culture on the appointment by Order in Council of Mr. William H. Neville and Mr. Michel Doyon as administrators of the Canadian Broadcasting Corporation.

The Committee considers that the appointees have the requisite qualifications and skills to perform the duties of their position.

[*English*]

FINANCE AND ECONOMIC AFFAIRS—SIXTEENTH REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present, in both official languages, the sixteenth report of the Standing Committee on Finance and Economic Affairs.

The report deals with the proposed multistage sales tax that was set out in the White Paper on tax reform. The committee has done a great deal of work on this tax reform paper, including its visit to New Zealand and its fifteenth report.

At this stage, the committee feels that until the Government has completed its negotiations with the provinces for a national sales tax, it would not be appropriate to continue working on the White Paper. The committee states that the Government must give a very high priority to this negotiation for a national sales tax. The consultations that affect parties and the operational detail of that multistage sales tax is urgent in the commercial affairs of the country.

[*Translation*]

STRIKING COMMITTEE—FIFTY-SEVENTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour of tabling the fifty-seventh report of the Striking Committee.

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

* * *

[*English*]

PETITIONS

RESEARCH INTO PREVENTION AND CURE OF SCHIZOPHRENIA

Mr. Peter Peterson (Hamilton West): Mr. Speaker, I have a petition to present to the House today which has been signed by numerous residents of the Hamilton—Wentworth region. The petitioners wish to point out to the House that schizophrenia is a major illness in Canada affecting approximately 1 per cent of the population. The petitioners believe that a method of prevention and a cure can be found, but only through larger research efforts.

The petitioners humbly pray and call upon Parliament to ensure that research efforts relating to schizophrenia will, in

the future, be commensurate with the seriousness of the illness in Canada.

• (1110)

OPPOSITION TO BILL C-72—OFFICIAL LANGUAGES

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I have the honour to present two petitions from a number of residents of Alberta who are concerned that Bill C-72 will set a dangerous precedent by banning unilingual Anglophones and other cultures.

They call upon Parliament to cancel Bill C-72 so that unilingual people have a chance for a position in government.

[*Translation*]

OPPOSITION TO THE EXPULSION OF TURKISH NATIONALS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to table a petition in the House, pursuant to Standing Order 106. The petition was signed by a number of Montreal residents who would like the Government and, more specifically, the Minister of Employment and Immigration (Mr. Bouchard), to consider with the requisite fairness, understanding and dispatch the lot of 2,000 Turkish men, women and children living under the threat of deportation by the Minister of Employment and Immigration (Mr. Bouchard).

[*English*]

PROHIBITION REGARDING KNIVES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have the honour to present a petition, once again from a number of citizens who are concerned about the increase in incidents of crime associated with knives in all major cities across Canada, including murder, robbery, and sexual assault.

They call upon the federal Government and Parliament to amend the Criminal Code to prohibit the carrying of knives by citizens in public places.

Exemptions from this ban would only include those who use knives as part of their legitimate work or when they are carried for religious purposes.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, I have a petition from what must be just about every living soul in the communities of Elgin and Mapleton in my constituency of Fundy—Royal.

They implore the House to restore dignity and honour to the country by bringing forth legislation very quickly so that the rights of the unborn can be protected.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have the honour to present petitions relative to the Government's signing of a trade deal with the United States.

The petitioners feel that the trade agreement negates the very fabric of Canadian political and economic sovereignty, that it would deny Canada the policy freedom to determine its own economic future, that it would undermine Canada's ability to build a society distinct from that of the United States, and that it would threaten hundreds of thousands of Canadian jobs.

Therefore, the petitioners pray that Parliament dissolve and that the people of Canada have the opportunity to accept or reject the proposed free trade agreement during a national general election.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all the questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

The Acting Speaker (Mr. Paproski): Before putting the motion in the name of the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall), since today is the final allotted day the House will go through the usual procedures to consider and dispose of supply Bills.

In view of recent practices, do Hon. Members agree that the supply Bills be distributed now?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—EFFECT OF INCREASED TAXES

Mr. Dave Dingwall (Cape Breton—East Richmond) moved:

That this House condemns the Government for imposing increased taxes, both directly and indirectly, against Canadian consumers and for its abject failure to protect the best interests of Canadian consumers, as evident in, among other things:

1. the high cost of prescription drugs;
2. the inadequacies of postal services;
3. the high cost of gasoline;
4. the upward spiral of personal taxes;
5. the increase in inspector fees in the agricultural sector;

6. the imposition of user fees for Atlantic fishermen;

7. the Government's acquiescence to sky-rocketing bank charges;

8. the failure of the Government to protect 67,000 investors affected by the Principal Group collapse; and

9. the unnecessarily high interest rate policy of the Government.

He said: Thank you, Mr. Speaker—

Mr. Hawkes: Mr. Speaker, I rise on a point of order. I would just like to point out to the House that the form of the motion is very much like an omnibus Bill. It may make for an interesting debate, but we can anticipate similar kinds of Bills in the future from the Government, particularly related to free trade.

The Acting Speaker (Mr. Paproski): I do not think that is a point of order—

Mr. Gauthier: On the same point of order, Mr. Speaker—

The Acting Speaker (Mr. Paproski): —and I do not think the Hon. Member will have a point of order.

I think it will be debatable and that we can look forward to a very exciting debate today.

Mr. Dingwall: Canadian consumers have a tradition of being fair-minded individuals who, on numerous occasions, have been prepared to make sacrifices in view of the public interest. However, they have demonstrated that they do not like unfairness. They do not appreciate unfairness, and they certainly do not appreciate when a national Government purposely sets out to be unfair to them and to their interests.

We have seen that, as a result of the high cost of prescription drugs. We have seen the inadequacies of the postal services. By the end of 1988, between 350,000 and 400,000 Canadians will be without door-to-door mail delivery, having to make do with the so-called supermailboxes. According to current new housing projections, by 1990 the figure will rise to well over 500,000. Also there is the high cost of gasoline, which has risen roughly 23 cents per gallon since the present administration assumed office in 1984.

We also see an unprecedented proliferation of personal taxes on individuals across the board, so much so that they are in excess of some $22 billion.

Of course we have seen the increase in inspector fees in the agricultural sector as it affects people in Prince Edward Island, particularly those in the potato industry. The past four years have been particularly tough for P.E.I. potato farmers. Markets and prices have been better this year, but they are still recovering from their earlier problems.

The Minister of Agriculture (Mr. Wise) was especially insensitive when he decided to increase inspection fees on P.E.I. potatoes bound for other provinces and beyond. In fact, inspection fees have risen from 3 cents per hundredweight in 1987 to 6 cents this year, and by 1990 the fee will be 15 cents per hundredweight.

We have also seen the imposition of user fees for Atlantic fishermen. The Department of Fisheries and Oceans has started to charge even higher fees in some instances for the use of wharf space and facilities. For inshore fishermen who have not caught much fish, these additional charges become what is best known as an enormous burden.

The Government's apparent acquiescence to sky-rocketing bank charges is another example of unfairness being delivered to the Canadian consumer. The Government has failed to take appropriate action with regard to the collapse of the Principal Group. The 67,000 Canadians who invested in these particular companies have not received any assistance from the Government of Canada. Of course, the unnecessary high interest rate policy of the Government of Canada at the present time affects many Canadians and many consumers across the board.

• (1120)

I have outlined a number of major concerns for Canadian consumers, many of which will be touched upon today by myself and by other Members of the House. I would hope that we would give some consideration in a very sincere way to the plight of Canadian consumers, particularly those who were given assurances some time ago by the Minister of Consumer and Corporate Affairs (Mr. Andre), and I say this with great sincerity, who has now acquired the name given to him by most individuals of the Minister responsible for the corporate sector. He is no longer the champion of the cause of Canadian consumers. What better evidence do we have than the plight of Canadian consumers and their outrage at the increased cost of prescription drugs?

It was said on numerous occasions in this House when the Bill was being debated in committees of the House as well as of the Upper Chamber, that with the passage of this Bill would come the additional high cost of prescription drugs. The Minister, in his wisdom, on September 6, 1986, —this is the Minister responsible for Canadian consumers—said:

> There is absolutely nothing in this Bill that will cause drug prices to go up by a penny.

That was the Minister speaking on September 6, 1986. But the evidence is quite the contrary. *The Globe and Mail* had something to say. I will quote from the article so that Members will have an opportunity to refer to it later in the debate: It reads:

> The prices of more than a thousand pharmaceutical drugs have risen faster than the Consumer Price Index in the past six months. Many of these are brand-name drugs whose manufacturers have given assurances that increases will not exceed the CPI.
>
> Lawrence Archer, a spokesman for the Ontario Health Ministry, said yesterday that 1,099 drugs are more than 5 per cent costlier on this month's price list than they were last July, while the CPI rose by 4.4 per cent. This number makes up almost half the total provincial formulary.
>
> In a few cases drug prices rose by 100 per cent and in one case the increase was 250 per cent, Mr. Archer said. He would not release the name of the drugs in question . . .
>
> The Pharmaceutical Manufacturers Association of Canada which represents the large multinational drug companies, pledged that drug price increases

would not outstrip increases in the CPI when it lobbied successfully last fall for increased patent protection for brand name drugs . . .

Let us look not only at what the Ontario Ministry of Health has said about the high cost of prescription drugs since the passage of Bill C-22, but let us look at a study of five companies which belong to the Pharmaceutical Manufacturers Association. I should say at the outset that of the five, Merck Frosst, one company in Canada, which seems rather convincing from my perspective, had reduced the cost of its prescription drugs. This was a study done in the period from January, 1987 to January, 1988. Its prices are based on the manufacturers' published price list. Out of the five, I say to the Minister opposite, one company reduced its prices. The others, however, have had substantial increases. Smith/Kline Company produces Dyazide tablets and the price has gone from $14.23 to $15.65, a 9.9 per cent increase. The cost for 100 tablets of Dyrenium has increased 16.6 per cent. For two milligram tablets of Stelazine there is a 17.5 per cent increase. For 200 mg. tablets of Tagamet the cost is up by 10.02 per cent. Those are Smith/Kline products.

Then we come to Merrell Dow Pharmaceuticals (Canada) Inc. Again, from January, 1987 to January, 1988, for 500 milligrams of Alertonic, the price has risen from $14.25 to $17.25, an increase of not 2 per cent, not 3 per cent but 21 per cent to the Canadian consumer. Then for 100 tablets of Bentylol Dospan the price has gone up from $19.55 to $25.20, an increase of 28.9 per cent. So much for the commitment of the Minister of Consumer and Corporate Affairs. So much for the words in September, 1986 that drug prices would not increase in Canada. With the same company in the same time frame, for 50 Clomid tablets the price has risen from $165 to $211.15, an increase of 27.97 per cent. For 12 mg. Tace capsules, the price has gone up from $24.40 to $36.60 for a mere increase of 50 per cent. That is utterly shameful.

Another company which had its drug prices reviewed was Janssen Pharmaceutical Inc., in the same time frame as the other companies. We have a drug here called Innovar and its price has risen from $119.10 to $145.40 for an increase of 22.08 per cent.

What about Sandoz Canada Inc.? For eight tablets of Ancasal the cost was $4.70 cents. It is now up to $6.38 for an increase—this is the fairness for Canadian consumers who were not going to pay one more cent as a result of the passage of Bill C-22—of 35.7 per cent.

I think that is clear and unequivocal evidence that Canadian consumers have been given a snow job by the Canadian Government. The Canadian Government, being apprised of these facts, is sitting back and doing absolutely nothing.

The Nova Scotia Association of Health Organizations says that from March, 1984 to February, 1985 prescription drugs which it handled have increased by 17.5 per cent. From March, 1985 to February, 1986 there is a 13.6 per cent increase. It is just not evidence that the Opposition is taking into the House of Commons. This is information prepared by Canadians who are directly involved in that particular sector of our economy. I find it to be rather appalling that the Minister has chosen to do absolutely nothing.

In the Upper House, a Bill has been introduced in order to try to give some teeth to what is known as an imperfect, if you will, but at best, a prices review board. The Minister wrongly blames the Opposition for delaying the passage of Bill C-22 and thereby the establishment of the Drug Prices Review Board provided for in the legislation, he says, to control drug prices. Bill C-22 increased patent protection which was given to brand name manufacturers retroactively to June 27, 1986. You would think that that retroactivity would apply to the Drug Prices Review Board which would or may review the price of a drug. The answer is that it does not apply to the Drug Prices Review Board.

• (1130)

My colleagues in the Upper Chamber are attempting to make amendments that would perfect a piece of legislation which has a very strong effect on Canadian consumers. There we have the unfairness which was predicted by opposition Parties, by the United Church, by the Royal Canadian Legion, by consumer groups and by senior citizens across Canada.

The collapse of the Principal Group of companies and the 67,000 investors who have lost in many instances their life savings is but another example of the Canadian Government's refusing to accept responsibility or refusing to become involved in what is none other than a national disgrace. I do not have to remind you, Sir, as a very able representative from the Province of Alberta, how these investors feel at this time. However, the response of the Minister of Consumer and Corporate Affairs has been: "Well, it's not my problem. I didn't do it, the devil did it. Don't come to me, I'm not responsible. I don't want to be involved. That is a provincial matter".

I say to the Minister that that is a cop-out. The Minister knows that only too well. In his hands, he has a report from the CDIC, but he says, and I applaud him for this, that he cannot publish the report of the CDIC because that would breach confidentiality and, as a Minister of the Crown, he could not do that. I understand that argument. I do, and I have said that to the Minister. He does not wish to acknowledge that, but I have.

I have also said to the Minister that the interest of the public carries more weight than the confidentiality of a particular company or companies, because there are 67,000 Canadians who have lost their life savings. The paramount action the Minister ought to take is to make that report public so that Canadians may see what information the CDIC had and what it did with that information. That would send a signal to the financial community that the Government of Canada will not tolerate those companies, which may be in a minority but which cause Canadians to question both the ethics and the integrity of many financial institutions.

The Minister will rise and do a step-dance, the twist, the limbo and all sorts of dances to try to put it on the Alberta Government. He will try to put it on the need for new federal regulations, etc., etc., but the fact is that the Minister and the Government had an opportunity, and still have an opportunity, to help Canadian consumers who were affected by the collapse of the Principal Group.

As recently as yesterday, we heard of the taxes that Revenue Canada is forcing these Canadian consumers to pay. I am happy to read in the paper that the Minister will be making a decision on that within a very short period of time.

The litany of things that the Government has done to Canadian consumers goes on and on. I know that there are some in this House who are intimately concerned and have voiced their concerns over bank charges. I do not want to say anything about the snarky letter I received from the Royal Bank of Canada on March 22, 1988. I do not want to talk about the contents of that letter in which the author admits that there are bank charges and that there is a charge of $85 for the signing of mortgage renewal documents. The Government seems, by its conduct and its lack of action, to acquiesce to sky-rocketing bank charges.

If the Minister does not think that this is such a serious issue, let me tell him about a letter from the Royal Bank of Canada dated December 14, 1987, addressed to an individual and signed by a manager of the Royal Bank of Canada. The manager says in the letter that effective November 1, 1987, the bank began levying a charge for providing information via the telephone to its clients. Do you know, Mr. Speaker, what the Royal Bank, as of January 1, 1988, is charging Canadians for information on their accounts that they may seek by telephone? It is charging $5 a pop.

Of course, the Minister sits back in his Gucci office, wonderful surroundings, and says: "Oh, well, let the consumers have it". There is the fairness that Canadian consumers are getting from the Government.

What about the tax increases that have affected Canadian consumers from coast to coast? There has been an unprecedented number of new taxes imposed on Canadian consumers. I think it is worth mentioning, for the benefit of Hon. Members, that sales taxes went from 9 per cent to 10 per cent on October 1, 1984. They were upped again from 10 per cent to 11 per cent on January 1, 1986. Again they were upped on April 1, 1986, from 11 per cent to 12 per cent. Sales taxes have gone up from 9 per cent to 12 per cent.

What has this great Government which has so much concern for Canadian consumers, done? It has extended the sales tax to candy, soft drinks, fast foods and snacks. It has increased from 8 per cent to 12 per cent the tax on paint and wallpaper, and the Tory tax has even taken a new twist. The Tories have now gone after toys for kids.

The Minister laughs. I know that you are not laughing, Mr. Speaker, because you know that the unfairness of these measures will be brought to bear in the next federal election.

I have already mentioned the increases in gasoline taxes, that of 23 cents per gallon over the last four years. The taxes go on and on. I know that there are many more Hon. Members in the House who will want to participate in this debate, so I will sum up.

It has been clear, since September of 1984, that the Minister of Consumer and Corporate Affairs has devoted his time and his energy to promoting and enhancing the corporate interests of Canada to the detriment of Canadian consumers. We have seen it with prescription drugs, with bank charges, with inspectors' fees, with wharfage fees for Atlantic fishermen, with unprecedented tax increases, and with the lack of concern for the 67,000 investors affected by the collapse of the Principal Group of companies. That is a summary of my argument, and I would hope that the Government would assume its responsibilities for consumers as it has assumed its responsibilities for protecting and enhancing corporate interests. It is high time the consumers got a fair shake.

Mr. Hockin: Mr. Speaker, I wanted to ask the Hon. Member a question about the apples and oranges comparison he was making on drug prices at the beginning of his speech. The 1987 prices were compared to the 1988 prices. Would the Hon. Member tell me if he was comparing the manufacturers' level of 1987 with the retail level of 1988? If he was, he was misleading the House by saying that there has been an increase, because the increases would be calculated on a different basis.

Second, would the Hon. Member confirm that the report he is quoting containing these misleading indicators was commissioned by Senator Haidasz, a Liberal Member of the Senate? Could he confirm too that the 1987 prices he quoted contained no federal sales taxes but that he quoted a 1988 price which included sales tax?

Finally, a number of the drugs he mentioned are now off patent, and the generic companies could copy them if they wanted to. That point, of course, was made by the Minister of Consumer and Corporate Affairs (Mr. Andre) a few days ago. Can he confirm that he heard that from the Minister?

• (1140)

Mr. Dingwall: Mr. Speaker, there were several questions there. To alleviate the fear and ooziness in the Minister's mind, I would be happy to show him a copy of the report I referred to. The report deals with pricing from January, 1987, to January, 1988. The prices are based on the manufacturers' published price list. Yes, the report was prepared with respect to the impact of the proclamation of Bill C-22 on drug prices. It was prepared for Senator Stanley Haidasz by two pharmacists. As soon as I give it to the *Hansard* people the Minister will have an opportunity to read it at his leisure.

With respect to the high cost of prescription drugs, I want to remind the Minister that we said very clearly in committee and in this House that drug prices would increase, not only brand-name drugs but generic drugs. The reason is, and the Minister ought to focus on this, that the brand-name companies would have a period of exclusivity for upwards of 10 years. The only way the generic companies could maintain their viability in the short term was either to lay off people or to increase their prices. We do not agree with it but that is what is happening. It is happening not only to generic drugs but to brand-name drugs as well. We told the Government, and witnesses told the Government, that that is what would happen if it tried to move from the old system to one involving exclusivity for the brand-name companies.

The Minister also referred to certain comments that the Minister of Consumer and Corporate Affairs made in the House. Yes, I am well aware of those comments. I am also well aware of the undertakings that the Minister of Consumer and Corporate Affairs gave to the committee, to Parliament, the committee in the other place, and Canadians generally that prescription drug prices would not increase one red cent. That was his September 6, 1986 statement.

Mr. Cassidy: Mr. Speaker, I would draw to your attention and that of the Hon. Member that the motion speaks to the abject failure of the Government to protect the best interests of Canadian consumers because of its unnecessarily high interest rate policy, among other things. Over the last few weeks I have been pressing the Government to bring interest rates down from the current bank rate of 8.5 per cent or so and mortgage rates of 10.5 per cent to 11.5 per cent. I believe they are unnecessarily high. However, I have a recollection that under the Liberal Government, of which the Hon. Member was a supporter, interest rates went up to 20 per cent and to 22 per cent, and mortgage rates hit 19 per cent or 20 per cent.

I would like to ask the Hon. Member if he agrees that interest rates are unnecessarily high at just over 8 per cent for T-bills and 10.5 per cent to 11.5 per cent for mortgages. If so, why did he not speak out in the early 1980s at the time his Government arbitrarily imposed a tight money policy and applied monetarism with the utmost rigour to the point at which farmers, small businesses and consumers were forced to the wall? People across the country lost their homes because they could not afford the high interest rates. Where was the Hon. Member then and why was he not speaking out in order to bring those interest rates down?

Mr. Dingwall: Mr. Speaker, it is always nice to be able to respond to a question from the NDP.

Mr. Blaikie: Be nice, Dave.

Mr. Dingwall: They are the ones who—

Mr. Gormley: Ask Howard Pawley.

Mr. Dingwall: Precisely. I guess you could ask Howard Pawley a number of questions.

Mr. Cassidy: Give us your answer.

Mr. Dingwall: I will respond to the Hon. Member. There is no question that interest rates now as well as at the time he referred to are and were unnecessarily high. The Hon. Member may have been here, and if he was not, he may not be aware of the fact that at that time we had a world-wide recession.

Mr. Nickerson: Oh, oh!

Mr. Dingwall: Hon. Members may wish to try and poke holes in that, but the fact remains. We saw it in the energy sector and we saw it in interest rate policies not only in Canada but in the U.S. The Government is now preaching that we are in a position of economic strength. Yet we see the spreading to Canada of the unnecessarily high interest rate policy in the U.S.

The Hon. Member may be trying to take credit for things he may or may not have brought up on the floor of the House of Commons. I do not recall if he did, although I accept his word. Hopefully he will accept my word that my colleague from Laval-des-Rapides also raised that point on the floor of the House of Commons. The Hon. Member ought not to—

Mr. Cassidy: Not when the Liberals were in power.

Mr. Dingwall: He was not a Member then. The Hon. Member ought not to speak with a forked tongue.

[*Translation*]

Mr. Tardif (Richmond—Wolfe): Mr. Speaker, first of all I would like to congratulate the Hon. Member on his brilliant and most remarkable speech, especially the part about drugs, since as he said so aptly, at the time the legislation was considered in the House, everyone expected some very substantial increases. He made it clear that not only did this happen, but it happened faster, and more ruthlessly.

I have another example. I received a telephone call this morning in my riding office, about a woman who is planning to adopt a young Mexican boy. Immigration Canada says it will charge her $185 to open a file. There is a whole series of similar charges which, added to the ruthless measures I mentioned earlier, will put an incredibly heavy tax burden on consumers generally.

The Government's reaction seems to be: Don't worry. We are going to solve all our problems with free trade which will provide the framework for substantial improvements at the consumer level.

The question I would like to ask my colleague is: Does he feel that free trade will eventually bring about improvements for the Canadian consumer?

[*English*]

Mr. Dingwall: Mr. Speaker, the Hon. Member raised a number of important issues. In many instances the cost of prescription drugs is borne by provincial Governments. That is why, if you check the record, you will find that numerous provinces, although not all, have objected to the thrust of Bill C-22. Clearly, in their mind and in the minds of others the Bill caused an unnecessarily large increase in the cost of drugs. They will have to deal with that either through new taxes or through cutting back on health services.

I have often, in committee and in this House, given Nova Scotia as an example of the problem. That small province may have to pay upwards of $25 million in excess costs because of Bill C-22. The province will have to go after the taxpayers in some form to recoup that money.

With regard to the free trade agreement and how that will affect Canadian consumers, I think we have seen evidence of that already. If we have to be on a level playing field with our friends to the south, we will have to pay more in some areas. There is, though, a historical argument that free trade and the lessening of tariffs will provide benefits to Canadian consumers.

Mr. Hockin: Yes.

• (1150)

Mr. Dingwall: Does that mean, however, that we are going to lose jobs as a result of this? The answer is very clearly yes. Therefore, the effect on the Canadian economy is negative.

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I am very pleased to be able to participate in this debate today. This debate is about the interest of Canadian consumers. The resolution is a bit of a mishmash and it is difficult to know what the focus of the Hon. Member's motion is. George Bernard Shaw once apologized to someone to whom he was writing a letter saying that he was sorry that he did not have time to write a brief letter and would, therefore, write a long letter.

This is a lengthy motion which shows a lack of focus and clarity of thought on a question of real importance to Canadians in their role as consumers. He tried to argue that in nine different policy areas there is some unreasonable burden placed on the consumer, and I will address those in my formal remarks.

We do not have in this debate a speech from the Liberal Party which can be taken credibly because of the record of that Party and indeed of the Hon. Member on consumer issues. The voting record of the Hon. Member shows that he has quite consistently overlooked great opportunities to defend the Canadian consumer.

For example, he voted against increased competition in the air and rail transportation sector by voting against Bill C-18 in the second session of this Parliament. He voted against increased competition in extra provincial trucking by voting against Bill C-19 in the second session of this Parliament. The Hon. Member had an opportunity to do something about consumers' rights on the pharmaceutical issue. He spent a great deal of time speaking about that today but he did not answer my questions, and I hope you noticed that, Mr. Speaker.

When I made the point that he was comparing apples and oranges, he avoided answering that directly. He is comparing one year with the sales tax with another without sales tax, and one year at the manufacturers' level with another at the retail level. It is misleading to quote statistics which do not have a common base. Perhaps when the Hon. Member has an opportunity to ask me questions he will respond to that question which I put to him and to which he did not respond.

The Member had a chance to vote for a Drug Prices Review Board when we brought in Bill C-22. This federal board will be in place to exercise a downward pressure on all drug prices, not only generically copied drugs. This is a huge venture on behalf of the consumer, but he voted against it.

The Member also had an opportunity to vote for the compensation of the uninsured depositors of two western banks, but he did not do so. He voted against the privatization of Teleglobe Canada. The sale of that Crown corporation has resulted in significantly low rates for overseas telephone calls.

I am suggesting that the Hon. Member is not always as alert to interests of consumers as he likes to assert he is. Indeed, his Party is not, and I can therefore understand why he has some difficulty in being alert to their interests.

His comments today invite deliberate and careful answers from me. However, this does give me occasion to talk about the consumer in a wider context than these picayune little details that he raises in his motion. Quite frankly, the failure of the Opposition to mount a coherent case against the Government's economic policies is evident every day in this House, and this failure could hardly be better illustrated than by the grab-bag of items before the House today. The idea seems to be that what you lack in the quality of criticism you can make up for in quantity.

This just does not work because the Government's economic policies have worked from the day we came into office, are working today, and will continue to work for the good of Canadians in every part of the country. I can say that with every conviction because our policies are working. It is very difficult to find any economic indicator which affects the average Canadian as a consumer which is not immensely better year over year and immensely better than it was five years ago.

Mr. Cassidy: Like the unemployment rate in Newfoundland?

Mr. Hockin: The unemployment rate in Newfoundland is a good example. It, too, has improved year after year since we have been in government.

Mr. Cassidy: It's at an intolerable level, and you know it.

Mr. Hockin: Noting the range of subjects which the motion has grouped together you will not be surprised, Mr. Speaker, that some specific areas will be discussed by other speakers for the Government today.

To begin with, let us be clear about the Canadian consumers referred to in the motion. Contrary to the impression which the Hon. Member tried to leave, they are not some special interest group with particular interests separate from those of everyone else. All Canadians are consumers. More to the point, their present and future well-being as consumers depends directly on the ability of the Canadian economy to produce new jobs and to produce higher incomes and new economic opportunities now and in the years ahead. Consumers are not only people dealt with by the Department of Consumer and Corporate Affairs but are consumers in the wider sense which I just mentioned.

The kind of negative thinking which is reflected in the motion before us today was soundly rejected by Canadians in September, 1984. Instead of approaching government this way they wanted a positive new approach to the economic challenges facing Canada. That is exactly what the Government has provided. We did not do this in an *ad hoc* way. We made clear to the Canadian people how we were going to proceed. We laid it out clearly in the agenda for economic renewal in 1984. It is there for everyone to see.

Often governmental statements of that nature under Liberal Governments did not mean anything, they were mere cream puffs with very little substance and certainly not followed through seriously by the Government. In this case the agenda for economic renewal is truly a blueprint. The governmental engineers have gone to work with it and have built an edifice which is very impressive. We have stuck to our program, and the results more than bear out the success of our policies. In every instance the consumer wins.

As an example of how the consumer wins, in 1987 real growth in gross domestic product reached 3.9 per cent, a growth rate higher than that of the United States. That was the third consecutive year in which growth was in that range. That is a tremendous performance.

Interest rates, too, have been stable at three to four percentage points below the levels reached in September, 1984. The Hon. Member for Ottawa Centre (Mr. Cassidy) reminded the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) of this. Interest rates are much lower today than they were in September, 1984. Real interest rates are also down substantially in the same period, to the benefit of the Canadian economy as a whole and of Canadians in their role as consumers. Nothing is more difficult for consumers to cope with than high interest rates, and we have brought them down.

The typical five-year mortgage rate is a good example. It is now 11 per cent down from 14.25 per cent in 1984. What could be more relevant to a consumer than that? This represents a saving of $1,400 per year on a $50,000 mortgage amortized over 25 years. Is the Hon. Member against that kind of action on behalf of the consumer? Consumers are also homeowners. Houses needed to be built so that they can have a choice. Housing starts are up from 135,000 in 1984 to 246,000 last year, which is the highest annual level for housing starts since 1977. Nothing could be more important to consumers than that figure.

• (1200)

Of course, consumers must be employed. The unemployment rate is down to 8.9 per cent in 1987 from 11.3 per cent in 1984 when we took over from the Hon. Member's Party as Government. It was down even further, to 7.8 per cent in February of this year. In response to the interjection by the Hon. Member for Ottawa Centre, the unemployment rate is down in all provinces, which is good news for Newfoundlanders as well as people from all other provinces.

The decline in the unemployment rate reflects a tremendous achievement in job creation. February is the seventeenth consecutive month in which full-time employment increased. Since September, 1984, 1.213 million jobs have been created. That is what we have accomplished for Canadian consumers.

The growth in our gross domestic product in recent years has put us in the top rank of leading industrialized nations. In fact, people who study Canada are impressed with what they see. The latest survey of business investment intentions is a good example. While such news may not make the front page, it is astonishing that Canadian business is planning to increase its investment in plant and equipment by an extraordinary 17.3 per cent this year. Usually increased investment intentions are up by 2 per cent or 3 per cent, if at all, over the previous year. This is the largest real increase in private sector investment spending in nine years. We have achieved those results because we took the necessary action to ensure a positive environment for job creating growth and investment.

We have made substantial progress in deficit reduction and controlling the growth of the debt, thereby reducing the burden on the consumer who must ultimately pay the bills.

In anticipation of what might be said by the Hon. Member for Ottawa Centre, I should remind the House what happened under an NDP Government in Manitoba with regard to debts and deficits. The NDP often tells us that we should increase government spending for one reason or another. However, we hear very little about how they would raise the revenue to do it.

Mr. Cassidy: Why do you not talk about Saskatchewan first? Then we will talk about Manitoba.

Mr. Hockin: I often hypothesize about what they would do if they were in power.

The Acting Speaker (Mr. Paproski): I trust that on a day like today, when we have had a national prayer breakfast, we would be able to wait until the Hon. Minister has finished debate. We will be able to have questions and comments after the speech. The Hon. Minister of State for Finance (Mr. Hockin).

Mr. Hockin: Mr. Speaker, these are sensitive matters to the Hon. Member for Ottawa Centre, but they must be discussed. In Manitoba, spending has increased from 18.5 per cent of GDP to 21.3 per cent, relative to the size of the economy. If the NDP Government in Manitoba had simply held spending growth to the rate of nominal economic growth, the present revenue structure would now yield a $250 million surplus rather than a $334 million deficit.

We hear talk about the NDP Government being the protectors of the consumer. The Crown corporation in that province which provides automobile insurance has acquired a $60 million operating deficit, which has led to premium increases of between 18 per cent and 112 per cent to the consumer in Manitoba. That is what an NDP Government delivers. Government automobile insurance in Winnipeg is now more expensive than private sector insurance in Ottawa. That is a very important fact to keep in mind when the NDP rises to defend the consumer. Last December, the NDP Government wrote off $185 million in Crown corporation losses by Order in Council. This is not shown on the government books as either a government expenditure or as a Crown corporation loss.

Provincial government revenues in Manitoba have increased by 94 per cent over the past seven years, more than twice the 42 per cent increase in consumer prices that have occurred over the same period. While there is supposed to be an NDP Government in power to protect the consumer, there is no protection whatsoever. As a matter of fact, I cannot imagine what would happen if that kind of laboratory experiment were applied by the NDP at the federal level.

We have fostered a healthy and receptive climate by controlling the deficit. We have brought it down for four years in a row by controlling the growth of debt and reducing the burden on consumers who must ultimately pay the bill. It is the consumers of Manitoba who will have to pay the bill for what the NDP Government did there.

We have fostered a healthy and very receptive climate for private sector investment, a fact which the opposition Parties have neglected to acknowledge. We know that the private sector is the engine of growth in the economy, not the Government.

We also reduced the burden of government intervention through deregulation. While that may not interest the Opposition, it is a very important step in order to let fresh air blow through the economy and protect the consumer.

We established a new policy to promote the development of science and technology. We are encouraging innovation. We have made regional development more sensitive to local needs. Through a combination of responsible fiscal, monetary and economic policies, the Government has provided a stable framework for economic progress, which has been of tremendous value to Canadians in their roles as consumers.

We have undertaken a major reform of the tax system. This is being done with Canadian consumers in mind. Our tax system will now be better balanced and fair. Previous Liberal Governments never did anything in terms of establishing a comprehensive and coherent way to make the tax system more balanced and fair.

As a result of our action to reduce tax rates and broaden the tax base, 85 per cent of all households, or 9.7 million, will see their tax reduced. Moreover, 850,000 lower-income Canadians will have their taxes reduced to zero.

As a result of our changes our tax system will lose many of its complicated deductions and its elaborate system of tax brackets. Lower personal income tax rates mean that Canadians will keep more of every additional dollar of earnings, which is perhaps the big message in tax reform. People will now be able to keep more of what they earn so that they can go into the world as consumers with more to spend. That is the purpose of tax reform. Tax reform means more money to save or spend as the consumer sees fit.

Tax reform also means that corporations pay more while individuals pay less. This is not mentioned by the Opposition, but it is a very fundamental reform. We can implement a more progressive tax system that is more efficient and can better encourage the productive economic activity on which all Canadians depend for economic well-being.

This first stage of tax reform is designed neither to increase nor to decrease revenues. In the same way, reform of the sales tax system will also be fiscally neutral. This is important if we are to succeed in the highly competitive international market. Obviously, the over-all thrust of tax reform is in the interest of Canadians as consumers.

Let me turn to the financial institution sector about which the Hon. Member raises questions. I know he is interested in the financial institution sector. Because we had a number of Bills passed at the end of the last session, I think it is important for me to remind the Hon. Member of Bill C-42 and Bill C-56. They speak to the concerns he raised today. The Hon. Member was not there to vote on them, and I am sorry he was not because in fact he would see that we have set up a CDIC which can play a much greater role in our financial system.

• (1210)

We have also established a supervisor of financial institutions who will be able to make our system far more efficient and fair to the consumer and to Canadians when they look for credit or want to deposit. Above all—and this is very important for Canadians as consumers—these two Bills will make the system safer so we will not have these Principal Group

kinds of disasters. The Hon. Member knows that the Principal Group is made up of 127 companies, only one of which is federally insured through CDIC. He wants to tar the federal Government with the brush of all 127 companies, and that is irresponsible.

CDIC has paid out to depositors, and the Code inquiry is looking into the appropriateness of what went on. The CDIC is sharing information with it and will share more. If the Hon. Member does not believe that CDIC should have some confidentiality prerogatives, then he should have voted against Bill C-42, but he did not. Confidentiality provisions are not onerous, but there has to be some because individual and business relationships with financial institutions are generally understood to be confidential.

In conclusion, Canadian financial institution reform, by making the system safer, by making it more competitive, is very good news for the Canadian consumer. It is the most important news any Minister in charge of that dossier can deliver to Parliament. I am very proud of that and very proud of what the Government is doing with its over-all spending and tax record. That is the over-all answer, the truly appropriate conceptual answer to this resolution, which is a kind of a mishmash of miscellaneous ideas.

The Acting Speaker (Mr. Paproski): I regret but the Hon. Minister's time has expired. I would just like to say that I did give the first speaker additional time and the Minister was also given additional time. I will now recognize Hon. Members on questions and comments.

Mr. Dingwall: Mr. Speaker, the Minister and I can disagree on various points. I disagree emphatically with the concept of the Drug Prices Review Board within Bill C-22 and, quite correctly, voted against it. However, if the Minister believes in the effectiveness of this board, would he answer the question as to why the period of exclusivity is retroactive for brand-name companies to June 27, 1986, but the retroactive provisions do not apply to the Drug Prices Review Board? Why the difference, if the Minister believes so sincerely in the Drug Prices Review Board?

Second, with respect to sales tax increases, can the Minister explain to Canadian consumers why $3 billion in additional sales taxes is good for the Canadian consumer, and I mean the increases of October 1, 1984 of $1 billion, on January 1, 1986, another $1 billion, and on April 1, 1986 another $1 billion? Would he also tell the House about the benefits to Canadian consumers in paying upwards of 23 cents a gallon more to drive their cars since 1984? Would he explain to Canadian consumers how this is of benefit to Canadian consumers?

Finally, while the Minister is on his feet, he ought not to misrepresent the suggestions that Members of Parliament have made. The Minister knows only too well that I have requested a copy of the CDIC report on the Principal Group. I am not suggesting, and the Minister knows that very well, that all confidentiality with regard to financial institutions be breached. I have never suggested that. But I have said to the Minister that in this particular instance, because of 60,000 Canadians losing their life savings, is it not in the good public interest of this country that that be made public so Canadians can see the involvement of the federal Government? Thus far the Minister has said no, but I would like him to comment on that third point as well.

Mr. Hockin: Mr. Speaker, the position of the Hon. Member on the question of CDIC and the Principal Group is a bit like trying to find a needle in a haystack. He says he is in favour of confidentiality but in this particular case he is not in favour of confidentiality. Is that what he is saying? What is the principle that guides the Hon. Member, the notoriety of a current predicament? Does that always override the principle of confidentiality?

I do not understand the Hon. Member's point. If he believes that confidentiality should be in place in some instances and not in others, could he tell me when he would discriminate against one and lean towards the other? My position is clear. There should be some confidentiality, but the CDIC should try to participate with information as much as it can, publicly and on a confidential basis, with inquiries such as the Code inquiry in Alberta.

Second, my understanding on the Drug Prices Review Board, and the Hon. Member can correct me if I am wrong, is that the Drug Prices Review Board is looking backward. It is not just looking forward. It is looking backward retroactively. I do not know where he gets that argument. I checked with the Minister before coming to the debate today. It is confirmed. It is looking backward as well as forward. Therefore, the point the Hon. Member makes is wrongly based unless I misunderstood the over-all thrust of what he was saying.

Finally, the Hon. Member asked about federal sales tax revenues in the last two or three years. A large part of those revenues has come from the growth of the economy which has led to increased revenues. This is the wonderful thing about growth, about jobs and about increasing investment. If one compares the period in office of the Minister of Finance (Mr. Wilson) from 1984 to 1988 with the period during which the Right Hon. Leader of the Official Opposition (Mr. Turner) was Minister of Finance, one will find that revenues taken by the federal Government, proportionately, were much greater under that Liberal administration than they have been under this administration.

I really do not know the basis on which the Hon. Member has made his complaint about revenues. They are lower than they were under the Liberal administration of the Right Hon. Leader of the Official Opposition when he was Minister of Finance, plus the fact that a large part of the increased take from federal sales tax comes from the growth of the economy.

Mr. Cassidy: Mr. Speaker, I was astonished to hear some of the statements made by the Minister. He suggested that provincial revenues had gone up very sharply in Manitoba and

that that was of itself wrong, ignoring the fact that under his own administration, federal revenues have gone up for a number of reasons, including substantial tax increases put into place by the Conservative Government. Those increases include three increases in sales tax, and sales tax revenues have in fact doubled under the Conservative Government since 1984.

I find the speciousness of the Minister's comments rather demeaning, and I am sorry to hear him make those particular comments. However, perhaps I can focus on a couple of things. In the first place, the Minister says he has not heard anything different from the New Democratic Party. The Liberals can speak for themselves with respect to economic policy, but what he has heard from the New Democratic Party is that we believe that full employment is as important an objective of economic policy as economic growth, the control of inflation and regional development. In fact, those things all fit together.

What has been lacking from the previous Government and from the present Government is, of course, a commitment to making full employment as important an objective as what the bankers, financiers and right-wing pundits tell the Government it ought to do.

Part of this resolution deals with the issue of bank charges. I listened with some concern to what the Minister had to say. He talked about great faith in the market system which brought us the crash last October. He talked about competition and he argued that the private sector was the engine of the economy. There is, in his view, no particular role for Government. I could contest that at some length, but what I would point to is his conclusion that this is the over-all answer to the concerns raised in the debate. For those consumers who have been concerned about bank charges, about the way they feel they have been victimized by increases up to 100 per cent in the last three or four years in charges levied by the bank for different services, his answer is: "Let them eat cake", because as far as he is concerned, the market system will short them out.

• (1220)

I suppose that I should applaud the courage of the Minister for sending out average consumers from coast to coast to do battle with Canada's multi-billion dollar banks and the banking system. Frankly, I think that is a rather unfair type of competition. If the Minister really cared about the consumer, he would be seeking to ensure that there was some force by which consumers acting collectively could receive a fair deal when the banks are ripping them off.

Mr. Hockin: I am very happy to respond to the Hon. Member's points and questions, because I did not have an opportunity to elaborate further on the question of bank charges raised in the motion.

Bank charges are being looked at carefully by the House of Commons Standing Committee on Finance and Economic Affairs. The Hon. Member is a member of that committee. I am looking forward to that report. I would like to receive it quickly in order that we can act based upon it.

With that report in mind we will act, and the role of Government will be pivotal to the way we act. We will not leave it totally to competition. The Hon. Member knows that the competitive part of our answer to bank charges is an important part of the answer, but it is not the whole answer.

Mr. Cassidy: He is backing down, Mr. Speaker.

Mr. Hockin: I am not backing down at all. The Government itself will have to act and it has acted before. There are a whole series of proposals—

Mr. Cassidy: This is like Saul on the road to Damascus.

Mr. Hockin: —for disclosure, for elaborating on the role of the Superintendent of Financial Institutions with regard to regulating financial institutions. There is a superintendent not simply to keep competition buzzing along, which is great, but also to help to protect Canadians as consumers. As a matter of fact, the superintendent is doing an excellent job. We also have an interdepartmental committee looking at this before we receive the bank service report in order that we can respond very quickly when we receive the report. I think that the Member will be very happy with the way in which we will respond when we receive the report.

The role of the Government is essential in the protection of depositors and policy holders in a world where there is a market system or a centralized economy. It is absolutely central, and there is not very much difference about that. Where there is a difference of opinion between the Hon. Member and myself is in the importance of this new competition that I am insinuating into the system through our Blue Paper changes. Let me give the Hon. Member an example.

It was not too long ago that the big banks stated that they could not have variable rate mortgages. The Hon. Member knows something about mortgages. He has been involved in that issue. A humble trust company in my home town brought in variable rate mortgages. Three months later the banks found a way to bring in variable rate mortgages. A small trust company gave leadership to the whole system and the banks got on board. That is what we are going to bring into the economy, based on my reforms. After my reform is passed, insurance companies will be able to make consumer and commercial loans; trust companies over a certain size will have the total capacity to do the same. As a result, banks will have a great deal of competition. I know that that is not the total answer, but it is an important part of the answer for the Canadian consumer.

Mr. Gagliano: The Minister spoke at length on the tax reform. In the past three and a half years the Government has received from consumers more than $20 billion in taxes. Next week Canadian consumers will pay a one cent per litre tax increase on gasoline. Perhaps the Minister can tell us what that will do to the consumer.

My question is specifically related to the loss of value of properties due to the installation of supermailboxes. I am sure the Minister is aware of the Ontario Municipal Board ruling that supermailboxes installed in front of a house reduce its value. As a matter of fact, a citizen in the Municipality of Pickering had his or her property tax bill reduced because of that. Is this policy of the Government to stop delivering mail door-to-door to new subdivisions, and installing supermailboxes not affecting consumers at large? Canadians who invest their savings in a new home are now seeing values reduced because of the government policy of installation of supermailboxes. Not only do they receive second-class service, but also the value of their house and their investment is being reduced.

Mr. Hockin: I am glad that the Hon. Member has interjected with this question. I feel very strongly about this whole question of postal service and the Canadian consumer. I know that the Minister of Consumer and Corporate Affairs (Mr. Andre) does also.

If the price of stamps has to be doubled in order to have door-to-door delivery on a regular basis, the Canadian consumer will be up in arms. Our position is that the Canadian people want a responsible approach to Canada Post. They want postage stamps to be reasonably priced, and they want good service. When Canada Post reaches the stage of balancing its budget, which it will do shortly, we will then be in a position to make many choices on behalf of the consumer, such as, for example, if we want more service, if we want cheaper service, or if we want to make certain policy departures. The Government believes that those departures should not take place until the budget is balanced. The whole initiative of the Government on behalf of Canada Post has been excellent for the consumer.

In respect of the municipal example quoted by the Hon. Member, a reporter asked a resident of Pickering about this issue. I gather that it is the Town of Pickering that has decided to sue Canada Post and the federal Government for the use of supermailboxes. The following is what one resident, Muriel Beckett, had to say: "There are a lot of people around here that have a fire hydrant on their property. They have the electrical boxes too, so it is a trade-off. You get one or the other. I really don't think it will affect the property or the value of the property very much either".

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate, the Hon. Member for Ottawa Centre.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, time does not permit me to say all the things I would like to say in this debate over a very comprehensive, one might say unfocused, motion coming from the Liberals.

I note the *double entente* and the confusing messages delivered by the Government, as we witnessed in the speech given by the Minister of State for Finance (Mr. Hockin). He thumps himself on the chest and states that the private sector is the engine of the economy. When one presses and starts to say that that engine is rolling over average Canadians, forcing people to the wall, and it is not being fair to poor consumers, suddenly the Minister states that we have to direct it a bit, and Government has to step in in order to play a role.

Most people who understand the Canadian economy know that we have a mixed economy in which there is an important role for the public sector, for the co-operative sector, and for the private sector. There is nothing wrong in saying that. But I find that this cant that comes forward from time to time from Progressive Conservatives is a little sickening. Generally, it seems to be directed at the New Democratic Party, a Party which has no problems at all in acknowledging that the private sector has a role, the public sector has a role, and there needs to be a co-operation between the different elements of our society if we are going to have a society which is just, equitable, effective, competitive, and fair to all of its citizens and residents.

I ask the Hon. Minister of State, does he really think that a society that is fair only to the rich and the powerful is the type of society Canadians want to achieve?

Mr. Hockin: That is cant.

Mr. Cassidy: The Minister would say "No, of course not". He would state, "I want to be as fair to the widow in Newfoundland as to Conrad Black and to the other people who finance my Party in Toronto, and places like that".

In practice, the Government acts otherwise. That is one of the problems we have had with the Government over the last three or four years. That is not to say we did not have problems with the Liberal Party as well, and that the Liberal Party is not having its problems with itself. This resolution speaks to the inadequacies of postal service. It was the Liberal Party that created Canada Post, which is currently responsible for postal services. This resolution speaks to the high cost of gasoline. It was the Liberal Party that put the sales tax increase into the 1984 Budget which was implemented by this particular Government. The resolution speaks about the Government's acquiescence to sky-rocketing bank charges. That increase in bank charges did not begin after September 4, 1984; it began back in 1981 and 1982. Who was in power then? The Liberals were in power, Mr. Speaker.

• (1230)

The resolution also speaks to the unnecessarily high interest rate policy of the Government. I have challenged the Government on this issue. I have raised it again and again. However, let us not forget that 11 per cent mortgages are a heck of a lot better than the 19 per cent mortgages which prevailed when the Liberals were in power.

The Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) ignored my question when I pointed out that he did not raise the interest rate issue in 1982 and 1983. It was the New Democratic Party which was raising the issue at that

time. Back-bench Liberals were mute while their own constituents were being forced out of business, were losing their homes, were losing their jobs, et cetera. I suppose time heals many things.

The Hon. Member for Cape Breton—East Richmond agreed with me that interest rates were unnecessarily high six years ago, but then he said: "Well, we had a world recession at that time but we do not have a recession now". If we had a recession back then, what the devil was the Government doing imposing interest rates which the Liberal spokesperson on consumer affairs now admits were unnecessarily high? Why the devil did they not bring them down? I suppose that is a question which must be answered in the next election.

Also a question about economic and financial management needs to be raised, not just about the Conservative Party but about, the Hon. Minister of State for Finance will be glad to know, the Liberal Party itself. I should like to quote from Mr. Jeffrey Simpson's column today wherein he said: "The Liberals are stone broke. They face a deep and worsening financial crisis". He indicated that the Royal Bank, long a mainstay of the financial drives of the Liberal Party to maintain itself in power, has refused to extend its line of credit, and that the Liberal Party's corrective measures have invoked extreme controversy and differences of views within the Party to the point that the President of the Party is likely to be forced out, or forced to resign, or may in fact even lose a nomination. He also indicates that the Liberals are not yet sure how to get through the next six months without a crisis even more serious than the one of three weeks ago when the Party came within a whisker of not being able to meet its payroll.

The New Democratic Party has been giving a great deal of thought to how Canada needs to be governed and how the economy needs to be managed should we be called upon to form the Government after the next election. I want to say that a Party which does not even know how it can manage through the next six months is not displaying the necessary fitness to run the country again after the 1988 or 1989 election.

If I could turn my attention to the Minister of State for Finance, the Canadian Export Association and the Canadian Manufacturers' Association are increasingly raising questions about the high interest rate policy of the Government. Let us make no mistake that that is what we have. It was not created by the market system on its own. It was created by deliberate monetary policy being carried out by the Governor of the Bank of Canada and under the authority of the Government. The Government cannot wash its hands of that, because weekly the Minister of Finance (Mr. Wilson) meets with the Governor and he has the power to tell the Governor to bring down interest rates.

I am not sure whether or not the Governor blinked this week in terms of his annual report. He had the good grace not to mention zero inflation rates as his objective in his annual report. I thought there was some significance to that. He indicated in his press conference that he was no longer prepared to confront or to seek confrontation with the Government in power. Nonetheless, we are also told that the Governor and the bank will continue to let interest rates rise on the treasury bill auction which they manage. Therefore they are bringing the bank rate up which, as the Minister of State for Finance knows, affects short-term interest rates in general and influences the inflow of money into the country.

Rather than acting, as the bank can, to bring interest rates down to a more reasonable level relative to world rates, particularly rates in the United States, the Bank of Canada is continuing to push up those rates. Instead, it is selling Canadian dollars wholesale in the exchange markets, to the point where we have doubled our foreign exchange reserves of U.S. dollars that have been tendered in return for Canadian dollars over the last year. By selling those Canadian dollars, the bank has prevented the exchange rate from going absolutely through the roof. However, now exporters are saying that it is bad enough at 80 cents because it is tougher for them to sell and to compete in Canada against imports. However, if the dollar goes up to 82, 83, or 84 cents, they will be facing a very serious situation.

The Canadian Manufacturers' Association is now lending its voice to the concerns of New Democrats in saying, as I say now, that interest rates should be brought down by 1 per cent or more over a three-month period, a gradual decline which would allow for monitoring and adjustment if problems develop. I am pleased to have the support of the Canadian Manufacturers' Association on this particular question.

I point out to people who are in business and people who are concerned about Canada's trading relationship with the United States that in the course of just three months or four months we have seen an increase in the value of the Canadian dollar relative to the United States which has more than equalled the tariff cuts that the United States is committed to make over a 10-year period in the Canada-U.S. trade agreement signed last October.

If the trade agreement over 10 years is meant to be giving 100,000 or 150,000 jobs to Canada—and we do not know whether or not it is true—we will have a reverse move, which will lose 100,000 to 150,000 or more jobs to Canada, and all the benefit of the trade agreement will be wiped out. If the Government wants to be consistent, it should be keeping the dollar around 76 cents and moving ahead with the trade agreement. Instead, it gives with one hand, supposedly, and takes with the other, which can cause serious harm as far as the country is concerned.

A Government which is in fact concerned about the way in which a country is developing would look at the fact that the economy is somewhere at the full employment level in the area immediately around Metropolitan Toronto. There are jobs available; they are not necessarily good jobs, but there are jobs available. The unemployment rate is down to as low as 3 per cent to 4 per cent in certain areas. However, the idea expressed

by the Governor of the Bank of Canada that he must jam on the breaks every time the Toronto regional economy gets too hot seems to be unacceptable to average Canadians in most parts of Canada.

We should be talking about seeking means by which additional credit can be made available to areas like Newfoundland, Nova Scotia, northern British Columbia, and northern Quebec. Currently that is not the situation and there are excessively high rates of unemployment, but economic development and job creation are simply not applied that far.

[*Translation*]

Mr. Speaker, I would like to point out that in his attack on the banks, the Liberal Party critic chose to ignore the fact that his Party depends very heavily on contributions from the banking sector.

In 1984, donations to the Liberal Party by the banks equalled donations to the Conservative Party. The Bank of Montreal gave $75,000 to the Liberals; the Bank of Nova Scotia gave $70,000; the Canadian Imperial Bank of Commerce gave $70,000; the Royal Bank gave $75,000 to the Liberals; the Toronto-Dominion Bank gave $70,000; and the National Bank of Canada gave $30,000 in political donations to the Liberal Party of Canada.

In 1986, Mr. Speaker, the Conservatives received about $35,000 from each of the Big Five. The Liberals received $35,000 from the Bank of Montreal, $35,000 from the Bank of Nova Scotia, $37,000 from the Bank of Commerce, but apparently nothing from the Toronto-Dominion Bank and nothing from the Royal Bank. I imagine that was because they had gone too deeply into debt.

Mr. Speaker, we have here a Party that has remained friends with the banking sector. After all, the banks contributed $350,000 to the Liberal Party in 1984. Mr. Speaker, if they are returned to power, do you think the Liberal Party will stand up for the banks or for the average consumer? I think the answer is obvious.

• (1240)

[*English*]

I would like to deal with this question of bank charges. We are talking about a lot of money. In the last year for which we have figures, 1987, it is estimated that the direct bank charges for deposit accounts, safekeeping and payroll processing increased by about 20 per cent, to a total of $1.1 billion by the five chartered banks. If you bring in foreign exchange revenue, credit card fees, loan fees, securities commissions, bankers acceptances, letters of credit, guaranteed fees and other items, we are talking about a total of $4 billion which the banks collect annually. They are running amok in terms of the ways these fees have been increasing. For example, over the last five years, at a time when the economy was expanding at about 5 per cent and at a time when the banks were bringing in all kinds of new machinery to increase productivity, the Bank of Commerce had a compound growth rate in its service charges to consumers of 17 per cent per annum. In 1983 it charged consumers $126 million, and in 1987 it charged them $235 million. The total of these fees now exceeds the profits that have been shown by the five chartered banks before the special provisions for Third World write-downs made back in 1987. This means that people are finding themselves paying every time they turn around at the chartered banks.

I have the figures here about increases in general for all the banks from 1982 to 1986. The Toronto-Dominion Bank increased its bank service charges by 75 per cent, the Royal Bank by 101 per cent, the Imperial Bank by 74 per cent, the Nova Scotia Bank by 81 per cent and the Bank of Montreal by 116 per cent.

If you look at the year over year increases for different services, Mr. Speaker, you will find that these charges are going up by 20 per cent, 30 per cent, 50 per cent or 100 per cent, and the consumer hardly knows where to turn or what he or she can do about it.

I have a letter here written to my friend, our spokesperson on unemployment insurance, the Hon. Member for Nickel Belt (Mr. Rodriguez). This letter is from Winnipeg. It reads, in part, "Why was the bank deducting $1 off my account each month because the balance was below $200"? When the person went to the bank and asked it to do something, the bank said it would drop the charge if the person increased the balance in the account to over $200. Someone else was hit not once but twice for personalized cheques in one month just a few months ago. The cost was $8.06 a whack despite the fact that for years previously as a senior citizen, the person had never been charged for cheques. This person says, reflecting the anger existing out there—this is a senior citizen from Calgary, Alberta,—"the bastards are ripping me off". This is somebody in their sixties or seventies. It is strong language but it shows how people feel about the treatment.

I have another example of cheques returned NSF. The service charge was $13.50 on a $75 cheque for Visa with the Bank of Commerce. A cheque for $50 was returned and a service charge of $13.50 was imposed. What it demonstrates, of course, is that if you are a small consumer then the charges are particularly onerous. If you are wealthy, you bounce a cheque and you pay $13, that is bad enough, but $13 on a $10,000 draft is something different than $13 on a cheque written for $50 or $100 by someone who has a very small income.

I think it is interesting to note in the figures that we have here just how much the cost of doing business can differ for a standard package of different services from different financial institutions. *The Ottawa Citizen* in January this year did an estimate and it found that the annual cost of a series of chequing and savings transactions for a typical Ottawa consumer would range from a low of $154 for someone at the CS Co-op up to $234 at the Scotia Bank; $258 at the Royal Trust and $276.20 at the Bank of Montreal. I bank with the

Bank of Montreal because it is close, by but perhaps I should reconsider that particular situation.

What I have found, and it makes me angry as a consumer myself, is that I get hit with these little charges here and there. It is $3 to put a cheque in on a monthly basis in order to keep my line of credit from getting out of sight. When I went to talk to the bank it said, "Oh, we are awfully sorry". The bank took the charge away. I am a Member of Parliament. I can find someone to talk to. The banks have to listen to me because they will possibly hear about the matter here in the House of Commons. But a constituent of mine living in Dalhousie ward is not in that position at all. A constituent of mine living in Dalhousie ward may feel that he or she has no choice but to spend as much as $20, $30 or $40 at a cheque cashing service because they cannot establish the ability to cash the cheque in a Canadian chartered bank. We have seen the collapse of the CCBs.

The Minister looks puzzled. The consumer protection agencies have been trying to bring this matter to the Minister's attention, but the Government has not been prepared to act on that front at all. That kind of action should be outlawed, and I believe that that should be a protection for the consumer. I believe that the chartered banks have the privilege to print money, the privilege to make billions of dollars in profits, the privilege to get by year after year without paying any tax at all, thanks to the privileges given to them by the Liberals and the Conservatives. The least the banks should be prepared to do is to cash a Government of Canada cheque or cash a welfare cheque from some average, ordinary Canadian or pensioner living on a small income and not force that person to go down that street to a cheque cashing service where he is ripped off, paying $5, $10, $25 to cash a cheque to put some bread on the table to feed the family or pay the rent.

That is reality and why I believe it is wrong, as the Minister said, to trust the market system alone. For God's sake this is a compassionate society, or it was until the Progressive Conservatives came to power. This is the Party that tried to deindex the old age pensions and tried to drive down the pensions of old age pensioners by 3 per cent year after year. This is the Party which deindexed the family allowances. In other words, it balanced its deficit not by taxing Conrad Black but by taking money away every month from families with children in this country. That is abject exploitation of average ordinary Canadians.

I realize, in talking about these things, that we are talking about the forthcoming election. In the forthcoming election I will be talking to my constituents in Ottawa Centre saying, "Do you want a Party that is prepared to give substantial tax cuts to only one group?" Only one group has tax cuts under tax reform, Mr. Speaker. The people who will be paying less in 1988 than in 1984 under the Conservative Government's tax reform are those with incomes of over $100,000 a year. The average family in my riding will be paying more than $1,000 in taxation after the Conservative Government tax reform than they were paying before. I am going to tell them that. No doubt the Government will turn around and say, "Look at all the people we took off the tax rolls". But the Government forgets that these people were taken on the tax rolls first before they were taken off.

As far as my Party is concerned, we think that issues like this are substantive and important public issues. We believe that, yes, there is a cause and a case for Government to be involved in working at the social organization of our country to have a compassionate and a caring society. That is why we fought for medicare, full employment, hospital insurance, an adequate network of benefits for people who through bad luck cannot look after themselves. Most people really believe that. The banks should not be exempt from that.

I would like to see an ombudsman protect average Canadians in the banking system the way it is done in the United Kingdom. I would like to see local advisory committees established in every community with whom the banks would have to consult from time to time on the nature of their services. I would like to see a government prepared to stand up for average Canadians and not just for wealthy Canadians.

• (1250)

Mr. Hockin: Mr. Speaker, I have some very brief questions for the Hon. Member. An NDP Member of the Manitoba Legislature said on February 12, talking about the Manitoba NDP Government: "I am afraid government philosophy tends to be: if it moves, then tax it, if it doesn't move, then put a tax on it. That is the perception people are getting out there when they see all of these taxes, some of them regressive". That was an NDP Member speaking about the NDP Government.

I think that Member was referring to the provincial sales tax rate which had been increased from 5 per cent to 7 per cent. A flat rate tax on net income and of course the payroll tax were brought in. Does the Hon. Member believe in a flat rate tax on net income and does he believe in increasing sales taxes as has been done in that province under an NDP Government?

Second, the Hon. Member talks about his Party's commitment to full employment, and that is an important objective. Does he dispute the fact that 1,213,000 jobs have been created in Canada since September of 1984? I want him to answer that, because that is a statistic we are quoting and I was wondering if he disputed it.

Finally, a columnist in the Winnipeg *Free Press* said that it is getting harder and harder to find anyone who is poor and that since the Finance Minister of the NDP Manitoba Government is opposed to taking big tax bites from the poor, everyone has suddenly become rich. I want to ask the Hon. Member what is his definition of poor and what is his definition of rich? I need this information to respond in the next few months.

Mr. Cassidy: Mr. Speaker, I suspect that the Hon. Minister was quoting the former NDP Member of the Manitoba Legislature who in fact decided, in an act of disloyalty to his

Party, to vote against it on the Budget. He decided to break his word to the Premier of Manitoba. Having promised that he would vote for the Government on the Budget, he then changed his mind without giving any advance notice. There is a very real question as to whether or not he had been bought off. He certainly indicated that he is open to offers from the Government if the federal Conservatives are prepared to pay in gratitude for the fact that he provoked the Manitoba election.

I would also point out that one of the reasons the New Democrats have been in power in Manitoba for 17 of the last 20 years, I believe, has been specifically because of its commitment to full employment and its capacity to provide honest, sensitive and caring Government in that province. I would point out that during the course of the recession, Manitoba consistently had the lowest rate of unemployment of the provinces, and that was because of the commitment to maintaining employment and creating jobs, which was the number one priority of the Manitoba New Democrats when they came back to power under Howard Pawley about six or seven years ago.

That Government has displayed a great deal of courage on a number of other issues, including the issue of official languages. I regret to say that the Hon. Minister's friend and colleague, the leader of the Manitoba Progressive Conservative Party, defied his own leader's position on official languages and did everything he could to exploit the language issue. I think Manitoba voters were right to see through him at the time.

Yes, there have been some sales tax increases in the Province of Manitoba, as I understand it, but I would point out that in terms of over-all levels of employment, the Minister himself has said that it is harder and harder to find anyone who is poor in Manitoba. I suggest that that is also a tribute to the job that has been done by the Manitoba New Democrats in the time they have been in power.

Yes, I accept that, according to Statistics Canada, there has been an increase of some 1.2 million employed Canadians over the last three and a half years. Statistics Canada also points out, of course, that there are still some 1.1 million Canadians who are out of work today. The Government's own projections in the Budget indicate that unemployment through 1988 will rise rather than fall from last December's level.

In addition to the 1.1 million Canadians who are registered as being unemployed, we can talk of the further 500,000 Canadians who are natives on Indian reserves who do not have jobs but are not counted, people who are on welfare because they cannot get jobs and people who are discouraged and have dropped out of the labour force. On top of that, there is a further group of something like 500,000 Canadians, and probably more, who are working part time but are not doing so voluntarily but simply because those are the only kinds of jobs available to them.

That suggests to me that though we have had some progress, largely because of the spill-over of the American economic upsurge into Canada, the Government has only been doing a little better than standing still. We need a very high rate of employment-creation in Canada for demographic reasons, as the Hon. Minister is very much aware, and we have an awfully long way to go before we achieve regional equity and bring unemployment rates down to the 4 per cent or 5 per cent level in every region of Canada. That, of course, is what we should be aiming for rather than tolerating the Bank of Canada putting on the brakes.

[*Translation*]

Mr. Gagliano: Mr. Speaker, unfortunately I don't have much time to analyse the speech by the Hon. Member for the New Democratic Party, but I must say that while I was listening to his speech, which was very interesting, I was reminded of the time several years ago, before 1976, when the Parti Québécois was in the opposition. It is easy for the New Democratic Party to criticize since it never formed the Government. But if we were to analyse the record of certain provincial governments, and I am referring to the Parti Québécois in Quebec and the New Democratic Party in other provinces, the results would be very interesting.

But I would like to get back to federal matters, Mr. Speaker. Last fall during the postal strike, every day the New Democratic Party, like the Liberals, asked the Govermment to prohibit the hiring of scabs. However, when the New Democratic Party was asked whether it was prepared to pass anti-scab legislation, it did not have an answer, and said it would have to consider.

The Hon. Member said in Quebec City that if the new Government was formed by the NDP, he was prepared to cancel the frigate contracts for New Brunswick and give them to Quebec. A week later, his leader came to Montreal and said no, he wouldn't do that. And as far as party financing is concerned, we can assume the New Democrats are just as non-committal. My question is this: Have they taken a position on legislation that would prohibit the hiring of scabs? What is their position on the frigates? And what is their position on party financing? Is the New Democratic Party prepared to turn down contributions from the unions?

Mr. Cassidy: About the anti-scab legislation, it is clear we need this kind of legislation at the federal level, and that is our Party's policy.

As for the frigates, Mr. Speaker, it was not a week but two hours later that my Leader clarified the statement I made by mistake. I admitted my mistake. My Leader stated our policy. A New Democratic government would respect the contracts now in effect and the people of New Brunswick would be given that assurance. No question. I made a mistake, but just the same, I wonder what the Liberal Government in Quebec has done about the problems in the shipyards. There are some real problems there which I was addressing, but I agree that the answer is not to reverse decisions on existing contracts but to provide for a fair policy on sharing future contracts among the shipyards.

As for changing the legislation on political contributions, I just want to say that my leader has come out in favour of a reform.

[*English*]

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. The floor is free.

It being 1 p.m., I do now leave the chair until 2 p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

HUMAN RIGHTS

LATVIA—CEREMONY SCHEDULED TO COMMEMORATE VICTIMS OF STALINIST DEPORTATIONS

Miss Aideen Nicholson (Trinity): Mr. Speaker, a ceremony will be held in Latvia tomorrow, March 25, to remember the victims of Stalinist deportations. The Helsinki '86 Human Rights Group of Latvia has called on all Latvian citizens to commemorate victims of the mass deportations of 1949 by laying flowers at the Statue of Liberty in Riga at 1830 hours, that is 10.30 a.m. Eastern Standard Time, tomorrow.

On March 25, 1949, a mass round-up began resulting in the deportation of over 43,000 individuals from Latvia. The action was part of Stalin's forced collectivization by the physical removal of independent farmers and destruction of the traditional rural base of the country. These mass deportations, which struck all three Baltic States simultaneously, were considerably larger than those of June 14, 1941, commemorated this past summer. If indeed the U.S.S.R. authorities allow the ceremony in Riga to proceed peacefully tomorrow, we will have seen a concrete example of *glasnost.*

* * *

HUMAN RIGHTS

POLAND—PLIGHT OF DR. KORNEL MORAWIECKI

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, on November 9, 1987, the Polish Government arrested and imprisoned Dr. Kornel Morawiecki, leader of the Polish Opposition Group "Solidarnosc Walczaca", or "Fighting Solidarity", a non-violent underground organization.

Morawiecki had been in hiding since the imposition of martial law in 1981. During the last six years he devoted his energy to the creation of this movement whose goals are democracy, freedom, and respect for human rights. The only crime of this brave Polish patriot is his dedication and commitment to the pursuit of these goals, and his unlawful arrest is clearly a violation of the letter and spirit of the Helsinki Accord to which Poland and Canada are both signatories.

I urge the Secretary of State for External Affairs (Mr. Clark) and the Government of Canada to use every means at their disposal to secure the release of Kornel Morawiecki from his illegal imprisonment.

* * *

IMMIGRATION

BACKLOG OF REFUGEE STATUS CLAIMANTS

Mr. Dan Heap (Spadina): Mr. Speaker, the Minister of Employment and Immigration (Mr. Bouchard) is undermining and discrediting Canada's refugee status determination system and our legal obligations to the UN. Last week the Minister moved to deport 40 Turks out of the backlog of 46,000 refugee claimants, whereas this week the same Minister indicated he is prepared to start a new administrative review to clear the backlog. It is grossly unjust to deport some now and later allow others to stay through administrative review.

Today we learn the Minister will in a few weeks fire about 10 of the most highly qualified and competent members of the Refugee Status Advisory Committee. Among them are Susan Davis, formerly a protection officer in Canada with the UN High Commission for Refugees; William Barton, former Canadian Ambassador to the UN and liaison with the UNHCR; and Yvon Beaulne, formerly Canadian Ambassador with experience in the UNHCR. Such people have proven expertise and judgment in refugee matters. They are being dumped, evidently to be replaced by Tory hacks who will assist the Minister to expel refugees. Shame on the Government for its campaign against refugees.

* * *

FISHERIES

BRITISH COLUMBIA SPORT FISHING INDUSTRY—CALL FOR REPLACEMENT OF MINISTERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, only six days ago I rose in the House of Commons to condemn the Minister of Fisheries and Oceans (Mr. Siddon), who caused great damage to the sport fishing industry in British Columbia, for failing to consult with the industry before changing the rules for salmon catches. Since then I have received at my constituency office, subsequently forwarded

here to Ottawa, 3,000 cards of support from British Columbians living on Vancouver Island.

All of these British Columbians call on the Prime Minister (Mr. Mulroney) to "reject the proposed punitive regulations of your Minister of Fisheries, Tom Siddon, against the recreational chinook fishery in the Strait of Georgia", and demand that the Prime Minister "abandon these proposed regulations immediately and have your Minister of Fisheries consult with the recognized sport fishing representatives to develop a proper management plan for the Strait of Georgia". I will be sending these 3,000 protests from British Columbians to the Prime Minister this afternoon.

Considering that this week alone the Minister has angered the entire Province of Nova Scotia by handing out improper lobster licences, that 14 of 15 members of his Lobster Advisory Council have resigned, and that he has failed to protect the fish processing industry on both coasts and ignored the deep concern of thousands of his fellow British Columbians in the sport fishing industry, I would suggest that the Prime Minister find himself a new Minister of Fisheries and Oceans.

* * *

CANADA PENSION PLAN

DISABILITY BENEFIT APPLICATIONS—ROUTINE REJECTION

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, I rise today to express concern about the manner in which applications for Canada Pension disability benefits are processed. They are rejected at the first level as a matter of course and further appeals are very time consuming and frequently result in injustices to claimants. I am advised that the text outlined in the Act is the source of the problem, but that is only partly the case. The process is also faulty.

• (1405)

I therefore urge the Minister to consider changing the test prescribed in the Act so that disabled Canadians unable to work may receive the benefits to which they feel entitled. I also urge that an end be put to the routine rejection of applications at the lower level of assessment. It is time for this unworkable legislation and process to be changed.

* * *

CANADIAN PACIFIC RAILWAY

BILL C-85—USE OF PROVISIONS AGAINST NON-STRIKING WORKERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise to tell Hon. Members of the unfortunate and unwanted consequences resulting from the passage by this House last August of Bill C-85 which ordered striking railway workers back to work.

This legislation is now being used by the CPR to intimidate non-striking workers by the threat of fines of up to $1,000 a day if they refuse to cross picket lines. The CPR uses those provisions written into Bill C-85 as a way to intimidate its workers regardless of their collective bargaining situation.

There is no great emergency facing the railways today. There is no certainty that non-striking workers will be fined for refusing to cross the picket lines of a legal strike. The only certainty is that the CPR is using any means it can to keep operating.

This is a clear CPR strategy to divide its work force. It won't work, but the House of Commons should realize that this action is a direct result of the use and misuse of the passage of Bill C-85.

* * *

[*Translation*]

PROGESSIVE CONSERVATIVE PARTY

GENERAL MEETING OF QUEBEC WING

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, the general assembly of the Quebec wing of our party will be held next weekend in Montreal. Over 1,000 delegates from all regions of Quebec will participate in this major political gathering. For two days, they will debate and adopt resolutions following an unprecedented democratic process for a federal party in Quebec.

As you may recall, Mr. Speaker, in the fall of 1987, the Hon. Monique Vézina set up eight political commissions and ten regional panels, bringing together over 2,000 active party members throughout Quebec. More than 225 resolutions were adopted. The Commission on the Environment and Natural Resources alone, of which I am the chairman, has received 60 proposals, which very clearly shows the commitment of our members to matters related to the environment and our quality of life.

In closing, I would like to thank all Quebec Party members who took part in this political reflection exercise, in this unprecedented democratic process, and who will help to make the Progressive Conservative Party the strongest Party in Quebec, the Party with the clearest options and the only federal Party to be truly devoted to the interests of Quebecers.

PUBLIC SERVICE

LANGUAGE TEACHERS—REQUEST THAT LABOUR CONFLICT BE RESOLVED

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, I would like to draw the attention of the House to the fact that, after 18 months, the employees of the Education Group of the Public Service Alliance of Canada are still in conflict with the Treasury Board.

The last meeting between management and the union was held on January 13, 1988, and nothing has happened since. This group of federal Government employees has been without a contract for 18 months, since September 1986. What is at issue is not money or wages, but the work load of the teachers.

Under the terms of the Government offer, language teachers could spend 37 1/2 hours a week teaching for 20 consecutive weeks without any time allowed during their workday for course preparation. Under these conditions, Mr. Speaker, the quality of the teaching and the performance of the teachers would certaintly deteriorate. We have to wonder whether the Conservative Government has a hidden agenda as concerns the teaching of our official languages.

* * *

[*English*]

THE YUKON

VISIT BY PROGRESSIVE CONSERVATIVE MEMBERS OF PARLIAMENT

Mr. Jim Edwards (Edmonton South): Mr. Speaker, last weekend I had the privilege, along with five colleagues from the government side of this House, of visiting the Yukon and the vigorous, vital Yukoners. The six of us spread out to 14 communities from Old Crow in the north to Carcross in the south, and from Beaver Creek in the west to Watson Lake in the east. We met with over 30 delegations ranging from native band leaders to Yukon Chamber of Mines.

Yukoners are for free trade. Like other Canadians they crave facts, not fear and fantasy. Yukoners are disappointed about Meech Lake seeming to diminish their prospects for provincehood, but they are cheered by the consistent record of the Progressive Conservative Party since John Diefenbaker that we will bring the Yukon to provincehood when Yukon declares itself ready.

Yukoners of all origins and occupations want an early and just settlement of land claims issues. We southerners, without judging the merits of the issues, urge them on and wish them well.

S. O. 21

AUTOMOTIVE INDUSTRY

REQUEST FOR PASSAGE OF CANADIAN CONTENT LAW

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the Hyundai decision yesterday by the Anti-Dumping Tribunal increases the serious pressure hitting the auto industry in Canada. The real losers as foreign producers expand here are the Canadian parts producers. The Big Three have a commitment to 60 per cent Canadian content. Hyundai and the Japanese producers have no such commitment. Therefore, as they expand market share, Canadian parts producers and their workers lose out.

It is up to the Government to make all producers play fair by passing a Canadian content law for the auto industry that says 60 per cent applies to all significant auto sellers.

• (1410)

Some 20,000 to 40,000 skilled jobs are at stake. I call on the Government to move urgently for the sake of fairness.

* * *

[*Translation*]

THE PRIME MINISTER

GOLD INSIGNE AWARD

Mr. Guy St-Julien (Abitibi): Mr. Speaker, the Prime Minister of Canada (Mr. Mulroney) will be receiving on March 28 next in New York the Gold Insigne Award granted by the Pan American Society for his exceptional contribution to the strengthening of relations among countries of the Western hemisphere, for Canada's recent efforts to strengthen democratic institutions in Haiti and for his support to the Arias plan aimed at pacification in Central America.

The Pan American Society is in the United States the main forum in the United States where issues are discussed having a vital interest for countries of the western world.

The Gold Insigne Award has already been awarded to the American Presidents Hoover, Franklin Roosevelt, Harry Truman, Dwight Eisenhower, Lyndon B. Johnson and John F. Kennedy and to Latin American leaders Miguel de la Madrid of Mexico, Raoul Alfonsin of Argentina and Napoleon Duarte of El Salavador.

Mr. Speaker, it is an honour for all Canadians and for the Prime Minister of Canada to be conferred that prestigious award.

S. O. 21

[*English*]

CANADA POST CORPORATION

SUPERMAILBOXES—PLAN TO INCREASE NUMBERS

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, now, with the coming of spring, what do we hear and read? The Post Office is set to double supermailboxes.

Imagine an 80-year old lady going through the snow and cold next winter to pick up her cheque, and handicapped people going in a wheelchair to pick up their cheques at a supermailbox. How can the Government do this to Canadians? Why does it not order Canada Post to stop installing supermailboxes?

Rather than create second-class citizens, the Government should create first-class citizens. The Minister responsible for Canada Post should order Canada Post not to install those boxes and to give door-to-door service to Canadians. That is the service they deserve, first-class service for first-class Canadians.

* * *

PAN AMERICAN SOCIETY'S AWARD

RECOGNITION OF CANADA'S ROLE IN STRENGTHENING INTERNATIONAL RELATIONS

Mr. William G. Lesick (Edmonton East): Mr. Speaker, on March 28 the Prime Minister (Mr. Mulroney) joins a select group of international dignitaries when he accepts on behalf of all Canadians the Pan American Society's Gold Insigne.

The award is given annually to the Government which has made an outstanding contribution to strengthening relations amongst western hemisphere countries.

All Canadians can be justifiably proud of their international reputation for humanity. Having won the Nansen Medal last year, we are now doubly qualified to play a greater role in international relations. No doubt our own multicultural heritage has enabled us to achieve these lofty awards. I congratulate the Prime Minister and all Canadians. Canada's reputation abroad is growing steadily and, as we near the next decade, I do not think there has ever been a better time to be a Canadian.

* * *

CANADIAN PACIFIC RAILWAY

BILL C-85—USE OF PROVISIONS AGAINST NON-STRIKING WORKERS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I want to join my colleague, the Hon. Member for Winnipeg North (Mr. Orlikow), and others who are concerned about the way CPR is using Bill C-85 to intimidate and scare workers, to force them into situations where they feel they must come into conflict with their fellow workers on the picket lines.

There was a situation in Winnipeg yesterday where someone in a car took a run at the picket line, injuring one person. These situations can be traced back to the legislation the Government brought in and to the Government's lack of willingness to say clearly to the CPR, this House, and Canadians that this was not the intent of the Bill. The purpose of the Bill was to implement back-to-work legislation. The CPR has no right to use it to intimidate workers as it is doing.

I hope the Minister of Labour (Mr. Cadieux) will get up in the House today and say so.

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PROVINCIAL AFFAIRS

MANITOBA ELECTION—SELECTION OF LIBERAL PARTY CANDIDATES

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, Liberal fortunes in Manitoba seem to be improving. One of my constituents wrote: "Dear Felix: Sorry I have not written to you for a while, but I have been busy attending the provincial Liberal nomination meetings. Just as an observer, you know".

He went on to write that "these Grits held one of their nomination meetings in a phone booth. For Burrows constituency they had only three people, the candidate, the mover, and the seconder. In Inkster constituency they nominated a mailman only to find out later he was not even a Party member.

• (1415)

"The meetings get more interesting, Felix. In Kirkfield Park a Liberal was acclaimed in the basement of her house. They just held a coffee party to decide who should run.

"For the Assiniboia riding 11 people attended the meeting but no one knew the fellow who was running. The mover of his nomination had to stop halfway through to ask him his name.

"Felix, is this the groundswell of Liberal enthusiasm that the papers keep talking about? Is this the Party that the TV news says Manitobans are showing strong support for?

"Well, Felix, I think I will quit going to any more of these Liberal meetings, otherwise they might soon declare me Party Leader."

[*Translation*]

CORRECTIONAL SERVICE

REQUEST FOR BETTER PENSION PLAN FOR EMPLOYEES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I want to draw the attention of the House to a very important question, a promise the Government had made to Correctional Service employees, namely prison guards.

With respect to the pension plan, the Government had promised Correctional Service staff that they would be entitled to benefits similar to those enjoyed by the Armed Forces and the RCMP.

Right now, Mr. Speaker, Treasury Board officials have put everything on hold. We believe the Government should seriously consider the proposition whereby prison guards who want to retire ought to be entitled to the kind of benefits now available to the Armed Forces and the RCMP, but this suggestion has been rejected, and for totally unacceptable reasons.

The President of the Treasury Board refuses to see them, refuses to talk to them . . .

An Hon. Member: Is this a question?

Mr. Gauthier: This is not a question, but a statement pursuant to Standing Order 21. The Solicitor General agrees with them and says: Yes, I agree. You have a good suggestion, but Treasury Board will not go along.

My question is for the President of the Treasury Board: Is he prepared today to meet with representatives of the federal employees' union at the Correctional Service and offer or give them what they are asking for, an adequate pension plan, while keeping in mind the important work they do, the stress under which they have to work and, given all these considerations, find a solution to this question?

ORAL QUESTION PERIOD

[*English*]

RESEARCH AND DEVELOPMENT

LEVEL OF GOVERNMENT EXPENDITURES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Deputy Prime Minister in the absence of the Prime Minister.

[*Translation*]

Mr. Speaker, four years ago this week, the Prime Minister, who was then Leader of the Opposition and preparing for the 1984 election, made his first election promise before the Montreal Chamber of Commerce when he said that he would double funding for research and development before the end of his first term.

Since the Deputy Prime Minister and the Prime Minister are now preparing for the next election, I wish they would explain why funding for research and development in Canada dropped from 1.37 per cent of GNP in 1984 to 1.29 per cent today.

The Prime Minister promised to double funding for R and D but it has dropped instead.

Could the Deputy Prime Minister explain to the House how the Prime Minister could again break the first promise he made in the last election campaign?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the Prime Minister has not broken the promise, as suggested by the Right Hon. Leader of the Opposition. Quite frankly, the Prime Minister has taken a very vigorous interest in this particular issue by establishing his own National Advisory Board on Science and Technology, with which he meets on a regular basis and which reports directly to him.

The report given to him back in December, with a number of recommendations, has indeed been acted upon—such things as the reorganization of the Department of Regional Industrial Expansion, with greater emphasis on science and technology; InnovAction; the generous R and D tax proposal; increased funding for research, $1.3 billion, an unprecedented amount of money, has been allocated for research and development which was announced in January; the establishment of centres of excellence, and Canada scholarships programs. I could go on and on.

• (1420)

What I think is important is that there has been a partnership organized with the private sector, with the university community, and with Governments to address this very critical problem together. I think a lot of progress has been made in a co-operative fashion.

ADVISORY BOARD'S REPORT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I am glad the Deputy Prime Minister mentioned the Advisory Board on Science and Technology and the report in December which the Prime Minister, until today, tried to keep secret. It was summarized today in the *Toronto Star*. An amazing fact which appears in the report, but which was not printed in the *Toronto Star*, is the unbelievably bad record of the Government in support of industrial research and development. The $1.3 billion mentioned by the Deputy Prime Minister is recycled money and it is not destined for industrial research and development.

Will the Deputy Prime Minister confirm that in that report not published today in the *Toronto Star*, direct government support for industrial research and development on a per

capita basis is 50 per cent more in West Germany than in Canada, 240 per cent more in the United Kingdom than in Canada, and nearly 300 per cent more in the United States than in Canada? Those figures appear in the report of the Prime Minister's own committee, kept secret until this morning.

Would the Deputy Prime Minister confirm those figures?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, as I indicated, a number of actions had been taken as a result of the ongoing work of the advisory committee.

I must say and remind the hon. gentleman that all Liberals do not share his view. Stuart Smith, a former Leader of the provincial Party, said that "The Prime Minister has identified himself with this issue and that's very important in this country. There's a cultural change that's going to take a long time but I think this meeting helps because people will hear the same messages over and over".

I could quote Larkin Kerwin. I could quote Roy Woodbridge, the Canadian Advanced Technology Association President, who stated that the conference was an "exercise in consensus-building and profile-raising".

In so far as the Member's comparison with West Germany is concerned, I am reminded by my colleague, the Minister of Finance, that Canada has the best tax regime of any major industrialized country for the support of research and development and science and technology.

Clearly we want to encourage the private sector to work with Governments and with the university communities in order that we can address this very critical job and get on with Canada becoming a leader in science and technology throughout the world.

POSITION OF PRIME MINISTER

Right Hon. John N. Turner (Leader of the Opposition): I think that Dr. Stuart Smith was encouraged because the Prime Minister, for the first time, had identified the problem for himself.

In any event, what we are talking about here is industrial research and development by way of direct grants from the Government. We are not talking about a tax policy.

At the same meeting in December that the Deputy Prime Minister referred to, he criticized Canadian business for what he termed a poor record in research and development, while at the same time he had in his hands by that time a report from his own advisory group that his own Government's record was pathetic.

Before blaming the Canadian business community, why does the Prime Minister not improve his own Government's record? Does the Prime Minister have any intention of keeping that promise of doubling research and development, or is he going to recyle that 1984 commitment once more in a phoney way to the Canadian people?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, if the right hon. gentleman is interested in the record, and if I can indulge the time of the House to put the record squarely before the right hon. gentleman, may I say the following. On August 19 the InnovAction program was allocated $11 million for 1987-88 to matching funding of $7 million over four years; Federal Microelectronics Strategy, $90 million over four years; Canadian Manufacturing Advanced Technology Exchange, $3.5 million over seven years.

Mr. Turner (Vancouver Quadra): That is recycled money that you are talking about.

Mr. Mazankowski: The Granting Councils' Matching Funding (University Research) $3.4 billion over five years; Canadian Institute for Advanced Research, $7 million over four years. There are various federal-provincial science and technology programs.

* * *

• (1425)

IMMIGRATION

REFUGEE STATUS CLAIMANTS—GOVERNMENT POSITION

Mr. Sergio Marchi (York West): Mr. Speaker, in the absence of the two Ministers of Immigration I direct my question to the Deputy Prime Minister. It concerns the confusion and chaos created by those two Ministers.

Not only is the Quebec Minister of Immigration charging that the federal Government violated their verbal agreement, but we also have a situation where members of the federal Ministers' own staff are giving conflicting statements, where federal immigration officials out in the country do not know what is the federal position, and where there are two standards depending upon whether one lives inside or outside the Province of Quebec.

Rather than blame everyone else for their shortcomings, will the Deputy Prime Minister now take his responsibilities seriously and precisely outline the federal position and decision taken on the entire issue facing Turkish claimants?

Hon. Jean J. Charest (Minister of State (Youth)): Mr. Speaker, in the absence of the Minister of Employment and Immigration who is on government business this afternoon, I will be happy to take notice of the question of the Hon. Member.

I also point out to him that he may find some answers to his questions as far as the Turkish situation in Quebec is concerned if he had a look at the Cullen-Couture agreement.

Mr. Marchi: Mr. Speaker, not only are the two Ministers of Immigration not here while the storm is brewing, but we have a member of Cabinet who says that he will take notice—

Some Hon. Members: Shame, shame!

Mr. Speaker: The Hon. Member knows that ordinarily Hon. Members do not comment on the absence or presence of other Members or Ministers.

I believe that the Hon. Minister just said that the other Ministers were involved in government business, and I think that should be accepted.

[*Translation*]

REQUEST THAT GOVERNMENT PROVIDE INFORMATION TO CANADIANS

Mr. Sergio Marchi (York West): Mr. Speaker, I will ask the Deputy Prime Minister the following question once more: Since all Canadians are aware that even if the Government were to push Bill C-55 through at top speed today, with all its serious shortcomings, it would still have to deal with the problem of the Turks and 40,000 refugee claims which are still pending. I want to ask the Deputy Prime Minister whether aside from the question of the Turks, he is finally going to show some leadership and tell Canadians how the Government intends to deal with this tremendous backlog and restore the confidence of Canadians in our immigration system and refugee status procedures?

Hon. Jean J. Charest (Minister of State (Youth)): Mr. Speaker, I will take the question under advisement on behalf of my colleague, the Minister of Employment and Immigration. My colleague is not in the House today owing to previous Government commitments.

However, I note that for the first time, the Hon. Member for the federal Liberal Party of Canada has raised the possibility of adopting Bill C-55 in one day, which is a brand new development. I assume he must have talked to Liberal Senators in the other place. I think he should remember that since Bill C-55 was tabled in the House, Mr. Speaker, 10,000 refugees have been added to the list, through the fault of the federal Liberal Party of Canada. And now they have the nerve to blame us for this situation!

* * *

[*English*]

RESEARCH AND DEVELOPMENT

ADVISORY BOARD'S REPORT—GOVERNMENT FUNDING

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Deputy Prime Minister. Just a moment ago he attempted to justify the Government's lack of leadership in research and development programming.

The report says that Canada's weakness is serious today and that it could be disastrous for the competitiveness of the Canadian economy in years to come. Specifically it points out, in comparing Canada with seven other countries, that we are at the bottom of the list of a total of eight.

Instead of trying to keep the report secret, why does the Government not release it and immediately live up to its commitment to double R and D spending?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I thought that I had outlined a number of initiatives taken since the Prime Minister established this advisory board. The fact of the matter is that much has been done—federal-provincial science and technology subagreements, for example, with Québec, $100 million over five years; British Columbia, $20 million over five years; New Brunswick, $28.5 million over five years; Canadian space program, the Radarsat program, and the Biotechnology Research Institute, $80 million over three years; biotechnology strategy, $11 million per year; the Canadian Institute for Industrial Technology, $5.1 million; the Centre for Optic Research—

Some Hon. Members: Order, order!

Mr. Mazankowski: I could go on. If that isn't action, I don't know what is.

• (1430)

REQUEST THAT REPORT BE REFERRED TO PARLIAMENTARY COMMITTEE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, first the Deputy Prime Minister knows that most of that list of programs existed before Christmas when the report came down. Second, he also knows that most of what he is talking about is recycled money. Third, taking that list into account he knows that the people who wrote the report said Canada was second from the bottom, second from the bottom I say again, in terms of government funding for research.

Having said that, I would like to ask the Minister why will he not do a constructive thing and table the report in question, and have it referred immediately to a committee of the House that could report back for concrete action during the life of this Parliament?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, when the Hon. Member talks about new money or old money, I am reminded of the charge that he made when the Prime Minister announced the first billion dollar farm cash pay-out to the farmers of western Canada and other parts of Canada who suffered the disasters of the price war that was going on at that time.

The hon. gentleman found out that it was new money, as it was this year, and we are talking about new money here, $1.3 billion—

Mr. Broadbent: That is all new money?

Mr. Mazankowski: —which the Prime Minister announced in January. I know that billions of dollars do not mean much to the Hon. Member, but as far as the science and technology community is concerned $1.3 billion is a lot of money and I am sure it will be well used.

Mr. Broadbent: Mr. Speaker, I challenge the Minister to produce the list he just read out and show how much on that list is new money. I tell him in advance that the majority of it is not new, and he knows it.

[*Translation*]

INTEREST RATES—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have another question concerning economic competition, particularly with the United States. The Premier of Quebec has suggested another approach to meet the need for lower interest rates. Yesterday, the Premier of Ontario suggested the same need for Canada. A few minutes ago, the Bank of Canada announced another increase in interest rates. My question to the Minister is this: Why do business people in Canada have to pay higher interest rates than in the United States?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think this is a rerun on the questions that we have had over the last few days that are basically the same. I can only give the Hon. Member the same answer.

The facts are we have a very strong economy in this country. If the Hon. Member doubts that, I can give him the statistics but he knows full well the statistics—

Some Hon. Members: Give him the statistics.

Mr. Wilson (Etobicoke Centre): I will give him a few just to remind him. We have seen job creation in the first two months of this year continuing at the record levels we had last year.

Mr. Broadbent: What has that got to do with the question?

Mr. Wilson (Etobicoke Centre): The Hon. Member asks what does that have to do with the question.

Mr. Broadbent: Yes.

Mr. Wilson (Etobicoke Centre): The facts are that when an economy is strong the interest rates in the country go up because of pressure on money and because people are looking for money to invest in new things. With an increase in investment spending per cent this year—

An Hon. Member: Why the spread with the United States?

Mr. Wilson (Etobicoke Centre): —which is up two and a half times over the level of last year, it puts upward pressure on the cost of money. The cost of money is interest rates. That is why interest rates are strong.

AIR SAFETY

AIRPORT SECURITY—REQUEST FOR INDEPENDENT ASSESSMENT REVIEW

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is for the Minister of Transport. Yesterday in response to questions regarding the appalling state of security at Canada's airports, the Minister of Transport promised to call on the presidents of Canada's national airlines and have a tough talk with them. The House does not object to that, but we have heard those kinds of tough words before from this Minister and his predecessor and nothing has changed.

The Association of Investigators and Guard Agencies of Ontario wrote the Minister on February 22 recommending an independent assessment review of security at Canada's airports, independent of the Minister and independent of the airlines. The Minister wrote them back a letter which the Association received just his morning, and said no.

How can the Minister say to this professional association: "I do not believe that the formation of a 'task force' such as you have described is necessary at this time"?

What will it take before the Minister finally does the right thing and cleans up the security mess at Canada's airports?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I certainly do not accept the statement that the security system at Canadian airports is appalling. That is just simply a silly and an irresponsible statement to make. We have come to expect silly and irresponsible statements from that hon. gentleman.

With respect to the letter to which the Hon. Member refers, he seems to have his hands securely on the postal system. He gets copies of letters before I even receive them myself.

Some Hon. Members: Oh, oh!

Mr. Crosbie: With respect to that, Mr. Speaker, I do not propose to appoint any further task forces on the security system at the airports. That was done in 1986. I am myself reviewing the security system at airports with airline presidents next week. When I come to a conclusion, the hon. gentleman opposite will certainly know about it, as will the Standing Committee on Transport which has recommended that certain steps be taken.

REQUEST THAT DEPARTMENT ASSUME DIRECT RESPONSIBILITY FOR AIRPORT SECURITY

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the Minister's answer leads one to wonder whether the Minister is running his own Department. I referred to a letter which the Minister wrote in response to a letter of three weeks ago. I am holding the Minister's letter with the Minister's signature saying that, no, there is no necessity for any independent review of what is happening at Canada's airports.

I am asking him if he stands by that. What is at stake is not the Minister's reputation, the airlines' reputation, or the security agency's reputation, but public health and safety.

The Minister knows there is a problem. Will he move now beyond talking to airline presidents to have the Department of Transport take over direct responsibility for security in Canada's airports? Will the Minister do that? He knows that it is the right thing.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I am sure that the Hon. Member for Saint-Denis would like security procedures in the Liberal caucus improved a bit—

Some Hon. Members: Oh, oh!

Mr. Crosbie: —so that his back would be protected when he turns around.

Some Hon. Members: Oh, oh!

Mr. Crosbie: I was asked the same question yesterday by the Hon. Member for Regina West. The Hon. Member is simply repeating an NDP question. I refer the Member to yesterday's *Hansard* for the answer.

Some Hon. Members: Oh, oh!

Mr. Benjamin: Which you didn't give.

Some Hon. Members: Oh, oh!

* * *

WESTERN DIVERSIFICATION FUND

REVIEW OF PROPOSALS TO ENSURE CONFORMITY WITH CANADA-UNITED STATES FREE TRADE AGREEMENT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Deputy Prime Minister. A few days ago the Minister in charge of the Western Diversification Fund said in the House of Commons committee that many of the proposals he is now receiving for assistance are being reviewed by officials at the Department of External Affairs to make sure that they are consistent with the free trade deal signed between the United States and Canada.

My question is for the Deputy Prime Minister. His Government and the Prime Minister have time and time assured us in this House that the free trade deal would not affect regional development. If that is the case, why are proposals for western diversification being referred to External Affairs bureaucrats to make sure that they are consistent with the free trade deal? Why is that the case?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I know the Hon. Member will understand, he probably already understood before he asked the question, that if, prior to the signing of the free trade agreement you were caught cheating there was an ability to countervail, and even after signing the free trade agreement if you are cheating there is the ability to countervail.

An Hon. Member: Cheating?

Mr. McKnight: There is nothing new. It is making sure, Mr. Speaker, that the actions taken by the Government are consistent with actions taken in the past.

REGIONAL DECISION MAKING QUERY

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the next thing we will see is a reference of these applications to the ITC in Washington if this continues.

The Minister said: "Together we will ensure that decision making about the West is decision making by the West". What kind of regional decision making is it when these applications are now being systematically sent to the Department of External Affairs to make sure there is no violation of the free trade deal? I want to know what kind of regional decision making that is when the Minister has to have approval from the bureaucrats across the way at the Lester B. Pearson Building?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): First, Mr. Speaker, the premise which the Hon. Member puts that they are being systematically sent there is completely false. Applications are not systematically sent. If there is assistance by the Government of Canada that would cause countervail, that assistance has to be reviewed. It was so before the free trade agreement and it is so after the free trade agreement.

• (1440)

It has absolutely nothing to do with the free trade agreement. It is complying with laws and assuring that people who receive assistance from the Government of Canada are not found to be countervailed by the Americans. It is very simple. We want to make sure that the borders that are open and the agreements that are consistent, including GATT, are honoured by Canada. That is all.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF OHIO CONGRESSMAN

Mr. Speaker: I wish to draw to Hon. Members' attention the presence in the gallery of the Hon. Tony Hall, Member of the United States House of Representatives from Ohio.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF MEMBER OF BADEN-WURTTEMBERG LEGISLATURE

Mr. Speaker: I also wish to draw to Hon. Members' attention the presence in the gallery of Rudolf Decker, Member of the Legislature of Baden-Wurttemberg, Germany.

Some Hon. Members: Hear, hear!

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[*Translation*]

TAX REFORM

FLOW-THROUGH SHARES—QUERY WHETHER CONSULTATIONS ARE ENDED

Mr. Guy St-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Finance. Over the last three weeks, your department has made intensive consultation with prospectors, geologists, brokers and with the Minister of Energy, Mines and Resources, concerning the impact of the tax reform on flow-through shares in Canada. My question to the Minister is as follows, Mr. Speaker: When will this consultation be completed and when are we going to know the results?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has continued to express a very strong interest in the question of flow-through shares. I would like, though, to broaden one aspect of the preamble to his question.

Our consultations with the industry and with others relate not just to the impact of tax reform but to the impact of changes in the stock market and the impact of changes in the taxable position of the larger mining companies. All of these have impacted on flow-through shares.

Right now I am reviewing the results of the consultations we have carried out, and I would probably be discussing some of these things further with representatives of the industry before any decisions will be taken.

* * *

AIR CANADA

WINNIPEG MAINTENANCE BASE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have a question for the Minister of Transport. The Minister will know that the President of Air Canada last week announced that the corporation is about to make a decision concerning the replacement of the 727 fleet with 34 new aircraft. The Minister will also know that 488 jobs at the Air Canada maintenance facility in Winnipeg are involved in the maintenance of the 727s.

I want to ask the Minister a very specific question. Will he give us an assurance and a guarantee that, whatever replacement aircraft Air Canada decides on, the maintenance work will stay in Winnipeg, that the new aircraft will be maintained and overhauled at the Air Canada facility which is a part of the city of Winnipeg's aerospace industry?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, this is an entirely cooked up, hypothetical question because of an election in Manitoba, one must presume. There has been no suggestion by Air Canada, not even a breath of a suggestion by Air Canada, that it has any plans to change its maintenance practices in Winnipeg or elsewhere.

The Air Canada board of directors and management will presumably in the next several weeks be recommending what kind of aircraft they may be ordering in order to upgrade the aircraft fleet that is used in Canada. We do not know what the recommendation will be. The board has not approved any as yet. Already the hon. gentleman is up, for purely political, scurvy reasons, alarming people in Winnipeg unnecessarily with silliness and scurrilous suggestions.

Mr. Axworthy: Mr. Speaker, the only thing scurvy is the behaviour of the Minister. We are talking about 488 jobs that are at stake. We are talking about Air Canada's decision—

Mr. Speaker: The Hon. Member will put a short supplementary question.

REQUEST FOR GUARANTEED CONTINUANCE OF BASE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my supplementary question is simply this. I want to know why it is that the Minister and the Government refuse to give the guarantee for which I asked that the maintenance base for Air Canada will continue to be in Winnipeg. Why will the Minister not give that guarantee? Does he have a secret plan up his sleeve?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I would suggest that every Member who has an Air Canada facility in his district, town or city rise to make the same request. That will show how ridiculous, juvenile, and politically hypocritical the actions of the hon. gentleman are today. They are pitiful and piteous.

Some Hon. Members: Oh, oh!

* * *

[*Translation*]

CULTURE

LE DROIT LABOUR CONFLICT—REQUEST THAT SECRETARY OF STATE INTERVENE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a question for the Secretary of State about the labour dispute at

the newspaper *Le Droit*, which continues to threaten the future of that only French-language daily in the National Capital.

[*English*]

Mr. Crosbie: You are all grounded.

Mr. Axworthy: Coming from the biggest blimp in Parliament, that is quite a comment.

Mr. Crosbie: Are we interrupting you, Michael?

Mr. Cassidy: I never got started.

Mr. Speaker: The Hon. Member for Ottawa Centre has the floor.

[*Translation*]

Mr. Cassidy: Last week, in the House, the Minister gave me assurances. He said: "The matter is under consideration." If the Government is serious about helping to settle this labour dispute, why were no contacts made with journalists, strikers or the union? How can the Minister help resolve the issue if he does not do anything to communicate with those concerned?

[*English*]

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, in so far as there are labour aspects implied in the Hon. Member's question, I think he might want to direct it either to the province or the Minister of Labour. With respect to any participation or involvement, I do not think I can fruitfully add anything to what I mentioned to him in the House the other day.

[*Translation*]

BILINGUALISM IN NATIONAL CAPITAL

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, last week, the Minister said: "If we can (assist), we will... The matter is under consideration." Why do you not really intervene to save the only French-language daily in the capital of a bilingual country? Is the Minister committed or not to bilingualism in the National Capital?

[*English*]

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, I know how concerned the Hon. Member is about the matter, and other people are as well. It will not get any better with him yelling at me or at anyone else.

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FINANCE

NORTHERN TAX DEDUCTION—REQUEST THAT COMMISSION VISIT COMMUNITIES

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, my question is for the Minister of Finance. The Minister knows that people living in communities bordering isolated areas eligible for the northern deduction feel unfairly excluded from receiving this benefit. Can the Minister tell the House when a commission to look into this matter will be established and whether the commission will visit border communities to hear the views of the people?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I appreciate very much the continuing interest the Hon. Member has expressed in this particular matter, but as he has indicated, the question of where the border line should be between those communities which receive the benefit and those which do not is obviously a very difficult issue with which to deal. That is the purpose of the commission.

We are consulting actively with people who might be members of such a commission. I can give the Hon. Member the assurance that there will be travel by the commission to those communities that are affected and it will be open to advice from representatives from the areas involved.

* * *

ABORIGINAL RIGHTS

LABRADOR INUIT LAND CLAIMS

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, my question is for the Minister of Indian Affairs. Last July the Government of Canada signed a memorandum of understanding with the Government of Newfoundland. Perhaps I could get the attention of the Minister of Justice because this is also a question of justice.

The memorandum of understanding that was signed with regard to the Inuit land claims has still not gone to the federal Cabinet. If the Minister of Indian Affairs is serious about giving native people more self-government, why has it not gone to Cabinet? Why is he holding up the land claims negotiations? When will he start giving them more self-government and more self-determination?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I appreciate the Hon. Member's concern on behalf of his constituents. The Province of Newfoundland, as of early January or late December past, brought out its comprehensive claims policy. I have asked for and received clarification of that policy.

I have had discussions with the Government of Newfoundland and with the Labrador Inuit as to their impression of the policy and we are hoping to be able to reach an agreement and proceed with the mandate. Once the mandate and the bilateral issues have been decided between the province and the ILA, we will be able to proceed with negotiations.

REQUEST THAT TRIPARTITE NEGOTIATIONS BEGIN

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, not only has there been no information coming from the Government of Canada but there has

been no consultation from the Government of Newfoundland, as I understand it. The Labrador Inuit have nothing on paper with regard to the memorandum of understanding between the two Governments or consultation with the province.

I ask the Minister again, why is it that the three parties cannot sit down together with written documents on the table to start those land claims negotiations so that they can get greater self-government and greater self-determination?

• (1450)

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, once Canada and Newfoundland have reached agreement on the bilateral issues, we will proceed with the mandate. At that time tripartite negotiations will be undertaken. I would hope that, if things proceed as they should, by late spring or early summer we would be in a position to commence meaningful tripartite negotiations.

I draw to the Hon. Member's attention the fact that this claim was first recognized and accepted by Canada in 1978. Since that date the Party which he represents has been in control of comprehensive claims for a greater period of time than has this Government.

* * *

HEALTH

TOXIC MUSSELS—REQUEST THAT PERSONS AFFECTED BE COMPENSATED

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, in the absence of the Minister of National Health and Welfare I will direct my question to the Deputy Prime Minister. He will recall that as a result of the poisoned mussel fiasco last November the Government took the appropriate action to compensate some of the mussel growers involved, as well as the seafood industry generally on the East Coast. However, it seems to have forgotten the real victims of this fiasco, those who were actually poisoned. One of those individuals is Louis Beaudry of Roxboro, Quebec, who suffered permanent health damage as a result of the poisoning. He now has to pay out of his own pocket significant personal health care costs.

Has the Government considered providing some compensation to those people who were the real victims of the poisoned mussel fiasco?

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, perhaps I could be of some assistance. The Minister of National Health and Welfare is of course out of the House on business. I will raise the representation of the Hon. Member in this specific case, as well as the general question, with him when he returns.

ENERGY

PRICE PAID BY CONSUMERS FOR NATURAL GAS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Deputy Prime Minister. The recently released natural gas price monitoring report states that for the the year November, 1986, to October, 1987, in the last month of that year, October, 1987, Canadians paid more for Alberta natural gas through long-term contracts than did the Americans. Members of the Government, including the Minister for International Trade when she was Minister of Energy, Mines and Resources, promised Canadians they would not pay more for Canadian natural gas than Americans.

Why has the Government broken yet another promise, this time to natural gas consumers?

Hon. Gerald S. Merrithew (Minister of State (Forestry and Mines)): Mr. Speaker, the Minister of Energy, Mines and Resources is absent on government business. As you know, there was an agreement between the provinces and the federal Government on natural gas pricing where we wanted to make sure the free market system was assured. For the sake of accuracy I would prefer that the Minister of Energy, Mines and Resources reply to the question.

PROTECTION OF CONSUMERS—GOVERNMENT POSITION

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the situation is getting worse because the Government is steadily destroying the protection for natural gas consumers in this country. When is it going to keep its promise? Why is it treating Canadians like second-class citizens in their own country?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, that is a totally false allegation and the Hon. Member knows it. The National Energy Board is the regulatory agency and protector of the public interest. It will do its job. The Hon. Member, in making that allegation, is not only doing an injustice to the industry but also to the NEB.

Mr. McDermid: Tell them how much gas prices have dropped since we got rid of your regulations.

Mr. MacLellan: It is the Americans who are getting most of the benefit.

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AIRPORTS

SKY CAP SERVICES—PEARSON INTERNATIONAL AIRPORT

Mr. Les Benjamin (Regina West): Mr. Speaker, my question is directed to the Minister of Transport and concerns another matter in the operation of Canada's airports. The security services were brought up yesterday. There is now the

matter of the provision of Sky Cap services. I warn the Minister we also have the refuelling services coming up so he can get ready for that.

Will the Minister dispense with the contract provided to All Cap Baggage Services Incorporated and make arrangements with the individual Sky Caps at Pearson International Airport to make sure that they get at least the minimum wage plus their tips, and that he bill the airlines for any cost to the Department?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, neither the Department of Transport nor the Government has given a contract to All Cap Baggage Services Incorporated, nor anyone else, in connection with baggage services at Pearson International Airport. The position is that the provision of porter services, if there are to be any, is the responsibility of the airlines which operate at Pearson Airport. If there is a dispute between the employees of that company, if they are employees, and its management, then it has to be dealt with in the normal way. I believe there have been applications made to the Canada Labour Relations Board in that connection.

Mr. Speaker: A short supplementary, please.

REQUEST THAT GOVERNMENT PROVIDE SKY CAP SERVICES

Mr. Les Benjamin (Regina West): Mr. Speaker, will the Minister now, under the auspices of the Department of Transport, take over the provision of Sky Cap services and bill the airlines proportionately for the cost of those services? Will he take it out of the hands of the airlines which try to get by on the cheap, forcing these people to pay $80 a week to buy a job handling baggage for customers?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, for many years now the provision of porter services at airports has been assigned to the airlines to deal with. It is up to them to employ a system satisfactory to the public, indeed satisfactory all around. I am not going to intervene in this situation at the Toronto Airport. It is a matter for the airlines and the people with whom they contract. That is the way it is and that is the way it has been.

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CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

EXTENDED AREA TELEPHONE SERVICE

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, my question is directed to the Minister of Communications. The recent CRTC decision on rate rebalancing did not address extended area service. Why is it taking so long for the CRTC to expand extended area service to the Yarker exchange as well as other areas which are being treated in an unfair manner?

Will the Minister encourage the CRTC to make a decision on extended area service soon and therefore ensure that universal telephone service is a primary goal for everyone?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I want to thank the Hon. Member for his question and his interest in this very complex issue of extended area service. This question has also been raised with me by the Hon. Member for York—Peel and the Hon. Member for Cambridge, and a number of other Members.

As you may be aware, Sir, this question is before the CRTC. A decision has been delayed, I am informed, in order to allow consumers to make their representations about its potential benefits. The CRTC is, of course, a quasi-judicial body with an arm's length relationship with the Government, but I understand, and I am sure the Hon. Member will be glad to know, that the decision on extended area service should be reached before the end of June.

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NATIONAL REVENUE

PRINCIPAL GROUP BANKRUPTCY—PAYMENT OF TAXES DEMANDED FROM INVESTORS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of National Revenue. I hope he will concur that Revenue Canada's demands for Principal Group investors to pay taxes on money they no longer have, or in some instances have not received, is both repugnant and obscene.

• (1500)

Can the Minister assure this House that Revenue Canada will not demand any moneys whatsoever from these investors who are now financially ruined and, in some cases, psychologically scarred?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I have considerable sympathy with the advocacy of my colleague. I must remind him that yesterday in the House my colleague, the Minister of State for Finance, set out that the Government's position is that we will be looking at this very carefully to see whether some equity might be possible. When we have something to report we will be pleased to announce it.

DATE OF GOVERNMENT ANNOUNCEMENT

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I appreciate the tone of the Minister's response. However, on behalf of many of those investors, could he indicate to the House clearly and succinctly when a decision will be announced?

The Minister must be aware that the uncertainty with which these individuals are confronted, in view of the fact that they

have lost, in many instances, thousands of dollars, is becoming very serious. Will the Minister give us a fixed date today as to when an announcement will be made to the benefit of these investors?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, again we are very sympathetic to the circumstances involved here. I cannot give a precise date. I can only reiterate that we have considerable sympathy for the situation. This is not the first such instance which has occurred, as my colleague knows. The situation is serious and we will be sympathetic to the plight of the individuals because of the very difficult circumstances in which these people find themselves.

Mr. Speaker: I would like to advise the House that there will be two further single questions, one from the Hon. Member for Essex—Windsor followed by one from the Hon. Member for Saint Leonard—Anjou.

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AUTOMOTIVE INDUSTRY

REQUEST FOR PASSAGE OF CANADIAN CONTENT LAW

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Deputy Prime Minister. In view of the decision which has been taken with regard to Hyundai by the Anti-Dumping Tribunal, which will hurt many parts producers right across the country, will the Minister ensure that his Government brings in legislation to give 60 per cent Canadian content rules and regulations to all parts of the industry rather than only to a certain segment of the industry?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I will take that as a representation. I remind the Hon. Member that this particular situation has been resolved very satisfactorily under the circumstances. The provisional duty paid by Hyundai will be repaid, and I will undertake to study the Hon. Member's request.

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[*Translation*]

CANADA POST CORPORATION

HOME MAIL DELIVERY—REQUEST THAT COSTS STUDY BE MADE PUBLIC

M. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, in the absence of the Minister responsible for Canada Post, my question is for the Deputy Prime Minister. With spring just around the corner, Canada Post has announced that it is putting in place 9 000 new superboxes, thus doubling the number already in place.

I have a simple question, Mr. Speaker. Canada Post has carried out a cost study on door to door mail delivery. Could the Government undertake to table this study as soon as possible so that we could get first-hand information on these costs, rather than having the Minister tell us that the cost is $1,3 billion while it is $36 million according to Canada Post?

We would like to know who is telling the truth. Give us the figures!

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the Minister responsible for the Post Office was in the House. I guess he had to leave since it is after three o'clock. I will take that question as notice.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, it being Thursday I would like to ask the customary business question of the Government House Leader. While he is at it, since we are due to recess next Wednesday, maybe he would be kind enough to tell us what the business of the House is likely to be until we break for Easter.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, due to a great deal of co-operation from my colleagues in opposition we have been able to put together a schedule which will accomplish a fair amount of business.

Tomorrow we are going to deal with Bill C-52, known as the Coasting Trade Bill at report and third reading stage. Immediately after Question Period, during Routine Proceedings, we expect that there will be a debate on a motion for concurrence in the third report of the Transport Committee.

On Monday, March 28, we intend to call Bill C-117, the Excise Tax Act, at second reading. At 3 p.m. on that day we will call Bill C-67, the Animal Pedigree Act, for report and third reading stage. That will be backed up by Bill C-118, the customs tariff Bill, at second reading.

On Tuesday, March 29, we will call Bill C-30, the National Parks Act, at second reading, and resume any unfinished business from Monday. The back-up Bill to that will be Bill C-110, the trade tribunal Bill, at second reading.

Next Wednesday will be an allotted day. There is an understanding among the Parties that there will be no vote requested.

There have been discussions among the Parties, Mr. Speaker, and immediately after any comments which the opposition Parties may have on this schedule I would seek unanimous consent to revert to Motions to allow the Member

of Parliament for Don Valley West (Mr. Bosley), the Chairman of the Committee on the Peace Process in Central America, to move a motion.

Mr. Speaker: Is that agreed?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

PEACE PROCESS IN CENTRAL AMERICA

SPECIAL COMMITTEE'S MOTION SUPPORTING PEACE PLAN FOR CENTRAL AMERICA

Hon. John W. Bosley (Don Valley West): Mr. Speaker, the House will know that it has struck a special committee with regard to this subject. Yesterday's news being of such a positive nature, members of the committee unanimously asked me to seek the consent of the House for the following motion, seconded by the Hon. Members for Winnipeg—Birds Hill (Mr. Blaikie), Northumberland—Miramichi (Mr. Jardine) and the other members of the committee including the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy).

That whereas this House supports the Esquipulas II Peace Plan for Central America and has struck a Special Committee to give expression to Parliament's interest in the success of the plan, we commend the Government of Nicaragua and the other parties to the conflict in that country for their commencement of negotiations and their achievement of a ceasefire.

Further, we express strong support for the continuing success of the negotiations and for a permanent resolution to the conflict in Nicaragua and urge that parties from outside the region refrain from any activity that would disrupt this process.

Finally, we declare that progress in these negotiations should serve the broader objectives of the Esquipulas II Plan, to promote peace with justice in Central America.

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

Some Hon. Members: Agreed.

Motion agreed to.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTED DAY, S. O. 82—EFFECT OF INCREASED TAXES

The House resumed consideration of the motion of Mr. Dingwall:

That this House condemns the Government for imposing increased taxes, both directly and indirectly, against Canadian consumers and for its abject failure to protect the best interests of Canadian consumers, as evident in, among other things:

1. the high cost of prescription drugs;
2. the inadequacies of postal services;
3. the high cost of gasoline;

4. the upward spiral of personal taxes;
5. the increase in inspector fees in the agricultural sector;
6. the imposition of user fees for Atlantic fishermen;
7. the Government's acquiescence to sky-roketing bank charges;
8. the failure of the Government to protect 67,000 investors affected by the Principal Group collapse; and
9. the unnecessarily high interest rate policy of the Government.

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I welcome this opportunity to take part in this debate to condemn the Government's policy with respect to the Canada Post Corporation.

During the past two years, Canada Post has increased the price of stamps twice, had two postal strikes and may possibly have a third, and has substantially reduced services, thus creating two classes of citizens in Canada: those who get their mail delivered at home and those who have to brave the elements and go to the infamous superboxes to pick up their mail.

The problem is a Conservative Government that has reversed the mandate and priorities of Canada Post. This Government is to blame for the disastrous state of our postal services today.

Mr. Speaker, Canada is a good country to live in, but it is a vast territory that often defies the laws of nature and reason, and a country rich in cultural, linguistic and regional diversity. To stress the need for satisfactory communications, it is often said Canada was built along its railways. In fact, at the time of Confederation, Mr. Speaker, when we became a nation, the Government set itself two goals: To protect and defend our country and to deliver the mail.

• (1510)

Of course, this was in 1867, and at the time, communications went by mail. Since then, technology has made spectacular progress, but the fact remains that postal services are still essential to all citizens of this country.

I don't think there is any question about it. Everyone realizes that public transit is an essential service, although many people never take the train or the bus. But everybody gets mail, Mr. Speaker.

In 1981, when the Liberal Government set up the Canada Post Corporation, it recognized that the postal service is an essential service. It is not a whim nor a luxury but a basic service to be made available to all Canadians.

Therefore, it is in that spirit that the Government had given Canada Post a mandate including three equally important aspects as follows: first, Mr. Speaker, to stabilize relations between employer and unions; secondly, to improve the postal service and thirdly to reduce the deficit.

From 1981 to 1984, Canada Post Corporation adequately carried out its mandate. It took some steps forward in reducing

its deficit. It improved labour relations. The Liberal Government appointed union representatives to the board of directors to provide a link between the Corporation and the workers and to promote social peace. That is the problem at the Canada Post Corporation. The situation has reached a point where if an employee forgets to punch out at noon, he is suspended three days without pay. The incredible fact, Mr. Speaker, is that the Government has exerted so much pressure on the Canada Post Corporation that the employees are no longer inclined to work. Such is the basic problem and this why we expect that the mail will not be delivered on time, Mr. Speaker . . .

Therefore, the Liberal Government had then recognized that a coalition should exist between employer and unions, that an efficient management was necessary to give a better service to Canadians and we did so.

During the 1984 election, the Conservatives promised the moon, but once in power they threw off the disguise. They became true Conservatives over again and started slashing services. In this way, Mr. Speaker, the Minister of Finance (Mr. Wilson) in 1986 decided that for Canada Post Corporation the priority was no longer to deliver the mail, but to balance the books in no time, whatever the impact on service.

In the United States, Mr. Speaker, they took 14 years to balance the books. Here in Canada, a country as vast as ours, with our kind of remote areas and a small population, we want to reduce the Post Office's deficit over five years. Unbelievable, Mr. Speaker! That approach is not rational, and Canadians have to pay for it.

When Canada Post Corporation was established, the Liberal Government had a policy of offering community letterbox service to residents in new projects until home delivery was available. It was a temporary service that in no case was to become permanent. But in 1985 a Conservative Government, anxious to cut costs at any price, forced Canada Post Corporation to permanently set up the superbox system.

This means that since 1985, no new homes got home delivery nor have any hope of ever getting it. In 1986, following the Minister of Finance's statement, the Government just created two classes of citizens: one that gets home delivery and another that must go fetch their mail in a box. By 1991, Mr. Speaker, nearly one million homes and two million Canadians will be served by superboxes. But those superboxes are a second-rate service for second-rate citizens. How can the Government force an 80-year-old widow to get out at minus 20, 30 or 40 degrees temperatures to go and fetch, in a frozen superbox that will not open, an Old Age Security pension cheque that may not even be there because oftentimes postmen, on account of the snow, cannot deliver the mail. Mr. Speaker, this is unfair, irrational and discriminatory.

In the case of rural areas, the Government also intends to use collective mailboxes at major intersections and to close about 5,000 rural post offices within the next five years. What a lack of vision, Mr. Speaker, what a lack of understanding of the community fabric of Canada! Everyone knows that the post office is still a gathering place in our villages and small towns. It often becomes an information centre for all citizens. It is where people go to look for social services and to ask for information on such matters as tax returns, scholarships and job applications; the postmaster often becomes a resource person. The federal Government is present everywhere, and the post office remains a familiar place where the Government takes on human dimensions. It creates a link with the community. It is a unifying force which gives a feeling of belonging to the community and to each of its members.

What I am telling you, Mr. Speaker, is not romanticism or poetry or a politician's dreams, but the basic truth. As evidence of that fact, I have here a letter sent to the president of the Canada Post Corporation by the mayor of the small community of Trinity Bay, and with your permission, I would like to quote from it. The mayor of Trinity Bay says: "If the few businesses which we have and on which we rely for our survival stay here, it is because we have services such as the post office. Centralization for economy's sake must not be pushed to such an extent that it jeopardizes the existence of small communities . . . We urge you to find means to keep our post office, even if doing so would mean sharing with others certain of the most costly aspects of the postal service. For us here, sharing is a matter of survival, and we know something about it. For God's sake, do not help to destroy us!"

Mr. Speaker, Trinity Bay is certainly not important for the powerful Conservative Government, but we, Liberals, are well aware of the fact that there are thousands of communities like Trinity Bay in Canada. Indeed, over 2,500 communities in Canada do not even have a bank, only a post office. How can there be any thought of removing this link with the rest of the country? We, Liberals, understand that it is our duty to protect the character and the way of life of these communities and to serve them adequately. The Conservatives are obsessed by the Canada Post Corporation. Yet, it costs less to operate it than other Crown corporations of the same size, 60,000 employees.

In 1985-86, the Government paid to the Canada Post Corporation $180 million, or 6.2 per cent of its operation budget. Never, since the establishment of the Canada Post Corporation, has the Government provided it with more than 12 per cent of its budget.

In fact, over a three year period, more specifically from 1982 to 1985, the Government's share of its financing was reduced from 10.3 per cent to 6.3 per cent. This represents quite a valuable improvement, especially at a time when services are being increased instead of cut.

The Minister claims that home delivery would cost $1.3 billion and that to maintain it, the cost of a single stamp would have to be increased to 60 cents. The Minister is grossly exagerating, for according to Canada Posts' own data, $500 million—these are the figures for 1988—over a five year

period would be enough to replace the superboxes with home delivery.

[*English*]

Yesterday we read in the newspapers that the Post Office is set to double the supermailboxes. "Canada Post plans to resume the installation of its controversial supermailbox in the hopes to nearly double their number by the end of the summer". Then we hear that: "Town plans to launch suit after supermailbox cut". The Ontario Municipal Board recognized that a supermailbox installed in front of a home reduced the value of the property and the municipality reduces the tax bill. Now the municipality wants to sue the federal Government for its loss of tax revenue. What are the savings of the federal Government in installing the famous supermailboxes?

[*Translation*]

Mr. Speaker, the Canada Post Corporation must fully assume its mail delivery mandate. It is the Government's responsibility to re-establish the mandate of 1981 which included improving its labour relations, increasing its productivity and reducing its deficit.

Canadian men and women want their mail to be delivered to their door every day of the week. They want an efficient and unified service which is the same for everybody. What would people say about a postman who would deliver the mail only on one side of the street? That is exactly what this Tory Government is trying to do. In my own riding, there are people living on one side of the street who are having their mail delivered at home, while those on the other side must get them from the superboxes. Yet, these people pay the very same taxes. Which proves that the Government has created with these superboxes two classes of citizens not for a little while, but for ever and ever.

Canadian men and women want also to keep their rural post offices open because they feel they are practical and useful, and because they are part of the social communication network of their community. We also want to keep the rural post offices open, because they represent a privileged link with citizens who are often isolated.

Instead of closing the post offices, the Government should enhance them by offering consumers postal related products such as greeting cards, correspondance and wrapping paper.

In Canada, Mr. Speaker, all citizens worthy of the name are first class citizens. We are all equal. We pay the same taxes. We all have to buy a 37 cents stamp to send a letter. We are all entitled to the very same services, including mail services.

Of course, we all agree on the need to balance the budgets, whether it is that of the Canada Post Corporation or of any other organization. But the way to do that is not to reduce services or raise the price of a stamp to 60 cents, as the Minister claims. Management has to be creative, dynamic and competitive, they have to come up with novel and modern ways to boost revenues.

Studies have revealed that Canada Post would considerably increase its revenues simply by advertising on its trucks or at post office entrances. Some people claim that commercial advertising would tarnish the corporate image of Canada Post, but this is a specious argument because public transit systems have shown that trucks, buses or shelters can carry advertising without having a negative impact on the corporate image.

It is simply a matter of making sure that such advertising is in keeping with clear and relevant quality standards.

Private sector interests are acutely aware of post office goodwill and they know this is the way to boost their sales.

Mr. Speaker, the Government rejects progress. It rejects dynamism and fresh ideas. Its only solution is to reduce services. How can anyone be so blind?

Everywhere else in the world they find new ways to continue to serve people. Here in Canada the only way we have to solve these problems is to reduce services.

We must also set our sights on new technologies, new services which are getting ever more profitable such as electronic mail and mail advertising or direct mail.

According to a study by McLeod, Young & Weir, Canada is now eight years behind the United States in the use of sophisticated forms of direct mail.

In that case, the volume of direct mail handled by Canada Post will have to increase by about 115 per cent annually over the next eight years in order to reach the present level of distribution per capita in the United States.

By the same token, this would mean an impressive increase of revenues from third class mail. Indeed, from $300 million that it is now, Canada Post could increase its turnover in that area to $600 million. That is an extra $300 million annually. That in itself would be enough to balance the books at Canada Post Corporation, get rid of superboxes, keep our rural post offices and deliver the mail to all Canadians on time.

That is, Mr. Speaker, what should be done to settle those problems once and for all. I am glad to see the Minister in the House and I hope he will give some consideration to my comments and sit down with Canada Post Corporation to settle these problems once and for all.

Mr. Tardif (Richmond—Wolfe): Mr. Speaker, the Hon. Member for Saint-Leonard—Anjou (Mr. Gagliano) deserves our thanks and congratulations for the remarkable account he just gave of this very serious problem.

I wish as well to pay tribute to him for all the work he has accomplished these past few months regarding this important issue.

Furthermore, it is worth pointing out what seems a rather unusual and all the more positive element, in that in his speech, the Member also suggested some solutions, some answers to the problem.

Having said that, Mr. Speaker, I must add that I, myself, have had repeated opportunities to realize, in my own riding, the extreme importance of door-to-door daily mail delivery. I even decided for the sake of experience to follow in the steps of the rural postman during a few days, while he delivered his mail along concession roads, some very remote, and in the small towns vicinity, only to find out that as soon as he leaves an envelope or a newspaper in the mailbox, it is a matter of seconds before they are picked up. Not too many such experiences are required to understand how essential this service simply is and to know that cutting or reducing it would bring some very drastic consequences. And here, I am not particularly referring to elderly people.

The question I would like to ask my colleague is this: I know that he is an accountant. I am also aware that in his trade, anything called a deficit is obviously a matter of great concern. I also know that he has carried out several studies on the subject and I ask him the following questions: Does he think it possible not only to not cut services but to increase them and still make profits or at least enable the Corporation to balance its budget?

What we have seen for some months is the creation of a whole series of new businesses which I assume are making astronomical profits delivering mail.

Thus, in the light of all that, I ask my colleague if, according the him, Canada Post Corporation can balance its budget while maintaining and enhancing its present services in some other areas.

• (1520)

Mr. Gagliano: Mr. Speaker, I am grateful to my colleague for his compliments and his question. Mr. Speaker, because we are limited I ran out of time and I was unable to deliver part of my speech.

Last January, Mr. Speaker, Revenue Canada advised all employers that as of January this year any remittance of payroll deductions bearing a postage stamp dated the fifteenth and arriving one or two days after will not be considered and therefore a penalty will be imposed pursuant to the Revenue Canada statute.

Now in answer to the question of my colleague, yes, Canada Post can continue to provide essential services, keep rural post offices open, and deliver mail at the door instead of through superboxes without unduly increasing postage, and all this is possible, Mr. Speaker, because good service will definitely increase the volume of business, as we saw in the latest financial statement for 1986. There were no strikes between 1981 and 1986, so both revenues and business volume went up. In other words, the business community and people generally had begun to rely on Canada Post.

But then the Minister of Finance (Mr. Wilson) gave out his marching orders: the purpose of the whole exercise is not to provide better service or improve labour relations but to cut down the deficit, period. As a result of these orders the climate and service automatically deteriorated, and we are definitely going to pay for that because revenues will now begin to go down.

• (1530)

[*English*]

Mr. Gormley: I wish to take part briefly in this discussion with the Hon. Member regarding postal service, and his particular reference to the supermailboxes. By way of a brief preamble, I was wondering why the Hon. Member ignores what is largely a suburban reality in many parts of the country. If one looks at the demography and the working trends in urban Canada today, I wonder as most responsible people should in this debate, if one has door-to-door delivery in those brand new subdivisions, how many people are at home at 9.30 or 9.45 in the morning to pick up mail, cheques, and valuable correspondence that would otherwise be left in the mailbox beside the door for the rest of the day? Is the proposition that people should walk 600 feet to a supermailbox to pick up their mail, an impossible task for the demography of the new suburban neighbourhoods which are usually young, working couples? One should also look at the fact that this is not a deprivation of service; these are subdivisions that were not there before. They often and usually have young couples who are moving into or building a new home.

In 1977 when I lived in Saskatoon, all the new subdivisions, under the former Liberal Government, did not have door-to-door delivery extended. In 1977 the Liberal Government stated that the cost to do this was clearly excessive to Canada Post.

In light of the millions of dollars that it would cost to extend door-to-door delivery in new suburbs, in light of the fact that supermailboxes are a secure way of having mail service in new subdivisions, which is exactly what happens in the small town where I live, where we always have to go to the Post Office to use our lock boxes and in light of the fact that to provide door-to-door delivery would result in a stamp costing approximately 65 cents, I wish to ask the Hon. Member if he can assure people in my constituency that the Liberal Party would indeed restore full door-to-door delivery at a cost of millions of dollars and at a cost of a 65-cent stamp. Would the Member give us an answer? I know his time is drawing short. It need not be a long answer. The question simply is, will the Liberal Party in the next election state that it will provide door-to-door delivery to all new subdivisions? Yes or no.

Mr. Gagliano: I know that my time is short, but I wish to say that the Hon. Member outdid the Minister because the Minister mentioned a 60-cent stamp and the Hon. Member is now up to 65 cents. I do not know if the Hon. Member is doing better or worse, but I hope that he checks his figure. Each day it increases by five cents.

I wish to correct the record. The Hon. Member was talking about the Liberal policy in 1977. It was in 1974 that the policy was clear on the communities—

Mr. Gormley: You are skating on awfully thin ice.

Mr. Gagliano: If you listen carefully perhaps you will learn something. Communities with 2,000 or more points of call always received door-to-door mail delivery. One only has to come to my riding and check the records. A future Liberal Government, yes, will return to the policy of giving Canadians door-to-door mail service for communities with 2,000 or more points of call. That was the previous policy.

The Acting Speaker (Mr. Paproski): Questions and comments are now concluded. On debate, the Hon. Minister of Consumer and Corporate Affairs.

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, it was interesting to hear the hon. spokesman for the Liberal Party talk about the commitment of the Liberal Party to door-to-door delivery for communities with 2,000 doors or more. What the Hon. Member is saying is that the Liberal Party agrees with this second-class policy. There will be two classes of Canadians, those who live in communities of 2,000 or more who will receive door-to-door service, and second-class citizens, according to how the Liberals describe the class of citizens, of people who do not live in those communities. What is so wonderful about that division? What will the Liberals do to those who live in a community of 1,950 doors? They will say: "That's too bad. You are second-class, you are not going to get door-to-door delivery". That is the absurdity of the type of statement made by the Hon. Member.

The Party with which the Hon. Member is aligned, when it was in power and when the Post Office was not a Crown corporation but a Department of Government, put a freeze on door-to-door delivery. It was done for a very good reason, because the world is changing. When I grew up there was door-to-door milk and bread delivery. Shopping was basically done on foot. Corner grocery stores were everywhere for one to purchase one's groceries. In those days something less than 20 per cent of married women worked. The family and the living circumstances were entirely different than today. Today, in the majority of families, both spouses work. The living style is to have two cars, to live in the suburbs, which is the areas wherein people are serviced by group mailboxes. The pattern is that there are not even sidewalks in recognition of the fact that people travel by car and park in the driveway or garage. They shop in the evenings in shopping centres. The Post Office is changing its delivery methods to reflect that new reality.

It strikes me as being a little ironic that the New Democratic Party and the Liberal Party consider themselves the more progressive parties. They call us the "dinosaurs". We are prepared to acknowledge that society is changing and that that should be acknowledged in the services. These "progressive" Parties say: "No, no, no. If it was good enough in the 1940s and 1950s, it is good enough today. No change. Keep it the way it is". They are the reactionaries. Their policy on the Post Office is to go back to the days when we lived on streets that had sidewalks and narrow lots, and when mama stayed home. Let us go back to those days and let us not go forward to the new era. That is fine. If they as Parties wish to project to the people of Canada that it is their intention to have door-to-door delivery, or to instruct the Crown corporation to do that, then in all fairness they have to answer the question as to where the money will come from.

• (1540)

The fact is that five years is the period of the corporate plan. To bring in door-to-door delivery to every home now serviced by group mailboxes—and we are not talking about rural routes or general delivery—over the next five years, the fact is that it would cost an additional $1,300 million and thereafter $400 million per year in operating costs. The figures are there.

It is all well and good to sit in opposition and say: "What is $400 million or $1 billion compared with the potential votes we can get by making this promise?" They can sit there and say: "It is peanuts. What we are talking about here is votes. We don't worry about silly little things like $1 billion or $400 million per year of extra costs".

Well, that translates into a 60-cent stamp. An Hon. Member was saying that the Post Office should look for a growth in business. How would it grow in business if it raises the cost of a stamp to 60 cents? Just normal economics tells us that if it raises the cost of delivering a letter, it will have less letters to deliver. According to Economics 101, raise the price and demand goes down. One does not get more business by raising the price; one gets less business.

It is an irresponsible suggestion. I can understand that it is tempting. We have unions out there funding organizations such as RAM, Residents Against Mailboxes, which are petitioning and invoking images of elderly and handicapped people struggling through snowdrifts trying to get to their mailboxes to pick up the mail and being denied the luxury of having mail put into the boxes on the sides of their houses. They are traditional techniques used in politics, propaganda techniques, but I think one would underestimate the intelligence of Canadians to play that card too frequently and with too much prominence.

I think Canadians realize that the world is changing. I think anybody who looks around at our society recognizes that if you do not get milk delivery or door-to-door bread delivery nowadays, you have to find some way to get your groceries and it is not too difficult at the same time to get your mail. Indeed, the Post Office has a policy for the handicapped or people who are simply unable to leave their homes. In fact they can arrange to have door-to-door delivery. Again I do not think those images invoked in the propaganda war will be too believable.

If the Liberal Party wants to put forward the proposal that it is preferable to spend that extra money, $400 million per year, in order to have door-to-door delivery everywhere, if that is its priority, I think it is legitimate to put it to the people of Canada and let them decide. However, it is not legitimate to

suggest that somehow it can be done with no cost, that somehow we can wave a wand and make it disappear because we cannot. There is no such thing as a free lunch. It has to be paid for.

If it is the decision of the Liberal Party and the New Democratic Party that rather than spend $400 million on day care, education, or science and technology, those resources or that amount of money is better spent on door-to-door delivery of mail, that is their decision. They should put it before the people in all honesty and let them decide. This is what democracy is all about. However, to try to imply that there is no cost associated with these promises is dishonest at the least. As I indicated, it assumes a degree of ignorance on the part of the people of Canada which I do not believe is there. They will be able to see through that kind of posturing and behaviour.

The motion with which we are dealing today is a real potpourri. It sounds like the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) is blaming the Government of Canada for everything from poor postal services, to high prescription drugs, to the cost of gasoline, to acne. I understand that there is an outbreak of chicken pox in the day care centre in the Confederation Building. I guess that must be the Government's fault too and should be included in the motion! They seem to think that everything they deem to be wrong with Canadian society is due to the Government.

When we talk about the Post Office, one gets the impression sometimes from listening to the Opposition that until September, 1984 Canada Post was one of the best, smoothest running organizations in the world, certainly in Canada. One gets the impression that the mail got through on time all the time, that everybody got door-to-door delivery, that labour relations were sweet, that everything was hunky-dory, and that it all fell apart in September, 1984 when we were elected to Government. Of course that is absurd. In 1983 the Post Office was running a deficit of $500 million. It was borrowing $500 million. It is still there in the debt. It kept borrowing in those days. It will be paid for by future generations. The Liberal policy was very simple— "Let future generations pay for the cost of delivering a letter today". That was the kind of deficit in 1983, and all people did not get door-to-door delivery; a $500 million deficit and no door-to-door delivery in new suburbs.

Some progress has been made. This coming fiscal year the Post Office will make a profit for the first time since 1971-72. It will be a small profit but a profit. Productivity has been going up for the last three years in the Post Office at the rate of 3.5 per cent per year. Business has increased by 23 per cent. Indeed, the over-all expenditures of the Post Office over the last couple of years, and projected into next year, have increased as a result of three roughly equal measures: There has been a business increase, more volume; there has been an increase in the cost of stamps less than the cost of inflation; and there has been an increase in productivity. The Post Office is more efficient. It is making significant progress, and an honest Member of Parliament would acknowledge that.

Is there a lot left to be done? Yes, indeed there is, but current management is working on it. If only we could stop beating on them through this political process, stop the immature games that are being played at the political level all the time, and give them an opportunity to continue to make progress, we might see the day where this Crown Corporation was viewed by the majority of Canadians as one which is providing a good service at reasonable cost. It is a fair thing and a possible thing to look forward to. However, the temptation to play political games, make wild accusations, and so on is simply too overwhelming for too many people.

I guess that I am running out of time, but I would like to deal very briefly with one issue raised by the sponsor of the motion today, the one concerning prescription drug prices. Bill C-22, which we finally got through Parliament after the greatest of resistance by the Opposition Parties, is in place and is paying off. I have a little 20-page brochure here talking about the research and development commitments that have already resulted from Bill C-22—hundreds of millions of dollars. Today there are thousands of young Canadian scientists working as a result of Bill C-22, and Bill C-22 has not caused the increase in the price of any drug in Canada by a single penny. Anybody who claims otherwise is not telling the truth or is ignorant, not telling the truth because they are lying or not telling the truth because they are ignorant. However, such is the case of these people who were bitter about losing this battle. They keep raising these phoney studies about supposed price increases. We had one the other day from a couple of pharmacists from Toronto who said that the price of drugs had risen. *The Toronto Star* featured the study. The matter was raised in the House. A Senator raised it in the other place. Accusations were made; for instance, that Bill C-22 has caused the price of drugs to rise.

• (1550)

The study is a very interesting one. First it made comparisons by using last year's wholesale price versus this year's retail price. It looked at last year's price without federal tax versus this year's price with federal tax. It looked at drugs that were wholly manufactured in Switzerland and Germany. As you know, Mr. Speaker, the Swiss franc and the German mark have gone up in value relative to the Canadian dollar. The study recommended that people look at the outrageous increase in price. In terms of the Swiss franc and the German mark, there was no increase whatever. Because of currency changes there was an increase in Canadian dollars, but none of this has anything to do with the patent system or Bill C-22 which changed the patent system. But that does not stop these lovers of truth and honesty from blaming currency changes on Bill C-22. It is absolute absurdity.

I can understand a political arena where from time to time people do things like that. It is less understandable to see some of these guardians of truth in information dissemination in the fourth estate making these kinds of claims in print as some,

only some, did, Mr. Speaker. That is less acceptable but again it is something that we need to deal with.

I guess the ultimate absurdity is the failure to acknowledge that if the opposition had not delayed the Bill, filibustered it or had not played silly games, we would now have in place the Drug Prices Review Board. The board would have the capability of looking at prices of all drugs and making reasonable and rational assessments as to whether price increases were appropriate or not appropriate and could take remedial action or exercise downward pressure on companies that might attempt to introduce drug prices in excess of the cost of living.

To do everything possible to delay the implementation of that Drug Prices Review Board and then to scream bloody murder when the Drug Prices Review Board is not there to me is hypocrisy at the least, if not worse. I could go on. Perhaps it is unnecessary because one of the great things about being a Canadian with our well educated and intelligent population is the comfort it gives in knowing that by and large people can see through most of this nonsense. Even when you have Members of the Opposition making crazy claims about Bill C-22 and about post office costs, supermailboxes and so on, in the end the public is intelligent enough to see the accusations for what they are, propaganda at best and outright deceit at worst perhaps. Since people can see through that, it is not that much of a concern on the part of the Government. It is something we need not get overly concerned about. While a motion like this gives us an opportunity to fill a day's debate in the House of Commons, nobody is fooled by the nonsense indicated in the motion.

Mr. Orlikow: Mr. Speaker, would the Hon. Minister give me an answer to a question which my constituents frequently ask? I have several thousand new homes in the suburban part of my constituency. Many of the residents in these new homes call or come to me and say: "Before I lived in this new home in the suburbs where I have to get my mail from the supermailboxes, I lived in an older part of your constituency and I was getting door-to-door delivery. I moved into this new house in an urban area. The house costs more, it is worth more than the old house and I am paying much higher municipal taxes than I did before. My wife and I are working. We are paying much more in income tax than we did before. Why can I not get the same door-to-door mail service as I did when I lived in the old part of Winnipeg? Why am I treated as a second class citizen?" Frankly, I have no answer for them. I would like to be able to tell the people how the Minister would answer that question. Why do we have two classes of citizens in the cities of Canada, class one which gets door-to-door service and class two which has to depend on supermailboxes?

Mr. Andre: Mr. Speaker, actually there are four classes. First, you have classes of citizens who pick up their mail at general delivery in urban environments or in rural environments, small towns and villages. You have classes of citizens who go to the post office to pick up their mail at lock boxes. You have classes of citizens who get their mail through rural route delivery systems. There are classes of citizens who get their mail door-to-door and you have classes of citizens who get their mail through group mailboxes. That situation has been in place for over 100 years, since the Post Office has been in existence. There has never been a time in the history of the Post Office whereby the majority of people got door-to-door delivery. It was always a minority of people who received postal services door-to-door. There is a bit of an illusion that somehow we are changing from what had been an historic situation. It is not true.

The Hon. Member talked about the difference between the downtown older neighbourhood and the new suburban areas.

Mr. Orlikow: Not downtown.

Mr. Andre: We have changed patterns. The older neighbourhoods built in the 1940s and 1950s was at a time when mostly the wife did not work but stayed home. If there was a car in the family, that was all there was, public transport was used and the way of living was different. Most streets had sidewalks. People walked a lot. Shopping was done at local stand alone stores and shops.

It may have escaped the notice of the Hon. Member, but in the 1960s, 1970s and 1980s things changed. Shopping centres came into existence. New suburbs opened up. Lots were bigger. People moved to the suburbs for the benefit of a bigger backyard. Most of these neighbourhoods do not have sidewalks because people do not walk. We see mainly two car families now. Shopping is done at shopping centres where people buy their groceries, pick up their dry cleaning, and it is done in the evening. Both partners work in most families now. We have changed. The world has changed.

The Post Office was trying to change in keeping with those changing patterns. The Hon. Member is suggesting that what was good for the 1940s and 1950s, and the lifestyle that most Canadians lived in those days ought to be retained for the 1980s and 1990s. For a reactionary like the Hon. Member, I can understand that, but the fact that the Post Office will adjust and adopt to modern lifestyles and the way we live today should not be viewed as such a shocking and terrible thing. It is certainly inaccurate to describe this situation as having first class and second class citizens in it. There has always been several ways of delivering the mail. There is today. There has been those differences for over 100 years. Undoubtedly there will continue to be in the future.

• (1600)

Mr. Gagliano: Mr. Speaker, I would like to ask the Minister a question, but before I do, I would like to tell him that perhaps he was on the opposition benches for too long. He was playing the kind of game that he accuses us of playing now when he was in Opposition. I would like to remind him that his colleague, the Minister of Finance (Mr. Wilson), said before the election that he would never increase taxes, that increasing taxes would be wrong. Indeed, in three and a half years, the

Minister of Finance took away over $22 billion in taxes from consumers.

During Question Period this afternoon, the Minister was temporarily absent, so I asked the Deputy Prime Minister (Mr. Mazankowski) if the Minister could release the figures he was talking about to justify the $1.3 billion cost to Canada Post. I called Canada Post and was told that in 1986 figures, it would cost $360 million and in 1988 figures, $500 million for a five-year period. Who is telling the truth here?

Why does the Minister not defend his own figures by releasing them so that Members of the House and Canadians in general could know exactly what he is talking about? Why is he talking about a 60-cent stamp when he does not want to release the figures showing that a 60-cent stamp would be needed?

Mr. Andre: Mr. Speaker, before answering that, I want to say that my colleague, the Hon. Member for Lincoln (Mrs. Martin), just pointed out that for over 30 years she walked to the post office to pick up her mail and she does not consider herself a second-class citizen as a result of doing that. People who have had that personal experience have to dismiss the accusations of the Hon. Member for Winnipeg North (Mr. Orlikow).

The Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano) may be referring to certain figures that were in an editorial in *The Toronto Star* which supposedly had a different set of figures. That is nonsense. The figures I have quoted to him are in fact from a study the Post Office gave me.

The Hon. Member asks a valid question. Should those figures be made available? Yes, they should, and I will see if I can get them in form to do so.

Very soon, in the not too distant future, the Post Office will be called before the Standing Committee on Government Operations in defence of the Estimates and its corporate plan. That would provide a splendid opportunity for interested Members to go over in detail with senior management of the Canada Post Corporation all of these items. They are there and I have seen them. I have seen the slides and I am sure senior management will bring the slides to the committee so that the Hon. Member can have these numbers verified.

The Hon. Member asks a legitimate question and he will be provided with those numbers. However, I would ask him something in return. If he gets those numbers and they verify what I have indicated, which is what has been indicated to me by Canada Post Corporation, will he commit on behalf of his Party to state, if the Liberals are still in favour of it, that they are in favour of putting in door-to-door mail delivery everywhere where group boxes are now used and they are prepared to have the price of stamps rise in order to pay for that? He shakes his head in the negative. There is a man who says that he wants honesty and openness. Does he want openness? Not at all, Mr. Speaker.

We will give him the figures. Will he commit to have the integrity to give them to the people of Canada as he goes around making promises? Will he tell them how much those promises will cost and how they will be paid for? He is still shaking his head in the negative. At least he is proving that he is a genuine Liberal. He is in the right Party. Never tell the people the truth or they may not elect you, that is what Liberals think.

Mr. Rompkey: Mr. Speaker, I have a very simple question for the Minister and it involves the truth. I wonder if he would look into this matter for me and get me some facts and figures.

The kind of society he has been talking about is urban Canada where people go to supermarkets and are able to buy stamps at the same time as they buy groceries. He is not talking about rural Canada or northern Canada. There is another society in which people are hurting, are unemployed and need what comes in the mail. Small businesses and individuals need the mail and they are not getting it.

I just talked to representatives from the post office in Labrador City. Seventy-nine bags of mail destined for Labrador were left in St. John's today. The Minister wants us to commit to an increase in the price of stamps, but the service that is being given by Canada Post, particularly in rural and northern Canada, is absolutely abysmal. Why should we go for an increase in the price of stamps when that kind of service still exists?

Unemployed people need their cheques. Small businessmen are getting things in the mail that they need to survive. Would the Minister find out for me why 79 bags of mail destined for Labrador City were left in St. John's today? This is a specific example of the kind of service the post office is giving. If we can get the facts on that, maybe one of these days, if service improves, we can agree to an increase in the price of stamps.

Mr. Andre: Mr. Speaker, the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey) makes a valid point. It is interesting that in that connection, there is an innovation that the current management of the Post Office has brought in. It is incredible that this is an innovation because I would think that such a system would have been there for some decades, but it is only within the last three years that Canada Post Corporation has had the ability to answer the question the Hon. Member has raised, why the mail did not go on.

Incredible as it seems to me, up until three years ago, the Post Office operated almost as 11 separate little organizations. There was no central control. There was no ability at headquarters in Ottawa for anyone to know where the mail was at any one time because the mail would come into one of those 11 places, say Calgary, to be sorted. The stuff that was to be delivered in the Calgary area was kept and the rest would be sent to wherever it was to go, to the East or to Vancouver. However, no one at headquarters knew how much mail had

been sorted in Calgary, how much had been sent off, where it was at any one time or what was happening.

Now there is a control centre in Ottawa, and I would recommend that Hon. Members take an opportunity to visit it if they have a chance to do so. That control centre is connected to all of the sorting facilities around the country. All of the airline information and the trucking transportation information is there. It is a modern facility and at any one time, the Post Office knows where the mail is.

Why did the mail not get from St. John's to Labrador City? I do not know. Has there been a storm there? If the airline does not fly, it cannot get the mail there. The Post Office has the same problems everyone else in Canada has when travelling in winter. Sometimes the airlines do not fly and sometimes existing methods of transportation do not work, but at least today someone in Ottawa has the ability to phone St. John's and ask why that mail did not get to Labrador City, give someone hell and hold someone to account. That is a new innovation. If that did not happen already today, I will make that inquiry and whoever is responsible ought to have a good explanation as well as a plan to make sure that it does not happen in the future.

Mr. Gagliano: Mr. Speaker, a supplementary question?

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

I would like to bring to the attention of the Hon. Member that I heard his remarks. I gave the Hon. Member 23 or 24 minutes plus 12 or 14 minutes for questions and comments and I thought that because it was the Minister who spoke, Hon. Members would want to ask more questions of him. That is why I extended his time for a few extra minutes.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, a few moments ago, I asked the Minister of Consumer and Corporate Affairs (Mr. Andre) a very simple question. I asked him to explain to the people who live in the cities and suburbs of Canada why some of them get door-to-door delivery and others have to depend on supermailboxes. The Minister, of course, talked all around the subject. He brought in the question of the kind of service there is in rural and northern areas, a separate question all together.

The fact is that city people resent the fact that they do not get the same service in the suburbs as they got when they lived in the inner city. The Minister had all kinds of explanations for these differences including the fact that there are no sidewalks in areas where there are new housing developments. A resident of Calgary must have been watching this debate because she called my office to point out that the suburban sidewalks are not built not because they are not wanted but because the municipalities cannot afford them. She thinks, and I am quoting from the message we got, that the Minister is quite ignorant on this subject and she is very angry with him.

• (1610)

I want to spend a few minutes on what has happened to the price of prescription drugs in the last half of 1987. The Minister spent part of his time berating those who claim that prices have gone up in the last year much more than the increase in the cost of living would have permitted. Supposedly Bill C-22 would have prevented that. He said those who were making that charge were either lying or were ignorant of the real facts. Here are the real facts as given to the people of Canada by responsible government agencies.

The Government of Ontario found that the price of drugs in its drug plan, and we are not talking about a few drugs but more than 1,000, rose faster than the Consumer Price Index for the six months before the 1987 year end. Some prices went up by 100 per cent and one went up by 250 per cent. Was there anything that could be done about this? Of course. Although the Drug Prices Review Board was set up only in December of 1987, the Minister of State for Finance (Mr. Hockin) said this morning that the board has the authority and the ability to go back five years in determining whether unfair prices have been charged. Why doesn't it do just that?

I have another illustration of what has happened. The Manitoba Government looked at the prices of generic drugs in that province for the last half of 1987 and found that they had actually gone down by 1 per cent. If they went down for generic drugs, why should they have gone up as they did by so much for so many of the brand-name drugs? Why does the Government not try and explain this disparity in more correct ways rather than heaping scorn on those providing the information? It is an old device for Governments to shoot the messenger because he brings bad news rather than deal with reality.

Why is the Government not encouraging the Drug Prices Review Board instead of heaping scorn on the Opposition? It is not just opposition Members of Parliament, it is all consumer groups, seniors, labour organizations and others who warned what would happen if Bill C-22 passed. If necessary, why is the Government not bringing in amendments to give the board the power to roll back prices when they increase by more than the inflation rate? Instead, the Government pretends that nothing is happening, the board is not working, and the Opposition is responsible for the delay. That is not going to fool anyone. The results will be seen in the next election, and I do not expect to see the Minister of Consumer and Corporate Affairs back in this House as a Member of Parliament after the next election.

I now want to deal with the problem hundreds of thousands of people have in their dealings with banks. Bank profits are huge. In 1987 the Canadian Imperial Bank of Commerce had a profit of $387 million. For Scotia Bank it was $381 million. For the Bank of Montreal, $413 million. For the Toronto-Dominion Bank, $528 million. For the Royal Bank, $541 million. What taxes did they pay? Based on past experience, very little. In many cases no real taxes were paid because the banks have been able to take advantage of our tax system

which permits the deferring of taxes and contains a special tax write-down provision. They can write off the losses for non-performing loans, many of them made to Third World countries. Those countries paid very high interest rates in years when the banks were making huge profits and paying virtually no taxes. Now, when the banks should be paying taxes, they are trotting out these non-performing loans and using them to reduce the taxes they should be paying.

What kind of complaints about the banks are Canadian citizens making? I can talk about a complaint my wife made to me a week or two ago. She saw an ad in a magazine for some small item which she could purchase in the U.S. for our grandchildren. The price was $6 U.S. She sent a cheque on her account for $6 and marked it in U.S. funds. When she got the cheque back she found that not only did she pay the $6 U.S., something over $9 Canadian, the bank assessed her a $5 service charge on a cheque worth less than $10 Canadian. If that is not a rip-off, I do not know what is.

I was surprised and I called the Bank of Montreal across the street where I have an account. I was told they would have charged $7.50. Keep in mind that if my wife had gone to the Post Office she could have bought a money order in U.S. funds for a $1.15 cent service charge. According to the right wing back-benchers in the Conservative Party, the private sector can do anything better than the public sector. My wife could have gone to the Civil Service Co-operative and the service charge on a cheque marked U.S. funds would cost just 35 cents. A CS Co-op bank draft in U.S. funds is $1.00. If you are over 55 years of age, there is no charge at all. That is just one small illustration of what the banks do.

Let me put on the record a case brought to me by another constituent. He has a mortgage on his house. He got it through the Canadian Imperial Bank of Commerce. Municipal taxes were not due for payment until June 30, 1987. On June 3, 1987, the tax payment was taken out of his account without notifying him or asking him if this was agreeable. In other words, the bank had his money for 27 days. Why would the bank do that? What gives the bank the authority? Shouldn't they at least have to explain their decision? Not only that, he has now been told that the bank has a new rule that they will charge a dollar a month maintenance fee against his account on top of the charge they have always made for writing a cheque and so on. Why?

• (1620)

As another example, a constituent of mine has several bank accounts, one of which is used very little. On going through his statement he found that a withdrawal had been made without his knowledge for a payment on a Mastercard bill which was always paid through another account in a different bank. He did not want this account used for that purpose. He asked for an explanation from the manager of his branch who told him that there was an error. He was not satisfied with that. He instructed the bank manager that under no circumstances was his account to be touched without his approval. Later he learned that the amount which had been withdrawn without his knowledge or consent, plus interest, had been redeposited in this account. This is the kind of unilateral action by banks which people are resenting more and more.

We are talking about banks which make tremendous profit. My colleague, the Member for Ottawa Centre (Mr. Cassidy), put on the record earlier today that through the service charges which the banks are imposing in increasing numbers and in a bewildering series of ways, the banks made close to $1.5 billion of profit.

As another example of the things which banks are doing, a resident of Toronto could not believe his eyes when he opened his statement from the Canadian Imperial Bank of Commerce. The bank had docked his account by £5 in service charges from a £55 monthly pension cheque which he gets from Great Britain. This man has been depositing that pension cheque in the bank every month for eight years and was never charged a service charge until this month. Suddenly the bank took it upon itself to start charging a service charge of almost 10 per cent without, of course, any notification.

There has been an increase in service charge revenues to the Big Five banks of 20 per cent over 1986. Let us look at what the banks reported as received in service charges assessed against their customers. In 1987 the Toronto Dominion Bank reported that service charges brought in $138 million, the Canadian Imperial Bank of Commerce reported $235 million, the Scotiabank reported $113 million, the Bank of Montreal reported $283 million, and the Royal Bank reported $365 million, the total being $1,134 million. The above represents an increase over 1986 service charges of almost 20 per cent and relates to depositors' accounts, safekeeping, and payroll processing only.

These service charges do not include many other fees charged by the banks such as foreign exchange revenue, credit card fees, loan fees, security commissions, bankers' acceptance, letters of credit, guarantee fees, and other items.

We know about the interest rates charged by the banks on unpaid balances on credit cards. At a time when the interest rate has dropped from over the 20 per cent level at which it was some years ago to just half of that, the interest rate charged on unpaid balances on credit cards by banks, to a large extent, has come down virtually not at all.

Service charges are a big profit centre for banks. For illustration purposes I will refer to the Canadian Imperial Bank of Commerce which says in its annual statement:

> The continued growth in non-interest income—is a very important factor in the banks' drive to improve its financial performance.
>
> Service charge revenue continues to show improvement and reflects expansion in fees for a wide variety and growing number of customer services.

First they tell their customers they will provide automatic banking, 24-hour service, and all the rest of it and that it will be more efficient because it is done by computer rather than employees at the local branch and that this will save money. In

fact, it is not saving money at all. The banks are increasing their charges continually.

The banks are doing this in part to recoup the losses on money which they lent to Third World countries including Mexico and Brazil, at very attractive rates. They were getting upwards of 20 per cent interest some years ago. They were very happy to make those loans and earn that revenue through the high interest rates charged, particularly since in those years with a Liberal Government the tax system permitted and encouraged them to pay virtually no taxes at all. The banks deny this, but allow me to quote from the business publication *Financial Post*. In the December 21, 1987, issue an article by Philip Mathias entitled "Nickel-and-diming" says:

> Just why fees are rising is a bone of contention. Critics say banks are squeezing consumers in an attempt to recoup some of the money they expect to lose on their colossal loans to Third World countries and Dome Petroleum Ltd.

To digress, Mr. Speaker, there is something very strange in our tax system when Dome Petroleum, which has lost hundreds of millions of dollars and has received huge loans and grants from the federal Government is able, when being sold, to pay its president several million dollars severance pay. Many of Dome's workers would be happy to receive that kind of sympathetic treatment from Dome Petroleum and the Government of Canada, but they are not getting it.

Mr. Mathias goes on to say:

> Bankers hotly deny this assertion. Instead, they talk about a "user-pay" philosophy, which unbundles individual bank services and makes the customer who calls for a service pay for it.
>
> Both explanations may be correct.
>
> Service charges started rising rapidly in the early 1980s, a timing that fits neatly with the Third World loans and big corporate lending theory. (Bankers, however, say this is only a coincidence.)
>
> Also, in 1982, it dawned on four big Canadian banks that $3 billion lent to Dome Petroleum was not going to be recovered easily.

They should have known that long before. It continues:

> The recession of 1981-82 induced corporations to pay down bank loans rather than borrow. Competition among the banks to lend increased sharply.
>
> At the same time, high interest rates made the cost of loans prohibitive. The banks found it difficult to maintain the traditional 3-point spread between interest paid to lenders and that charged to borrowers. The top lending-out rate came down.
>
> Spreads have still not recovered fully.
>
> The banks have tried to retaliate.

They did not do this by going after the large and profitable corporations. They did it by going after the ordinary little Canadian who really cannot afford these charges and does not have the knowledge, expertise or time to shop around for cheaper financial services. That is the only advice the present Conservative Government will give ordinary Canadians, but it is always ready to defend corporations and individuals in the highest income bracket.

• (1630)

The banks argue that they are providing better service now to their customers. The automation of many of their services should have kept the cost down, but the productivity savings in terms of lower labour cost and overhead are not being passed on to the consumer.

Many credit unions have no service charges at all in return for minimum deposits which also earn interest. Are the chartered banks less efficient than some of the smaller financial institutions? Obviously not. But the credit union represents ordinary people and cares about them. The banks have a captive clientele. They are not interested in looking after ordinary Canadians but in looking after the accounts of large corporations and wealthy individuals.

The advice of this Conservative Government is to shop around and let the buyer beware. Canadians are being criticized for not doing what they should, but most of them are unable to take the Government's advice because they do not have the information needed.

Today, the Minister of State for Finance said that he wants to hear from the Finance Committee. He is aware of the obligation of the banks under the Bank Act. Therefore, why does he have to wait for the recommendation of that committee? The Minister of State for Finance or the Minister of Consumer and Corporate Affairs should tell the banks what they are required to do under the provisions of the Bank Act.

The Minister is doing nothing about it because he is not interested in the consumer. The Government is not interested in the small business community, the Consumers' Association or in poverty groups such as the National Anti-Poverty Association, all of whom agree that until the banking committee makes its report there should be an immediate freeze on bank charges. The Government will not do it because its priority is to protect those in whom it is interested, which includes the banks. That is not surprising when one considers the kinds of donations made to the Conservative Party by the major banks.

This motion, and the way the Government has failed to deal with the banks, certainly tells Canadians where the Government stands in terms of trying to protect the interest of ordinary Canadians.

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

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I commend my colleague, the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) for bringing this motion to the House today. It is appropriate to review the Tory tax record at this time and consider how the Conservative philosophy and policy has impacted upon *M. et M^me tout le monde*, as they say in Quebec.

The Tory philosophy seems to be: "Reach out and tax someone". Since they came to office, the Tories have hit Canadians with dozens of new taxes. I am reminded of something that Adam Smith said, which I believe reflects the

Tory point of view about who should shoulder the tax burden in this country. Adam Smith said: "There is no art which one government sooner learns from another than that of draining money from the people". I would suggest that phrase "draining money from the people" has a Conservative epitaph.

Rather than giving itself credit, the Government should be thankful that it came into office at a time when increased growth and an improved economy was taking place throughout the world. Despite being the benefactors of this improved situation, the Government has reached into the pockets of individual Canadian taxpayers to make the biggest tax grab in our history.

The Government's record of taxation reveals that it is showing an increased insensitivity toward lower and middle income families in Canada. Let us consider the tax increases the Government has seen fit to impose on Canadians. In 1984-85, there were personal income taxes in the amount of $29.3 billion, corporate taxes in the amount of $9.4 billion, and sales and excise taxes of $13.7 billion. In 1988-89, personal income tax will amount to $45.4 billion, $12 billion for corporate income tax, and $24.3 billion in sales and excise taxes.

By the end of the 1989 fiscal year there will be $16.1 billion in personal income tax, an increase of 55 per cent. Corporate tax will amount to $2.6 billion, which is an increase of 28 per cent. Sales and excise taxes will be $10.6 billion, for a 77 per cent increase. When we consider that the sales and excise taxes apply to everyone, whether one is earning $200,000 or $10,000, I suggest that this fact alone indicates the insensitivity and unfairness of the Government.

Furthermore, when we consider the particular areas in which taxation has been levelled, we can see the gross insensitivity of the Government. The fact that there is a 55 per cent increase in personal income tax and only a 28 per cent increase in corporate income tax shows that there is a sense of affinity for the corporate sector. It simply proves the Government has not been fair. Although the Government campaigned on a promise not to raise taxes, it has seen fit to hit Canadians with more than $22 billion in new taxes, to which can be added another $7 billion in future taxes.

The Government has claimed that the lower deficit is due to its ingenious management of the economy. I suggest that the Government's fiscal management has been incredibly poor because there has been an increase in the over-all per capita deficit. The per capita deficit has risen to $300 billion, from $7,000 per capita in 1983 to $12,000, a 60 per cent increase. During a time of high prosperity, the Government's poor management and poor judgment has resulted in that increase in per capita deficit.

These tax increases began with three consecutive sales tax increases, beginning in October, 1984.

• (1640)

The Conservatives hit Canadians with their first tax bite from 9 per cent to 10 per cent, which would subsequently go up to 12 per cent in hidden sales taxes. If one adds it all up, it comes to $3 billion, just in those hidden sales taxes. What that meant was that when men and women went to shop for new clothes, shoes for their children to go to school, food for their homes, the general everyday living, the cost was higher. The Government, through hidden taxes, had increased those costs by $3 billion.

I sometimes think that *White Christmas* was never on the Government's mind. It imposed a tax on candy, soft drinks, snacks. The cost to Canadians was $460 million, and one can add to that the $60 million which was added in taxes on paint and wallpaper. What kind of incentive is that for homeowners to improve their property? It was certainly a disincentive. I suggest that although it may have been hard on the redecorating bills at 24 Sussex Drive, it was equally hard, if not much harder, on the pocketbooks of ordinary Canadians.

I think we should be reminded that in this latest Budget the Tories put an incredible additional tax on gasoline. The first tax was worth $900 million. There was another tax of $450 million. There was one more additional tax of $450 million. If that was not enough, we have now had an increase of 23 cents per litre, which is close to one dollar per gallon for gas since September of 1985. This new tax of one cent a litre will come in April 1 and the Government will recover $450 million from that.

I would suggest we consider that $2.1 billion the Government is pulling in on that gas tax. I think there is a gas pipe that leads directly to the revenue treasury producing money for the Government to spend in all kinds of ridiculous areas. I wish they would increase spending in areas that are important to Canada.

I think we should consider the impact on workers who drive to work. The impact on their daily lives has been very significant. I think it is very unfair.

There was $700 million taken in by the Government from the increased tax on alcohol and tobacco. It is nice the Government is looking after our health and well-being, but some of us like those little luxuries and I think it is a little unfair. Then, of course, there is the marvellous tax on talking which quietly came into effect on January 1 of this year. Long distance telephone charges went up. They are now subject to a 10 per cent tax and the cost to Canadians is $945 million. Because of the strange way the lines are drawn for local and long-distance calls, many families will have to pay that additional tax every time they call their doctors or their dentists and—

Miss MacDonald: It does not apply to residential phones and you know that.

Mrs. Finestone: It does not apply to my residential phone when I am phoning from Hull up into the Outaouais?

Miss MacDonald: It does not apply to residential phones.

Mrs. Finestone: That is very interesting. I am glad the Minister has clarified that. We will just say that the tax is only costing $945 million for long-distance business calls. I am glad to hear that.

We must not forget the income tax changes. Canadians have not been able to forget the direct cash withdrawal from the pockets of consumers. I suggest that in those income tax changes, we have had the deindexing of the whole tax system. That small bill comes to $635 million on which we will add another 3 per cent next year and another 3 per cent the year after that. It goes on *ad nauseam*. The Government killed the Registered Homeownership Savings Plan, which certainly was a help to young people buying their first homes. That cost families $105 million.

We then had the elimination of the tax abatement clause. It added some very nice cash into the pockets of the Government. That is where the Government collects money and then holds it and sends it back to you without bothering to pay you interest. That will cost $650 million. That is not bad. There is also the temporary 5 per cent and 10 per cent surtax on high-income earners. However, that was only in effect from July 1, 1985 to December 31, 1986. There must have been a big lobby that told the Government to stop that. That only cost us $500 million.

There were the changes in tax treatment of dividend income which brought in another $300 million. There was a change in spousal exemptions. Those are the married benefits. It is a small amount of money, only $20 million. That is what the Government thinks about the role of the spouse within the family.

As I mentioned, all these taxes I have talked about, the sprinkling of these dozens of tax grabs by the Government, from individuals, families, senior citizens, total $22 billion. We should compare that with the fact that many corporations in this country still do not pay taxes and there is $1 billion of outstanding taxes to be collected from these corporations, on which Revenue Canada has not followed up. Why is it not doing its job? I think that $1 billion might offset some of the other things which I find rather regressive.

It does not take long to figure out who are the friends of this Government. If it is true that Canadians often vote with their pocketbooks, they surely will remember this Government on the way to the polls. So far I have spoken now just with respect to the hidden taxes and the overt taxes. What about the new tax treat the Minister of Finance (Mr. Wilson) is planning for us? We do not have the amount it is going to cost the taxpayers with respect to the new sales tax the Government intends to introduce after the next election. I would suggest that one part of that is a horrible Tory proposal. Fortunately, the Minister backed off on the tax on food but it took a whole *brouhaha*. It took weeks of questioning in this House before the Minister rose and clarified that he will not tax perishable foods in the new sales tax. He will tax wax-paper, Saran Wrap and soap, all the things one uses to run one's home, but not one's food, according to the Minister of Finance.

There was an unfortunate leak that occurred when the Committee on Finance came back from New Zealand. There seemed to be some indication that it found that a tax on food was a good idea. It then withdrew that proposal. I would hope that never again will those words "tax on food" come forward and that that idea is rejected out of hand.

For the Government to put its hand in the pockets of working Canadians to the extent of $22 billion is a pretty sad situation. The Government says it is staying the course. Staying the course will certainly not help the 3.7 million Canadians who are living below the poverty line, nor those women whose revenue has fallen even further below the wages of men, nor the homeless, those people who are living on the streets, and those people who are going to the food banks.

• (1650)

I would suggest that staying the course and offering no plan of action is an affront to the many Canadians who have a right to look to the Government for leadership. I am truly saddened at the inadequate response to the despair that is being experienced in this country. I strongly recommend that the Government take a good look at where the real problems are and start addressing some of those serious concerns in this country.

If the Government is going to drain $22 billion in the largest tax grab in the history of this country, it should use some of that to help in job retraining, youth access, or for elderly people and their concerns, their access to the market, and their dislocation. Over three and a half years there have been many places where the Government could have done something constructive instead of a do nothing, stay the course Budget with no new initiatives or measures to assist the needy.

I think that the concept of free trade will cost Canadians very dearly. Has the Government forgotten that the consumer of this country is also the voter? I was going to address the question of bank charges and the incredibly huge charges that are hidden. I hope that the Government will move in that regard in order that people can have choices. If the Government would insist that there be open and full disclosure, we might well have signs up in the banks. Then we could do some comparative shopping and the bank charges and bank rates might be more open to general society.

If what is happening under free trade is looked at very carefully, the Canadian consumer will pay for this free trade initiative. For only the removal of the tariffs it will cost $1.5 billion this year, $1 billion next year, and $2 billion the year after. That wipes out the half of one per cent growth per year that we are supposed to have. How will we pay for that? I think that we will have to find someone to pay for additional

unemployment insurance premiums, someone to pay for additional training. There is a whole series of things of great concern: the number of jobs lost, the protection of certain industries, the number of industries that state that free trade might be good, "but not for me, exempt me", whether it is textiles, apparel, furniture, food processing, or chickens. I think there are areas of very serious concern.

I would like to suggest that the Government reorder its priorities, otherwise we will walk to the polls and tell it how we really feel.

Mr. Binns: The Hon. Member for Westmount speaks so sincerely that Canadians may be tempted to believe her. I am amazed that she would have the gall to misrepresent so many basic things. I was immediately taken aback when she had the nerve to tell people that we have driven up the price of gasoline in this country since taking office.

When I was elected in 1984, the price of gasoline in my Province of Prince Edward Island was in the vicinity of 56 cents a litre. Today that same litre costs 48 cents. A quick conversion of approximately 8 cents a litre works out to approximately 36 cents a gallon. If one fills the tank and it is only 10 gallons, that is a saving of $3.60. If it is 15 gallons, that is a saving of $5.40 every time one goes to the pumps. That is a big saving.

Through the National Energy Program, the Liberal Government not only drove the price of gasoline up for every Canadian, but it ruined the whole oil industry in this country and set us back by years. Thank goodness our Government has done some things that have begun to turn this around.

The other thing that the Government has done in relation to gasoline is continue to rebate all the excise tax and sales tax to Canadian farmers. Many of the same things have been done for fishermen and for primary producers.

In the Province of Prince Edward Island the price of fuel not only affects the cost of gasoline, but it affects the cost of electric power. We buy power under a fuel clause in an agreement with the Province of New Brunswick. Every time that gasoline or fuel increased in the country, our price of electricity increased. Turning on the switch became a very expensive proposition.

In the same manner as we dropped the price of gasoline by getting rid of the NEP and returning to some rational order, we have also dropped the price of electricity to Prince Edward Island consumers. Those are two major areas where the Government has done much for the average person.

The Hon. Member talked about interest rates. I recall when interest rates were 22 and 23 per cent, bankrupting farmers, fishermen, and small business. The country was in ruins. Unemployment was rampant all over the place. We were wondering where it was going to end. Of course, it ended with the defeat of the former Liberal Government, and we started to restore some order.

My colleague, the Minister of Agriculture (Mr. Wise) moved quickly to bring down interest rates to farmers. Under the Farm Credit Corporation, interest rates dropped by a matter of policy by 4 per cent from 16.75 per cent to 12.75 per cent. One can imagine the thousands of dollars that one move alone would save a medium to large size farmer in this country. It is quite astronomical. Because of the Government's policy, interest rates have come down right across the board. That means that homeowners and small businessmen are saving thousands and thousands of dollars that they otherwise would have had to pay out on mortgage payments, and so on.

I did not plan to rise, but I just could not take it any longer. I am sure that Canadians did not believe the Hon. Member when she was speaking. I am sure they would not want to return to the Liberal Government of a few years ago where the country was on a collision course because of high interest rates, high unemployment, bankruptcies, and continued economic problems and woes from one end of the country to the other.

Mrs. Finestone: First, I wish to advise my hon. friend that I am not the Member for Westmount. I am the Member for Mount Royal and quite proud of that. I am pleasantly surprised to think that I have gall; perhaps guile but not gall. I do not think that I was showing too much nerve. I thought I was telling the direct truth. I would like to ask the Hon. Member to please read his Minister's tax Budgets. In case he cannot read, the Minister imposed a 2 cent per litre tax on September 3, 1985, and a 1 cent per litre tax on January 1, 1987, the first increase bringing in $900 million, the second increase bringing in $450 million, and 1 cent per litre on February 19, 1987, bringing in another $450 million. In case the Hon. Member does not look or does not know because this is a sneaky, hidden, indirect tax, there will be an additional 1 cent per litre increase as of April 1 of this year. I suggest the Hon. Member watch the pump. When the Hon. Member adds up $450 million, $450 million, and $900 million, the total is $2.1 billion added on to the tax bill of someone who knows what he is talking about and goes to the pump. First, I wish to advise the Hon. Member about that.

Second, the Hon. Member is very excited about how well he is doing in the supplying of energy either through oil or through hydroelectricity. That is great. The only thing the Hon. Member has forgotten is that he has given away our sovereign right to make some decisions around energy in this free trade deal. The Hon. Member ought to return and look at that too.

When the Hon. Member is talking about the farmers, I think he forgot about the marketing boards and the fact that farmers will have one heck of a job under free trade when they have to reconcile the marketing board, and the Canadian environment of snow six, seven months of the year, against the Americans south of the border with nice, warm twelve months a year grow-my-own products.

Mr. Gormley: I was moved and generally enthralled by the level of debate by the Hon. Member for Mount Royal (Mrs.

Finestone) and the very thoughtful remarks of my colleague from Prince Edward Island. I felt that I must be moved to participate in some small part of this.

• (1700)

I wanted to ask the Hon. Member a little more about the question of taxation in terms of gas and generally the question of energy policy. The Hon. Member will know that in terms of deficit reduction—and this involves the obscenely high deficit that the Government inherited and the high national debt—it is being ratcheted down by using, roughly, a 70-30 formula. Some 70 per cent of the deficit reduction is being done by the Government simply taking less in contracting, and 30 per cent is being done by higher taxes.

If the Hon. Member considers the removal of the National Energy Program, the deregulation of natural gas and crude oil, the concurrent drop in world prices, even with the taxes which she as a Montreal Member of Parliament so greatly laments, and the free trade agreement that will indeed make Canada stronger and more secure in its energy supplies, how can this member of the Liberal Party stand in her place as an architect of the National Energy Program and purport to speak to Canadians or on behalf of Canadians in the oil and gas issue?

In terms of what is happening now to energy policy in Canada, will she concede that Canada's energy supplies in future are indeed more promising and the future considerably brighter under this Government and what we have done for western Canada?

The Acting Speaker (Mr. Paproski): The Hon. Member for Mount Royal (Mrs. Finestone) on a short rebuttal.

Mrs. Finestone: Mr. Speaker, it will be a very short rebuttal. The Hon. Member is totally unaware of world history. He has forgotten about the Arab boycott. He has forgotten that this is a finite resource. He has forgotten that his long-term thinking is going to put the country into a very serious position which is not in our best interest over the long term.

He can be very happy that world oil prices are where they are at this moment. Let him come back here in 15 years and tell me if he and his constituents do not wish that the NEP project was back in place.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I must admit I was very disappointed to hear not just lies but enormous lies in the speech made by the Hon. Member for Mount Royal (Mrs. Finestone).

Mrs. Finestone: Really?

Mr. Vincent: The Hon. Member says: Really? I will mention one. She said we increased taxes by $22 billion. I am not surprised her Leader can't count, because he was once Minister of Finance and we know what the consequences were for this country, but I think it is really too bad the Hon. Member for Mount Royal can't count either, and frankly I am disappointed.

The $22 billion represents an increase in this country's revenue that is partly due to the fact that more Canadians are working. Mr. Speaker, I am sure you understand that when Canadians work, they pay taxes, and when they pay taxes, the country's revenues increase.

The Leader of the Opposition (Mr. Turner) and the Hon. Member for Mount Royal were comparing two years. According to them, since revenues increased by $22 billion, it follows that taxes increased by the same amount. Mr. Speaker, if taxes had actually increased by $22 billion, this means that every Canadian would have paid $1,000 more in either 1986 or 1987, whichever year she wants to take as an example.

So this really amounts to lying to Canadians, what the Hon. Member for Mount Royal said earlier. And then she had the nerve to tell us the national debt has increased. The national debt did increase, Mr. Speaker, that is quite true. It was . . .

[*English*]

The Acting Speaker (Mr. Paproski): I see the Hon. Member for Mount Royal seeking the floor. I remind her that this is debate, not questions and comments.

Mrs. Finestone: I realize that, Mr. Speaker. I was just curious to know if one is allowed to call someone a liar in this House, when in good faith a debate has taken place and my observations were well-founded. They may have been in error according to the views of this Member.

[*Translation*]

But these were certainly not lies, and I did not lie to the House.

[*English*]

The Acting Speaker (Mr. Paproski): If that was indicated, I would hope the Parliamentary Secretary would retract the statement. I did not take it that way. However, if that is so, he knows that under our rules it is not acceptable and perhaps could retract it.

[*Translation*]

Mr. Vincent: Mr. Speaker, I withdraw what I said. I will say the Hon. Member unfortunately circumvented the truth quite spectacularly when she referred to a $22 billion increase in taxes.

To get back to what we were talking about, Mr. Speaker, the Hon. Member said the national debt had increased. That is true, except for one thing. She forgot to say that when this Government came to power, the national debt was $200 billion. She also forgot to mention that in 1984, the annual deficit was $39 billion. And you know what that means. It means the former Liberal Government used Canada's credit card and raised the bill we get each month to $200 billion. It

also means that during the year in question, it had the nerve to spend $39 billion more. We came to power, Mr. Speaker, and we managed to reduce the annual deficit by $10 billion in three years. At the same time, the interest payable on the national debt increased by $10 billion over three years, and it did so because the previous Government annually spent more than it should have.

Mr. Speaker, when the Leader of the Opposition (Mr. Turner) was Minister of Finance, and I think you were here at the time, he started with a surplus of $481 million. Do you know what he did with that surplus, Mr. Speaker, when he was Minister of Finance? He turned it into a deficit of $4 billion, and this is the Leader of the Opposition who wants to run this country. Under his administration, expenditures increased by 23 per cent a year. This is not 23 per cent over three or four years, but 23 per cent a year. This is what the C.D. Howe Institute had to say about it: Most of Mr. Turner's budgets disturbed the relative balance of economic positions by favouring very high or lower middle income families rather than the poor. When Mr. Turner was Minister of Finance, the poor and the needy were not the ones to be protected against inflation. Most of the monetary benefits went to the wealthiest 8 per cent of Canadian families. I must point out that this is a translation of the text published by the C.D. Howe Institute. This, Mr. Speaker, is the man who says that he will perhaps be Prime Minister of Canada again. However, he will not be Prime Minister because the Canadian people will not vote for someone who put the country in the hole when he was Minister of Finance.

The late Senator Lamontagne, whom the Hon. Member for Saint-Denis (Mr. Prud'homme) on the other side knew personally, and who was Minister in the Pearson Cabinet, described the period between 1971 and 1976, when the Leader of the Opposition was Minister of Finance, by saying: "The middle term Government strategy was not clearly defined. That period was characterized by the combined effects of unemployment and inflation, which were stimulated by the economic structure and an overabundant supply. The Government made mistakes in forecasting and its economic decisions did nothing much to counter these unfortunate trends and bring back some stability."

• (1710)

Mr. Speaker, if I may quote a last comment about the Leader of the Opposition (Mr. Turner), in his report for the last year when the Leader of the Opposition was Minister of Finance, the Auditor General, James MacDonald, stated: "I am deeply concerned that Parliament—and indeed the Government—has lost, or is close to losing, effective control of the public purse." Whom do you think he meant, Mr. Speaker? He meant the Minister of Finance. "Financial management and control in the Government of Canada is grossly inadequate. Furthermore, it is likely to remain so until the Government takes strong, appropriate and effective measures to rectify this critically serious situation." All this, Mr. Speaker, is taken from page 9 of the report of the Auditor General of Canada for 1975-76.

Mr. Speaker, the number of unemployed increased by 164,000 between January 1972 and September 1975. In Quebec alone, 43,000 people were added to the unemployment lists over this three-year period under the administration of the Minister of Finance, the Hon. Member for Vancouver Quadra. During that same period, the number of unemployed women increased by 70,000 nationally. You might not believe this, Mr. Speaker, but our trade balance for goods, which showed a surplus of $2.6 billion in 1971, showed a deficit of $451 million in 1975, four years later, under the vigilant administration of the present Leader of the Opposition.

Mr. Speaker, I could go on. The price of gas to which the Hon. Member for Mount Royal (Mrs. Finestone) referred increased by 54 per cent under the previous Minister of Finance, 54 per cent! In my riding of Trois-Rivières, the price of gas today is lower than it was when we were elected in 1984. My friend the Hon. Member for Champlain (Mr. Champagne) who is here will confirm it. That is a Government who takes care of consumers.

If I may, Mr. Speaker, I should like also to deal with energy . . . The Hon. Member for Mount Royal who represents a Quebec riding who had nothing to say when we dealt with Bill C-22 claimed that free trade would be bad for the energy industry. I wish I had been able to ask her how she could reconcile her view with that of Quebec Premier Robert Bourassa who says he is in favour of the free trade deal and who, as everybody knows, is a Premier who is partial to the Quebec energy industry as a supplier of electricity and who supports outright the Free Trade Agreement with the United States because he understands that it is good for both Canada and Quebec. Yet, we have here a Member representing a Quebec riding who is trying to scare people. All the Liberal Party and its Members are good for is scaring people off. She referred to the marketing boards in connection with free trade and agriculture. Need I write with my blood that the marketing boards, as it has been told over and over, have nothing to do with the free trade deal.

Mr. Champagne (Champlain): There are not many in Mount Royal!

Mr. Vincent: My friend the Hon. Member for Champlain has made a relevant comment, Mr. Speaker. Apparently, there are not many farmers in the Mount Royal riding.

I have visited my riding and my farmers. The farmers in Saint-Sévère, Saint-Barnabé, Yamachiche, Pointe-du-Lac and everywhere else have told me that they are not afraid of free trade.

Everywhere, they said: We are going to go around the various . . .

Mr. Tardif: In Richmond—Wolfe?

Mr. Vincent: Mr. Speaker, the Hon. Member for Richmond—Wolfe (Mr. Tardif) is welcome to meet the farmers in my riding who are in favour of free trade and who told me: I vote Liberal in federal elections, but next time I'll vote for you, because the Liberals don't know the first thing about free trade.

Mr. Speaker, we must stop being afraid and stop scaring people.

Mr. Prud'homme: You shouldn't get so excited. If you were a Minister, you would be more relaxed!

Mr. Vincent: Mr. Speaker, the Hon. Member for Saint-Denis is making remarks on . . .

Mr. Prud'homme: Not remarks but compliments . . .

Mr. Vincent: Are these constructive remarks or compliments?

Mr. Speaker, in Quebec, agriculture is an important industry. Free trade will benefit farmers as it benefits all activity sectors. And I think it is unfortunate that the Hon. Member for Mount Royal (Mrs. Finestone) is trying to make people believe all kinds of things and using scare tactics. To hear Opposition Members, scare tactics seem to be the order of the day.

Did they ever come up with a single positive, concrete and workable idea in three and a half years? I dare them to submit just one, just one positive and constructive idea in four years.

Mr. Speaker, the Hon. Member referred to banks and other financial institutions. When we were elected in 1984, Canadians had been waiting nearly 10 years for a reform of our financial institutions. Ten years before, Canadian financial institutions had pleaded with the Liberal Government for reform.

Mr. Speaker, the Conservative Government is working on it. This reform will soon be ready and will benefit all Canadian consumers: people who buy life insurance, go to trust companies and banks and use the services of brokerage firms. Everybody will benefit.

Of course, if the Opposition wanted to be positive for once and support the proposal, we could move faster and the reform would be ready sooner, for the greater benefit of all Canadian consumers.

Mr. Speaker, you are signalling that my time is nearly up. In conclusion, I would like to say that the increase in Government revenue was not merely due to an increase in taxes but also to our cuts in Government spending which also reduced the deficit. I think that is important, and that it shows sound management on the part of our administration and government services.

Mr. Tardif: Mr. Speaker, we have just witnessed a demonstration which, to my mind, projects an accurate image of the differences and distinctions between our two political factions.

The Hon. Member for Trois-Rivières (Mr. Vincent) made it quite clear that the deficit mushroomed when the Liberals were in office. But, Mr. Speaker, let us bear in mind that it was because the Government did go to the assistance of consumers that the financial situation took a turn for the worst.

When they took over the recession had ended, so the deficit was the next target. As indicated in the motion, we condemn the Government for tackling the deficit and seeking to improve the situation, but exclusively at the expense of consumers. Earlier this morning we heard a lot about the fact that there has been a cruel, savage and indecent increase in drug prices—the direct result of a measure taken by your Government.

What do you say to these millions of prescription drug users who now have to pay up to twice as much as they did six or seven months ago? What do you say to Canadians who can only watch the mailman go by their door? What do you tell them? Are they not entitled to the same services as their neighbours? Finally, what do you say to the many consumers who were used to paying a minimal charge for Government services and who in many cases are now faced with increases of 200, 300 and 400 per cent? What do you tell them? The fact is that you have overloaded the consumer with taxes just so you would be in a position to reduce the taxes of others that can afford to pay, and I mean major companies.

Mr. Vincent: Mr. Speaker, I have to smile at the comments of the Hon. Member for Richmond—Wolfe (Mr. Tardif), who begins by saying: We spent more than we could afford, and should have in order to help consumers because there was an economic crisis.

I recognize that there was a recession between 1980 and 1983. The figures I quoted related to the period when his Leader was Minister of Finance between 1971 and 1975. This is when, according to the C.D. Howe Institute, and I shall now repeat it, as the Hon. Member may not have understood, most of Mr. Turner's budgets disturbed the relative balance of economic positions by favouring very high and/or lower middle income families rather than the poor.

When Mr. Turner was Minister of Finance, the poor and the needy were not the ones to be protected against inflation. Monetary benefits went mostly to the wealthiest 8 per cent of Canadian families. These comments were not made by Conservative supporters, but by the C.D. Howe Institute.

The Hon. Member says that his Government spent more during the recession to help consumers, but I challenge him to say where, in the Trois-Rivières riding, it made any investments which really helped to create permanent jobs or did anything really useful for the riding. All its initiatives amounted to flagrant patronage and patching. This is all it did. It said it was creating jobs by doing some construction work. As everyone knows, Mr. Speaker, jobs in construction are not permanent jobs. It is only a band-aid solution. This is what the previous Government did when it talked about job creation.

As for us, Mr. Speaker, in co-operation with the private sector, we have created 1.3 million jobs since September 1984. Moreover, 80 per cent have been permanent jobs and a lot of them have gone to women and young people, which had never been the case under the previous Liberal Government.

• (1720)

[*English*]

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, I am glad the Hon. Member raised the question of hydroelectricity. It is a subject that is very dear to my heart.

There is about 10,000 megawatts of electricity in Labrador flowing to the sea every day, untapped, unrestrained. This is happening in a province which will run out of electricity in 1992. In a province which will have no more of electricity in 1992, 10,000 megawatts of electricity flows to the sea every day. That is not the problem of the Hon. Member, I know, but I want to try to put that in context if I can.

The Hon. Member talked about the value of the free trade agreement. I hope he will listen to this because I have some arguments to make and I hope he will want to reply to them later on.

Not only is it impossible to develop that hydroelectricity now without the help of the Province of Quebec, a province which takes about $800 to every $8 that goes to the Province of Newfoundland for the Upper Churchill contract, but it will be doubly difficult to do so in the future under the free trade agreement. Every province that wants to export electricity must pass a test. First, they must pass a price test and second, they must ask other provinces if they want their power. They cannot sell electricity to the U.S. unless they ask the other provinces if they want the power.

In future, the provinces will not have to do that, not simply because of free trade but because of the deregulation policy of the Minister of Energy, Mines and Resources (Mr. Masse). In a moment, I would like to quote the Minister of Energy because his words are apropos to what the free trade deal does.

The free trade deal creates a level playing field. It provides that we are no different from the Americans. I see that the Hon. Member is leaving. Perhaps I will repeat my point when he returns.

In future, we will be no different from the Americans. We will not be able to have a made-in-Canada price. The National Energy Program which has been very much maligned today allowed Canada to have a Canadian price, but we cannot do so any longer. The free trade deal says that we are a level playing field.

We are talking about consumers here today. It is great to develop James Bay. It will be great for the construction industry. It will provide a lot of construction jobs, and that is good. I applaud Mr. Bourassa for that and I say to my colleagues from Quebec that that is well done, they will create lots of jobs in the construction stage. However, what will it do to the consumer? There will be no Canadian price for hydro-electricity.

Moreover, apart from free trade, Mr. Masse has said:

> To take advantage of these opportunities, federal electricity export policies must change. We need to acknowledge that provincial regulation has become much more sophisticated since 1963, and that there is no need for the federal government to duplicate what the provinces are already doing.
>
> Our general policy framework needs to be more market-oriented. We need to give exporters greater latitude, so that they can concentrate more on business. And we need to streamline the export review process so that it provides incentives for utilities to be more self-regulating.

In other words, the Government is getting out of the way and industry can do what it wants. It does not have to ask the other provinces if they want the electricity and it does not have to offer it to them at a Canadian price. That is the effect of both free trade and the deregulation policies of the Minister of Energy, Mines and Resources.

The Minister does not have to ask Newfoundland if it wants the power. The Minister does not have to ask Prince Edward Island if it wants the power. The Minister does not have to ask New Brunswick if it wants the power. What will happen to the consumers in those provinces? That is what we are talking about today, consumers and what will happen to the consumers of hydro-electricity under free trade and the deregulation of Mr. Masse.

Not only will the Minister not have to offer power to Prince Edward Island at a decent price, he will not have to offer it to the province at all. That is the effect of the free trade deal coupled with the deregulation policy of Mr. Masse. The provinces that do not have access to power will have less access to it in future, and even if they are offered it out of the goodness of the hearts of those producing it, they will have to pay the American price. That is the effect of free trade and the deregulation policy of Mr. Masse.

As I say, it is great for the construction industry in Quebec and it is great for people who want jobs—

The Acting Speaker (Mr. Paproski): I bring to the attention of the Hon. Member that he is mentioning the Hon. Minister's name when he should be saying the Minister of Energy, Mines and Resources (Mr. Masse). He has done it three times and that is the only reason I bring it to his attention.

Mr. Rompkey: We have to say things over and over so that the people opposite will understand, but I do appreciate your point, Mr. Speaker, and I apologize for that.

Joe Smallwood, and I can mention his name because he never was in this Chamber, always used to say that you have to tell people what you are going to say, then you have to say it and then you have to tell people what you already said in order to get the message across. I want to make sure that I get the message across that free trade plus the deregulation policy of the Minister of Energy will have a negative impact on the consumer in provinces which do not produce hydroelectricity.

It may even have a negative impact on the consumers of hydroelectricity in Quebec itself. I cannot speak for that province, but I can speak for my own.

That is the response I would make to the Hon. Member about hydroelectricity. Of course, there are many other points to be made too, and they have been made adequately today. My colleague from Mount Royal and others have sketched out the taxes that have been increased over the years, particularly the sales tax which of course is a regressive tax because it impacts negatively on those people who have less and it does not, however, impact a great deal on those who have more.

There have been tax increases and they have been regressive. They have not been a help to the consumers of Canada. The Government, of course, says that it can do this because the economy is good and because it has created a lot of jobs. Therefore, there is more income and businesses are investing more and creating more jobs. Where is that happening? In central Canada. Sure, there are more jobs in Toronto, but how many have been created in the Atlantic provinces?

• (1730)

If the argument is that you can increase taxes because the economy is good and business has invested and created more jobs, then the effect of increased taxes is doubly damaging to people in areas where the jobs have not been created, where there is still high unemployment, and where incomes are still low. In the Province of Newfoundland we still have the lowest per capita income and the highest unemployment rate in the country. What is the effect of tax increases on people in that area?

What about gasoline taxes? How many things come in to that province by truck? Quite a lot, and as gasoline goes up, prices go up. Berthage fees for fishermen have been increased. At the same time there have been cuts in government programs across the board in order to cut the deficit. That, too, has a cumulative effect on consumers, particularly in have-not provinces which are dependent upon government programs.

Then on top of that is the issue I raised with the Minister responsible for the Post Office concerning the state of our mail service. He talked about the fact that people wanted to go to supermarkets and collect their stamps at the same time they collected their groceries. That is fine for urban Canada but it does not work that way in rural Canada or northern Canada. He was asking for an increase in the price of stamps so he could improve mail service. I pointed out that the level of service we get in the North is deplorable. I talked to the Post Office today in Labrador City. Seventy-nine bags of mail destined for Labrador City were left in the airport in St. John's. Labrador City is served only by air. There are no ships that go there and no roads. People there depend on the mail service. The unemployed, pensioners and those on fixed incomes depend on it for cheques. They are consumers. Yet the Post Office wants to increase the cost of stamps while still providing that deplorable service. Before they get that increase they better clean up their act and start giving decent service.

Then there is the impact of other government policies. We have not talked about young people and the effect on them of government policies. They are consumers, or they want to be. The fact is that money for post-secondary education has been decreased. The fact is there is a 30 per cent drop in funding to community colleges and CEGEPs as a result of the change in the Canadian Jobs Strategy. The fact is that the amount of money for summer jobs for young people has been frozen for the past three years. There is a direct correlation between the amount of education you have and the amount of money you earn. If young people want to be consumers, where is the incentive to get an education and try and start their own business? It is not there. This is a factor we have to consider.

I want to point out that even fisheries policy has an effect on consumers. I know of a fish plant in my riding right now that will have to lay off workers this summer, 56 people. Not a large number, perhaps, but in a community of 500 or 600, almost the total workforce in that plant will be laid off this summer. Why? It is a fisherman's co-op, the Labrador Fishermen's Union Shrimp Company, and the Government has said it cannot have a supply of offshore fish. The Government is prepared to bargain away that fish to France, but it has told the fishermen on that coast that they cannot have access to fish. That situation has a direct connection to consumers because once you start doing away with jobs, you start doing away with the wherewithal to make purchases. That aspect of government policy has its effect, too.

It seems to me that over the past four years, while businesses in certain parts of the country may have expanded and employment may have been created, the over-all effect on consumers has not been positive from the point of view of the broad range of government policy. That is the situation and I think that when this Government goes to its accountability session, as it must very soon, possibly this fall, the people of Canada will judge. If the polls are any indication, then the consumers of Canada will judge harshly indeed.

Mr. Morrissey Johnson (Bonavista—Trinity—Conception): Mr. Speaker, the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey) spoke about saying something three times to get the crowd on this side of the House to understand what he is saying. I want to say that the crowd on this side of the House believe in doing instead of talking.

He spoke about harbours. When this Conservative Government came into office in 1984, the harbours around Canada were generally in poor condition. Many of them were in an advanced state of disrepair so as to render them unsafe. At that time it was estimated that approximately 112 harbours were indeed unsafe for vessels seeking safe haven. Many of them were barricaded. It does not sound like the previous Government had looked after the fishermen or recreational users in a very good way as far as the harbours were concerned.

At that time, if corrective measures had not been taken, in another five years an additional 150 harbours would have to have been closed. These statistics were and are alarming since the livelihood of fishermen is at stake. Most of the small craft harbours operated through the Department of Fisheries and Oceans are located in outlying areas where fishing represents the primary source of income. That situation could not be condoned by this Government and I am glad to say that the Minister announced this past year that $150 million would be spent over the next three years on revitalization and maintenance programs in every province of Canada.

In the motion before us reference is made to user fees. I believe that this has been put in there intentionally to try and scare fishermen into believing that because a plan is being put in place to give fishermen more say in the development of their harbours through local harbour authorities, for some reason or other they are going to have to pay more for the services. I do not believe that that is true. The fishermen to whom I have spoken in the harbours in my constituency welcome the chance to be part of harbour authorities and to be part of the planning for the development which will take place in their harbours. They welcome the chance to set fees for themselves because they know that that money will go back to them for them to administer and use to their own advantage.

• (1740)

It is interesting to note that some of these harbours will be leased to harbour authorities which will help the federal Government set out directions for the setting of priorities for improvement and development of their harbours. As I have already said, they will undertake the day-to-day management. They will be able to install electricity on wharfs where they want it to use to their own advantage. The same is true with water on the wharfs.

Some people in my constituency have already approached me about setting up marinas in harbours which are presently used mainly by fishermen. They know that there are more tourists coming in from different parts of Canada and from the United States and they want to be able to provide harbour facilities to these people in order to generate more revenue to use for their own advantage.

Giving local fishermen, members of town councils or development associations and others the opportunity to serve on the harbour authorities will establish grass roots user management. They will be able to match programs more precisely to local needs and set their own priorities.

As I said, I believe that this motion is only a scare tactic of the Opposition such as those used on many occasions to try to put fear into the people. However, I know that the people in my riding are not fooled by those tactics. They are very grateful for the revitalization program.

The Hon. Member for Grand Falls—White Bay—Labrador talks about cut-backs. That is certainly not the indication of people in places like Grate's Cove who have been waiting for harbour facilities for 35 years, ever since Confederation. It is only now, with a Conservative Government, that they are getting those long needed facilities.

The Acting Speaker (Mr. Paproski): It being 5.45 p.m., it is my duty, pursuant to Standing Order 82(10), to interrupt the proceedings and put forthwith every question necessary to dispose of the business of Supply.

* * *

SUPPLY

CONCURRENCE IN SUPPLEMENTARY ESTIMATES (E)

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board) moved:

That Supplementary Estimates (E), 1987-88, laid upon the Table Wednesday, March 2, 1988, be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Mr. Mazankowski thereupon moved that Bill C-119, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1988, be read the first time.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Bill read the first time.

Mr. Mazankowski thereupon moved that Bill C-119, an Act for granting to Her Majesty certain sums for the Government of Canada for the financial year ending March 31, 1988, be read the second time and referred to Committee of the Whole.

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

Some Hon. Members: Agreed.

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to ask the customary question of the Deputy Prime

Minister as to whether this Bill is in the usual form. Perhaps he could inform the House of that.

Mr. Mazankowski Mr. Speaker, I can assure the Hon. Member and all Hon. Members of the House that the form of this Bill is the same as that passed in previous years.

Bill read the second time and the House went into committee thereon, Mr. Paproski in the Chair.

The Deputy Chairman: Shall Clause 2 carry?

Mr. Prud'homme: On division.

Clause agreed to.

The Deputy Chairman: Shall Clause 3 carry?

Mr. Prud'homme: On division.

Clause agreed to.

The Deputy Chairman: Shall Clause 4 carry?

Mr. Riis: On division.

Clause agreed to.

The Deputy Chairman: Shall Clause 5 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall Clause 6 carry?

Mr. Riis: On division.

Clause agreed to.

The Deputy Chairman: Shall Clause 7 carry?

Mr. Riis: On division.

Clause agreed to.

The Deputy Chairman: Shall the Schedule carry?

Mr. Prud'homme: On division.

Schedule agreed to.

The Deputy Chairman: Shall Clause 1 carry?

Mr. Prud'homme: On division.

Clause agreed to.

The Deputy Chairman: Shall the preamble carry?

Some Hon. Members: On division.

Preamble agreed to.

The Deputy Chairman: Shall the title carry?

Some Hon. Members: On division.

Title agreed to.

Bill reported.

Mr. Mazankowski moved that the Bill be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Mr. Speaker: I declare the motion carried.

Mr. Mazankowski moved that the Bill be read the third time and passed.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Mr. Speaker: I declare the motion carried.

Bill read the third time and passed.

* * *

• (1750)

INTERIM SUPPLY

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board) moved:

That a sum not exceeding $11,452,962,802.07 being composed of:

(1) three-twelfths ($8,469,890,735.75) of the total of the amounts of the items set forth in the Main Estimates for the fiscal year ending March 31, 1989, which were laid upon the Table Wednesday, March 2, 1988, except those items below:

(2) twelve-twelfths, less five million, three hundred and seventy-nine thousand six hundred and sixty-seven dollars, of the total of the amount of Agriculture Item 45, (Schedule A) of the said Estimates. $292,096,333.00;

(3) eleven-twelfths of the total of the amounts of Transport Item 15 and Treasury Board Item 10 (Schedule B) of the said Estimates, $169,355,083.33;

(4) ten-twelfths of the total of the amount of National Health and Welfare Item 60 (Schedule C) of the said Estimates, $1,605,833.33;

(5) nine-twelfths of the total of the amount of Treasury Board Item 5 (Schedule D) of the said Estimates, $270,000,000.00;

(6) six-twelfths of the total of the amounts of Agriculture Item 35 and Public Works Item 25 and Regional Industrial Expansion Item 30 (Schedule E) of the said Estimates, $22,148,000.00;

(7) five-twelfths of the total of the amounts of Energy, Mines and Resources Item 35 and Indian Affairs and Northern Development Item 15 and National Health and Welfare Item 55 (Schedule F) of the said Estimates, $754,282,583.34; and

(8) four-twelfths of the total of the amounts of Communications Items 30, 45 and 60 and Consumer and Corporate Affairs Item and Employment and Immigration Item 30 and Indian Affairs and Northern Development Items L20, 40, 45 and 50 and Justice Item 15 and National Health and Welfare Items 10 and 15 and Public Works Items 10 and 30 and Science and Technology Items 1 and 5 and Solicitor General Items 1 and 35 and Supply and Services Item 1 and Transport Items 1 and 30 and Veterans Affairs Item 5 (Schedule G) of the said Estimates, $1,473,584,233.32;

be granted to Her Majesty on account of fiscal year ending March 31, 1989.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Mr. Speaker: I declare the motion carried.

Mr. Mazankowski moved that Bill C-120, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1989, be read the first time.

Motion agreed to and Bill read the first time.

Mr. Mazankowski thereupon moved that Bill C-120, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1989, be read the second time and referred to Committee of the Whole.

[*Translation*]

Mr. Guilbault (Saint-Jacques): On a point of order, Mr. Speaker. I would like to ask the Deputy Prime Minister (Mr. Mazankowski) whether he can assure us that this Bill is in the usual form and similar to those which were introduced in previous years.

[*English*]

Mr. Mazankowski: Mr. Speaker, I can assure the Hon. Member that the form of this Bill is the usual one for Interim Supply Bills.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Mr. Speaker: I declare the motion carried.

Bill read the second time and the House went into committee thereon, Mr. Paproski in the chair.

The Deputy Chairman: Shall Clause 2 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall Clause 3 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall Clause 4 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall Clause 5 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall Schedule A carry?

Some Hon. Members: On division.

Schedule A agreed to.

The Deputy Chairman: Shall Schedule B carry?

Some Hon. Members: On division

Schedule B agreed to.

The Deputy Chairman: Shall Schedule C carry?

Some Hon. Members: On division.

Schedule C agreed to.

The Deputy Chairman: Shall Schedule D carry?

Some Hon. Members: On division.

Schedule D agreed to.

The Deputy Chairman: Shall Schedule E carry?

Some Hon. Members: On division.

Schedule E agreed to.

The Deputy Chairman: Shall Schedule F carry?

Some Hon. Members: On division.

Schedule F agreed to.

The Deputy Chairman: Shall Schedule G carry?

Some Hon. Members: On division.

Schedule G agreed to.

The Deputy Chairman: Shall clause 1 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall the preamble carry?

Some Hon. Members: On division.

Preamble agreed to.

The Deputy Chairman: Shall the title carry?

Some Hon. Members: On division.

Title agreed to.

Bill reported.

Mr. Mazankowski moved that the Bill be concurred in.

Motion agreed to.

Mr. Mazankowski moved that the Bill be read the third time and passed.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Mr. Speaker: I declare the motion carried.

Bill read the third time and passed.

Mr. Speaker: It being six o'clock p.m., this House stands adjourned until tomorrow at 10 o'clock, pursuant to Standing Order 3(1).

The House adjourned at 5.58 p.m.

HOUSE OF COMMONS

Friday, March 25, 1988

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

COASTING TRADE AND COMMERCIAL MARINE ACTIVITIES ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-52, an Act respecting the use of foreign ships and non-duty paid ships in the coasting trade and in other marine activities of a commercial nature, as reported (with amendments) from a legislative committee.

Hon. Don Mazankowski (for the Minister of Transport) moved that the Bill be concurred in.

Motion agreed to.

Mr. Mazankowski (for the Minister of Transport) moved that the Bill be read the third time and passed.

• (1010)

Mr. Hawkes: Mr. Speaker, I rise on a point of order. I just want to inform the House that there have been consultations among the three Parties. My understanding is that we will debate this Bill at third reading with the intention of completing it prior to eleven o'clock this morning.

If that happens, the House will be suspended until the normal time for Members' Statements, at eleven o'clock. Subsequent to the Question Period, as we go through Routine Proceedings it is our intention to move concurrence in the third report of the Transport Committee. We will debate that for however long, perhaps for the balance of the day. That is the understanding that exists among the three Parties.

Mr. Tobin: Mr. Speaker, I certainly agree with the Parliamentary Secretary that it is the intention of the House to deal expeditiously with the Bill. It may well be that we will deal with it by eleven o'clock, but I just sound a cautionary note. With all speakers theoretically having unlimited time, it will depend on how much time each of the Parties has to make points on the Bill. We will certainly deal with this and finish with the Bill today.

Mr. Speaker: I thank the Hon. Member.

Mr. Gauthier: Mr. Speaker, there are 50 minutes left before eleven o'clock. I just wondered, since we have that agreement, whether the House would not give any speaker more than one-third of the time remaining so that we have equal time.

Ms. Mitchell: Mr. Speaker, our Party concurs with this arrangement.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, it is a pleasure to rise to speak on Bill C-52. It is the coastal trade Act which is designed to encourage growth in the Canadian coasting trade and create new opportunities for this industry and offshore exploration and development. It completely removes the coasting trade provisions from the Canada Shipping Act and incorporates amendments to them into the new Coasting Trade and Commercial Marine Activities Act. We are certain this new Act will give impetus to the marine tourism and shipbuilding industries. It will also create more jobs for seamen working in areas to be reserved for Canadians. These areas include commercial activities related to the exploration, development or production of mineral resources right up to the continental shelf.

Before I highlight some of the amendments adopted by our committee, I would like to take this opportunity to congratulate the Members on their hard work. I believe Members put aside their political interests in favour of determining the best policy for our country. Members examined this Bill with vigour. We spent more than 10 days in committee hearings. Members heard from 23 witnesses and questioned in depth all aspects and implications of the Bill. I believe the Bill provides an appropriate balance among the various Canadian interests and reserves, to the degree possible, Canadian jobs for Canadians.

The committee recommended, and the Government accepted, certain amendments to the original draft Bill, four of which I would like to highlight for the Members here today.

First, the deletion of the exemption for hydrocarbon production platforms will require a licence to be obtained before a foreign production platform can be used in Canada. This means that a search will be made to determine if a suitable Canadian production platform is available before the licence is issued, and only if no such Canadian platform is available will it be issued. I believe, Mr. Speaker, that this amendment will encourage Canadians to build platforms in

Canada thereby providing job opportunities and encouragement to our shipbuilding industry.

Second, foreign cargo ships wishing to do business in Canada must obtain a temporary coasting trade licence and give 14 days notice of the proposed activity. This will allow Canadian shipping companies to adjust their schedules to allow as many Canadian vessels as possible to be employed. I would draw to Members' attention Clause 6(2) where the Governor in Council may make regulations prescribing special circumstances to be taken into account by the Minister of National Revenue (Mr. MacKay) for the purpose of subsection (1).

Third, Canadian cruise ships operating domestically in the trades using vessels with up to 250 overnight passenger accommodations are protected by this Bill. Members will recall that the first draft of the Bill had a 100 passenger limit. So-called foreign international cruise ships with much larger accommodation are encouraged to continue calling at Canadian ports and are exempt from this Bill.

Fourth, a provision has been inserted in the Bill permitting the Governor in Council to place a cap on the number of licences that may be issued. This provision is available to the Government in situations where it is in the public interest to do so.

Over-all, Mr. Speaker, the Bill enables the Canadian supply boat fleet to extend its range beyond the territorial sea to the outer edge of the continental shelf or 200 miles, whichever is the greatest. This area will be reserved for Canadian ships.

A waiver system that allows foreign flagships to enter the Canadian coasting trade and the offshore area when no suitable Canadian ship is available will remain. Since 99 per cent of the Canadian coasting trade is carried in Canadian ships, this is not expected to have much effect on the industry.

Exemptions to the legislation include fishing vessels, ships engaged in ocean research, including those operated or sponsored by foreign Governments, and ships assisting others in distress. These foreign vessels are controlled by other Canadian legislation or by international agreements. The Bill will also remove the historic anomaly in Canadian legislation that refers to British ships rather than Canadian ships. Currently, only three British ships remain in the coasting trade in Canada. It should also be noted that the thrust of the Bill is supported by Canada's provinces as well as many segments of the marine industry.

This Bill has been needed and has been in the mill for well over 20 years and I believe Members of Parliament will serve Canada well by its passage today.

The Acting Speaker (Mr. Paproski): The Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin).

Mr. McDermid: Here comes the pit bull.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the Hon. Member who is referring to me as a pit bull and who is an ardent, pure and pristine adherent of the Conservative philosophy ought to be careful because I have a picture in my possession from some years ago when we travelled on a parliamentary committee of the Member gazing fondly at a Karl Marx statue.

Some Hon. Members: Oh, oh!

Mr. Tobin: Or was it the monument in the graveyard in London? Of course if I spread that around as true adherence to the Conservative philosophy, the Member could find himself with a cause but without a Party.

Mr. McDermid: Who was standing with me?

Mr. Tobin: I took the picture.

Some Hon. Members: Oh, oh!

Mr. Tobin: On a more serious note, Mr. Speaker, I am pleased to support passage of Bill C-52. The Bill before us is by no means perfect. It by no means meets every concern of those involved in Canada's coastal trade, particularly those involved in Canada's shipbuilding industry, but it is a significant improvement over existing legislation.

The Bill as it stands before us today in the House has been, I think, in substantial and in important ways amended as a result, I have to say, of the non-partisan, urgent and serious all-Party consideration of the Bill through committee stage. When those of us who welcomed the notion of parliamentary reform, in particular committees becoming masters of their own fate rather than reflections of Party policy, when we look to the work of the legislative committee on Bill C-52, we see parliamentary reform truly at work. We have seen a significant number of important amendments to Bill C-52.

I am pleased to say as the Official Opposition critic that I was successful in committee, with the help on many occasions, and certainly with the concurrence, of the Parliamentary Secretary and members of the Conservative Party, in seeing amendments made by all of us to this Bill. It was a very enlightening and positive experience to see that that kind of work can be done.

• (1020)

I want to point out, as the Parliamentary Secretary has, a few of those amendments. Canadians who pay attention to the debates of the House of Commons should know that, first, Bill C-52 is a coastal trading Bill. It is designed to protect Canadian jobs, the Canadian shipping industry and Canada's coastal trade. It is to ensure that the ships that ply our waters and participate in the commerce of this nation by means of water transport are as much as possible Canadian ships crewed by Canadian men and women. It is to ensure that the jobs stay here at home.

As I said, we made some significant amendments to the Bill, the most important of which I believe was to the waiver system. The waiver system provides that those who cannot get access to an appropriate Canadian vessel may apply to the government regulator to be allowed to bring in a foreign vessel to work Canadian waters. That does not happen often. Ninety-nine per cent of the business in Canada today is done by Canadian ships, or Canadian bottoms, as they say in the trade, crewed by Canadian crews. To the extent that foreign vessels are allowed in under a waiver system, up until this Bill was dealt with in committee, a company could technically apply for a waiver on a Wednesday saying that it needed a ship on Friday, and there was no minimum requirement for advance notice to give Canadian shipping companies adequate time to compete for the job and indicate whether or not they could provide a Canadian ship rather than a foreign vessel to provide that service.

We have now put a clause in the Bill requiring a minimum of 14 days' notice on application of waiver. The Canadian industry, Canadian shippers and Canadian crewmen will now have at least two weeks when there is a request to bring in a foreign vessel to indicate whether or not there is available in Canada a suitable Canadian vessel so that Canadians will be employed. I believe this is a tremendous improvement over what had been the case in the past.

Some people might say that it is all well and good to have 14-day minimum requirement of notice, but what happens to a Canadian manufacturer or shipper who has an emergency and cannot wait 14 days to find out whether or not he can get a foreign vessel? He might have a tanker that is breaking up and he has to get the crude out of it quickly. The only thing available might be a foreign vessel.

We built provisions into the Bill, notwithstanding the 14-day minimum notice, that in the event of special circumstances or in the case of a genuine emergency as determined by regulation, the regulator would have the power to grant practically instantaneous permission for a foreign vessel to be used. Again, this will happen only when it is in Canada's interest and only to prevent a Canadian shipper or manufacturer from being hurt because of a genuine emergency.

It is my belief that those kinds of emergencies do not occur too often. We are talking about thousands of tonnes of cargo being moved, and I do not believe that in 99 per cent of the cases, shippers do not know weeks, indeed months, perhaps six months in advance what they are to move, when they are to move it, who it is to be sold to and what kind of vessel they will need. There is no reason why plenty of advance notice cannot be given so that Canadian shipping has the first opportunity to pick up work.

This is an improvement to the Bill. Some people said that we should have a 60-day minimum notice, some said 30 days, some said no notice at all. We came to a compromise with two weeks of minimum notice.

There was a clause in the Bill calling for automatic exemptions and listing a whole category of exemptions for which the strict requirement of Canadian vessels and Canadian crews would not automatically apply. One of the most significant exemptions proposed in the Bill was an exemption for offshore rigs, drilling platforms. The Bill provided in its original state that drilling platforms, offshore rigs, would not be subject to the criterion of having to be a Canadian rig, a Canadian platform, crewed by a Canadian crew. There was an automatic exemption. In fact, the Bill really proposed to leave the decision as to what kind of rigs operated on the offshore in the hands of the Department of Energy.

We are living in a time when the world price of oil is low. Notwithstanding all the world's best efforts, there still appears to be a surplus of oil available in the market-place. Offshore activity in Canada has slowed considerably in the Beaufort, off the shore of Newfoundland and North Labrador, off the shore of Sable Island, Nova Scotia, and indeed off the coast of British Columbia. However, when the day comes, and it will come because we are dealing with a non-renewable resource, that offshore activity picks up and picks up considerably, there will be a tremendous potential for industrial benefit for Canada, for jobs in Canada and for development of technology in Canada, by ensuring that literally billions of dollars worth of offshore drilling rigs and equipment be produced where possible in Canada and be manned by Canadians.

I am pleased to say that I moved an amendment to the Bill to drop that exemption and I am pleased to say that it was supported by government Members. We have provided that drilling rigs are to be treated exactly the same way as ships, and that is, if they want an exemption, they have to make and prove the case that a Canadian vessel or drilling rig cannot be used. There is to be no automatic exemption. The decision is not to be left in the hands of multinational oil companies and Governments which do deals behind closed doors on the top floors of steel, glass and concrete towers in the financial capitals of the world. We are ensuring a measure of protection in the principle that always, where possible, Canadian vessels and Canadian crews will be used first in Canadian waters. I think that is a significant improvement to the Bill.

There was a waiver provided in the Bill for vessels engaged in cruise activities, a waiver that provided that vessels with accommodation for 100 passengers or more would be automatically exempted. If someone wanted to run a cruise operation in Kingston and the Islands, off the coast of British Columbia or down through the Maritimes and had a vessel which could accommodate more than 100 passengers, there would be an automatic waiver. The ship would not have to be Canadian, it would not have to be crewed by Canadians and it could be operated in Canada's waters. We increased the number of 100 passengers or more to 250 passengers or more to ensure that a developing industry, particularly off the coast of British Columbia and in Kingston and the Islands, would be a Canadian industry. I regard that, as well, as being a significant improvement to the Bill.

There was one area where the committee was not successful in seeing change. It was not the fault of the committee. It was not the fault of any particular Party. It dealt more with the fact that the change we wanted to put in does not appropriately belong in Bill C-52.

We were contemplating putting a Canadian ownership requirement in the Bill. Canadians should know that when we drafted the deregulation Bill for the airline industry, we put a requirement in the Bill that a Canadian airline is an airline that is 75 per cent Canadian-owned. We put in a requirement that foreign investment in Canada's airlines could not exceed 25 per cent. That is the law of the land. We need to make that same requirement apply to Canada's shipping industry.

Why is it so urgent that we do that now? Bill C-52, designed to promote, enhance and protect Canada's shipping industry, is mild compared to the corresponding legislation in the United States, an Act called the Jones Act. Under Bill C-52, a Canadian ship is defined as a ship that was built in Canada and flagged in Canada or a ship that was built somewhere else in the world but upon which all duties, taxes and customs have been paid. We are reasonable.

In the United States, under the Jones Act, an American ship is a ship that was built in the United States, with all parts provided from the United States and crewed by U.S. companies. Nothing but American-made and crewed ships can operate in U.S. waters, and there are no exemptions. It is an absolute government dictated monopoly under the Jones Act. This Bill nowhere near approaches that kind of rigid regime, nor do I suggest we repeat the Jones Act because there are down sides as well.

• (1030)

The American Act closes the door on anything but an American-built and crewed vessel, so we have to look at the impact of the transportation annex in the free trade agreement on our country. We do not have a Jones Act and we do not want one.

Ms. Mitchell: Do not be too sure about that.

Mr. Tobin: All Parties agree that we do not want to go the way of the Jones Act. We want protection but not the Jones Act.

Under the investment provisions of free trade, foreign investment of up to $150 million is allowed without review. The Americans have a monopoly in their own backyard, by law. As a result, their costs are higher than ours. Canada is more competitive than the U.S. We get the bulk of the cross-lakes trade because we run leaner and more efficient than the Americans. Part of having a monopoly is that they have an inefficient fleet and system. It is not as efficient and productive as Canada's fleet. However, they want to participate in the cross-lakes trade. Under the free trade investment provisions all they have to do is come North, buy a share in an existing Canadian company or hang up a shingle in Canada and call it a shipping office, and they can compete for Canadian traffic. They can take a share of the pie here, but back home they have slammed the door. No one but U.S. entrepreneurs can play the game.

The Americans are in a position to have it both ways: Absolute protection in their own backyard; and, through the investment provisions of free trade, they can come into Canada and play in our backyard as well. Canadian companies enjoy no such reciprocal rights in the U.S. Therefore, it is imperative, in order to maintain control of shipping in Canada and keep the profits flowing into the coffers of this nation, that there be a 75 per cent Canadian investment requirement. That is still far below the 100 per cent requirement in the U.S. and it does not slam the door on foreign investment, nor on foreign-built vessels, provided the duty and taxes are paid.

This cannot be done properly under Bill C-52. We tried. It should have been done when we amended the Canada Shipping Act two years ago. Of course, at that time we did not have a free trade deal which gave Americans wide open access to our market. Two years ago no one could have anticipated that it would be a problem today. Therefore, I have an offer to make to the Government. I have discussed this with my counterpart in the NDP.

The Government says it is prepared to look at amendments to the Canada Shipping Act but it is afraid if it brings it back into the House it is going to be a Pandora's box. The Government says we are going to want to make all kinds of changes and amendments with a long drawn-out debate. It says it agrees that we have to have a 75 per cent Canadian ownership requirement but it is terrified of bringing this Bill back and opening it up a second time because it is afraid the Bill will never get out of the House again.

I know my colleagues in the NDP agree when I say that we in the Opposition would be prepared, if the Government brings in the appropriate amendment which defines a Canadian ship as one being 75 per cent owned by Canadians, to pass that amendment through this House in all stages, one, two, three, in less than an hour. We will bring the Bill in, skip committee stage, do first, second and third readings, and pass the Bill out of the House. The Government cannot get a better deal than that. If the Government is serious when it says that it understands and is supportive of the concept of a 75 per cent Canadian content requirement for Canadian shipping, it has just been made an offer it cannot refuse.

I would add that my NDP counterpart, the Hon. Member for Thunder Bay—Atikokan (Mr. Angus), at least in discussions with me, is prepared to make the same offer to the Government. It is almost unprecedented that opposition Parties are prepared to give up the right to examine a Bill, propose amendments, call witnesses and so on. However, I believe that the requirement for a Canadian content law is now so critical in the free trade environment that we have to be prepared to make unprecedented offers. We have to be prepared to say to the Parliamentary Secretary to the Minister

of Transport (Mr. Thacker): Bring in the appropriate Canadian content amendment to the Canada Shipping Act and we will pass it in all stages in less than an hour. I hope we will have a formal response from the Parliamentary Secretary to that offer.

I would be remiss if I did not make another comment about this Bill. It seeks, as I said, to enhance and protect the Canadian coastal trade. Yet it does nothing, and can do nothing because it is not the appropriate place to address this matter, for the sad and sorry plight of the Canadian shipbuilding industry. All of those who live in regions or communities where shipbuilding is an important part of their economic fabric have come to the conclusion that the Government's policy on shipbuilding is that there are too many shipyards and we have to close a bunch down. We have had no policy statement, no document, no pronouncement from on high. We assume there is a policy, but the Government will not tell us what it is. Shipyards being closed down is exactly what is happening through benign neglect. Canadians should recall that this nation, through two world wars, was one of the greatest producers of shipping. In a time of need and crisis Canada came through.

Canadians should remember that this is a marine nation. Next to Russia, we have more coastline than any other nation of the world. We have a great Atlantic and Pacific tradition, and now we have the North, the Beaufort Sea, the Arctic Passage. Our heritage is rooted in the sea and in shipping. Yet in 1988, despite that heritage and tradition, that historical fact, that evolution of this nation based upon the great role played by Canadian shipping, we have no shipbuilding policy. No policy at all.

We have a Government that says our shipyards are not competitive. We cannot compete with the Japanese or the Koreans or other Asian or European nations. What it does not tell Canadians is that each and every one of those other nations have shipbuilding policies and subsidies, anywhere from 10 per cent to 50 per cent, to ensure that the industry stays alive because it is a national priority. In Canada today there is absolutely no government support or subsidy to keep the shipbuilding industry alive. Twenty years ago 80 per cent of the work done by our shipyards came from the private sector. As a result of a rapid increase in the last half a dozen years, today 90 per cent of the work in Canada's shipyards is government work. That is all that is keeping them alive. The Government has responded to that crisis, to the increased threat of competition from other nations which are subsidizing their industries in an attempt to displace the Canadian industry, by turning on its heels, wringing its hands, and walking quietly away while this industry fades into the night.

• (1040)

Bill C-52 cannot address that problem, but surely it is the responsibility of Parliament and the Government, in appropriate pieces of legislation from other government departments, to address the problem which is the reality of the Canadian shipbuilding industry. I can see Canada in the year 2000 and beyond opening up the vast northern resource, a warehouse of untold potential, and doing it with foreign-built technology. Canada, with the second greatest coastline in the world and a rich heritage in the marine side, will have to turn to Japan to develop our northern resources. That is the future in store for Canada if Governments continue to turn on their heels quietly and turn a deaf ear to the shipbuilding industry which was one of the building blocks of this nation.

I use this opportunity to remind the Government of its responsibility and to congratulate it on work well done in Bill C-52. We worked well together. Members on the government side showed a desire to improve this Bill. I ask them to bring that same desire for reform in the operation of this Parliament and that same desire to want to work together across Party lines to the table when we are given the opportunity, which I hope we will be given soon, in a legislative committee or the Transport Committee to address the very real problems of the Canadian shipbuilding industry.

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, I rise with pride to speak on this Bill in the name of my colleague, the Member for Thunder Bay—Atikokan (Mr. Angus), who has done a lot of work on the committee. As has been said, all three Parties have worked hard to bring about some amendments and produce a Bill with which we are reasonably pleased. On this morning we can take some hope that the reports of committees are heeded by the Government, which does at times look at the amendments and sees that they are reasonable.

This update in the shipping industry was long overdue. It reflects the national identity of the shipping industry in Canada, which we can all celebrate. Most important, some of the amendments made to the Bill moved by Members on all sides which were supported are very important. As has been said earlier, the removal of the exemption for the oil rigs and an increase in the number of berths of cruise ships is very important. The requirement for 14 days' notice to be given before any foreign ship can get a license is necessary and reasonable. It is sufficiently flexible in that 14 days will give Canadian shippers the opportunity to find a ship.

However, one of the amendments which we believe was important which the Government did not see as a priority was the change of the definition of a Canadian ship to ensure that these ships would be built in Canada and owned and crewed by Canadians. If we do not identify what a Canadian ship is and ensure that it is built in Canada, we are not giving much respect to the Canadian shipbuilding industry.

This industry borders on being a part of our culture. It is certainly a part of our legacy because we were second to none in the world in shipbuilding. That industry has been slipping and the Government should see that it needs protection from the Jones Act which implements a total monopoly south of the border in American shipbuilding. It is very important that a

Canadian ship be defined as one which is owned and built in Canada.

We would also like to see a provision to allow a license to be given to a foreign ship for only one trip. We need such a restriction to assist the development of the Canadian shipbuilding industry and support as much work as possible for Canadian seafarers. This will not happen if those restrictions are not in the Bill. I do not understand why those amendments were not allowed when there was so much co-operation and agreement on the goals and objectives of the Bill.

With regard to the limit on the number of licenses we also tried to ensure through amendment that if a viable route is developed for a foreign ship it should be serviced on an ongoing basis by a Canadian ship. That only makes sense. It asserts that our avenues of transportation are ours and that we will not allow foreign control of them.

We have no objection to shippers using a foreign vessel if there is no Canadian vessel which meets the requirement. It is important that they be able to do this to complete one trip in order to establish a particular route or service. However, if they are allowed to continue and no Canadian vessel is available, a Canadian vessel should be built to meet those needs rather than continuing to use foreign ships. In that way we can give impetus to the industry and it makes a lot of sense.

Similarly, we do not want several different shippers all using a foreign ship on a one-time basis. Collectively, this could amount to less full-time use of the vessels. Again, a Canadian vessel should be built to meet this need. We must accept the fact that we are quite capable of meeting the technical needs of the shipping industry. It is very important that we restrict the number of licenses in order that that can happen.

There is a link between this Bill and the trade agreement with the United States. We know that the Americans refused to give up anything with regard to shipping and hold a very strong monopoly with the Jones Act. Once again we got no benefit from that trade deal. If the Americans had been persuaded to allow us to have that same kind of trade, our shipping industry and our seafarers would have benefited greatly. We are very disappointed with this result, but it is consistent with the trade deal in which Canada gives everything and gets nothing.

However, on this Bill in particular I do want to compliment the Government for bringing forward a Bill which was long overdue. In committee the Government was quite willing to listen to the amendments and did try to improve the Bill before it came to the House. We certainly appreciate and respect that.

Also, the Government initiated an amendment to allow reciprocation for American or any other foreign discrimination. I would like to commend the Government for that, recognizing that this is a means of retaining Canadian control of this industry and that it at least goes against one of the principles of the trade deal which seems to give Canadian control away all the time.

I would like to compliment all of the members of the committee for this Bill. I was not a member but I know how hard my colleague from Thunder Bay—Atikokan worked on it. This is the kind of committee work which can give us all little hope that the hard work is not always lost, that it does eventually get incorporated into Bills.

• (1050)

Therefore, on behalf of the New Democratic Party, I want to give my support to the passage of this legislation. At least there is one area and one industry in which we now have more assured Canadian control than before today.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

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

SITTING SUSPENDED

The Acting Speaker (Mr. Paproski): Pursuant to the agreement made earlier today, we shall suspend the sitting until eleven o'clock.

At 10.52 a.m., the sitting of the House was suspended.

AFTER RECESS

The House resumed at 11 a.m.

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

OFFICIAL LANGUAGES

SECTION 110 OF NORTHWEST TERRITORIES ACT—SUPREME COURT DECISION—REQUEST THAT ALBERTA AND SASKATCHEWAN PROTECT FRANCOPHONE ANCESTRAL RIGHTS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, on Thursday, February 25 last, the Supreme Court rendered a historic decision stating that Alberta and Saskatchewan are still subject to Northwest Territories Act section 110. As a result, the two provinces have to pass their legislation in both official languages, and French may be used in the debates of the legislative assemblies and before the courts.

The two provinces must translate all their English statutes, or pass legislation to cancel enforcement of section 110. The choice is theirs.

Mr. Speaker, these two provinces endorsed the Meech Lake Accord, thereby committing themselves to protect Canada's linguistic duality.

I sincerely hope that all my colleagues will join me in urging the two provinces not to hold up to ridicule the ancestral rights of their francophone residents by enacting regressive legislation, but that they will seek to reach a cordial and generous agreement with the minority groups with a view to making it possible for the latter to expect additional and basic services in their legislative assemblies and before the courts.

* * *

[*English*]

VETERANS AFFAIRS

WAR VETERANS ALLOWANCE—INELIGIBILITY OF VETERANS LIVING IN UNITED KINGDOM

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, I do not think there is one Member in this House who would not want to do everything possible to help veterans who find themselves in dire straits. We have shown that where veterans are concerned all of us have worked together without any partisan overtones to better their lot and their standard of living.

There are now some 500 Canadian veterans and their dependants living in the United Kingdom who are existing on social security payments, and who cannot become eligible for the War Veterans Allowance because they cannot afford to come back to Canada and undertake a year of Canadian residence before qualifying for the allowance.

Those unfortunate veterans are already facing a difficult time, and we should not make their lot any more difficult than it is. Therefore, I ask the Government to really show some compassion, to show some generosity, and to show understanding to help those veterans. In this respect I am happy to say that, on discussing this matter with the Minister of Veterans Affairs (Mr. Hees) this morning, he has assured me that this matter is now receiving top priority from himself and his Department.

* * *

CANADA-UNITED STATES FREE TRADE AGREEMENT

EFFECT ON AGRICULTURE AND FOOD INDUSTRIES

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, Archie McLean describes these pamphlets on free trade as moral fraud. An avowed Tory, this McCain's Foods official told Canadian Chicken Marketing Agency delegates that 100,000 jobs would be lost in the agri-food sector in the next 15 years under the free trade agreement.

I wish to quote two phrases used by Mr. McLean in his speech. He said: "If there are no changes, we'll see farms, factories, and chickens flying to the U.S.", and:"My competitors say that free trade is the end of the supply management system".

Mr. McLean said that the deal was bad for the dairy industry, horticulture, poultry, beer, and wine. He described how much cheaper and easier it would be to buy potatoes and vegetables from the South and, using poultry as an example, he said that it was impossible to protect farm income while at the same time give processors access to cheaper product.

I agreed with Mr. McLean when he said: "We have to say Canadian agriculture and the Canadian food industry is not for sale".

* * *

CORPORATE AFFAIRS

ESSO RESOURCES OF CANADA LIMITED—CONSTRUCTION OF NEW RESEARCH FACILITY

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I would like to pay tribute to the example of good corporate citizenship exhibited by Esso Resources of Canada Limited. That corporation has committed to construction of a new research facility at the University of Calgary Research Park at an estimated cost of $46 million, with a completion date of late 1989.

The work in the new facility will put further emphasis on oil sands bitumen research and development, a facet of the Alberta petroleum industry in which Esso has already invested over $1.7 billion. The company currently has a staff of 124 at its old research centre in southeast Calgary.

The new research facility, designed by architects Cohos Evamy of Calgary, involves the awarding of a major construction contract for $46 million at its peak, and the project will create 200 much needed construction jobs. This initiative is consistent with our Government's expressed desire to apply technology and innovation in sustaining Canada's future.

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[*Translation*]

EMPLOYMENT

YOUTH—REPRESENTATIONS OF CEGEP FEDERATION

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, recently the Federation of CEGEPs adopted a resolution seeking a reversal of the budgetary cutbacks at regional Canada Employment and Immigration Centre and more specifically as they affect human resources assigned to on-campus employment centres.

The Federation made strong representations to the Minister of State (Youth) (Mr. Charest), criticizing the reduction in resources at on-campus Canada Employment Centres which may soon lead to the centres being closed altogether

The Federation objects to the status quo and even more to the sparse appearances of itinerant counsellors. The Federation demands a review of the federal policy on resources allocated to on-campus placement centres and it also demands sufficient funding to maintain the presence of placement counsellors on campus.

What is the Minister of State (Youth) doing about these pressing demands, Mr. Speaker? Will he finally intervene on behalf of the students? The Federation is right to protest the way this is being handled. I support them totally.

* * *

THE ELDERLY

IMPROVEMENT OF QUALITY OF LIFE

Mr. Guy St. Julien (Abitibi): Mr. Speaker, the Minsiter of National Health and Welfare (Mr. Epp) and the Minister of State (Senior Citizens) (Mr. Hees) have announced the federal Government will spend on average of $30 million more annually to implement a program aimed at improving the quality of life of senior citizens in Canada.

This initiative consists of four parts: A new program to help senior citizens remain independent; a research fund to which $4 million will be allocated annually mainly to examine the various factors undermine the independence of senior citizens; additional funding for the New Horizons Program; and an increase in the operation budget of the National Advisory Board on Senior Citizens.

A senior citizens secreariat will be set up at the Department of National Health and Welfare, to serve as a focus and assist the Minister of State (Senior Citizens).

* * *

[*English*]

HEALTH

AIDS DISEASE—ACCESS TO DRUGS TO EXTEND LIFE

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, people who are dying of AIDS should have ready access to AZT and other drugs that help to extend life. Questions have been raised about the relative claim of scientific research versus the compassionate treatment of individuals who have AIDS and are faced with certain death while new drugs are being tested.

The B.C. Civil Liberties Association has endorsed the concept of "catastrophic rights" of people with AIDS. It states:

> An adult person confronting the catastrophe of proximate certain death has a right to elect, for themself, any medical treatment whatsoever that does not cause direct harm to others.

In the case of a person with AIDS, the B.C. Civil Liberties Association has declared:

> We regard it as nonsensical for catastrophic patients to cede their rights to self-determination in their treatment because of what can be seen to be little more than an institutional affection for the ideology of research rather than its vigorous pursuit.

I urge the Government to adopt the approach taken by the B.C. Civil Liberties Association in its dealings with people with AIDS. Human beings faced with certain death should not be treated as guinea pigs. They must have access to information and to necessary drugs.

* * *

CONSUMER AFFAIRS

PRICE OF GASOLINE AT RETAIL LEVEL

Mr. Norman Warner (Stormont—Dundas): Mr. Speaker, the difference between the prices of leaded and unleaded gasoline in the Ottawa area is approximately one cent at the wholesale level, while at the retail level the differential can be up to four cents. As we know, lead added to fuel is one of the greatest pollutants and causes of lead in our atmosphere which result in problems with acid rain and problems concerning the health of children.

I wonder, Sir, when we will monitor this more carefully, and when the retailers and the marketers of gasoline will be more responsible in the pricing of their product at the retail level.

* * *

[*Translation*]

ISOLATED COMMUNITIES

SPECIAL TAX DEDUCTIONS—ELIGIBILITY CRITERIA

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I rise in the House today to express my dissatisfaction with the Conservative Government, because it discriminates against communities in New Brunswick. Mr. Speaker, I am referring to the arbitrary way in which the Government selected certain communities that will be eligible for the special tax deduction for isolated communities, since it did not give the same benefits to communities in New Brunswick.

Although dozens of communities in Nova Scotia and hundreds in Quebec and Newfoundland were designated, only the communities on Miscou Island in New Brunswick were

given this privilege, and only after pressure had been put on the Ministers concerned.

Mr. Speaker, I want to explain how unfair the system is. If you look at Chaleurs Bay, all communities on the Gaspé coast were designated. A few kilometres south on the New Brunswick coast, none of the communities were designated. That is unfair, and the people of New Brunswick certainly deserve better than that. Where are the Ministers from New Brunswick? Why aren't they doing something about this? How long will it take for them to speak up? Mr. Speaker, please wake them up!

* * *

COMMISSIONER OF OFFICIAL LANGUAGES

LIMITS OF MANDATE

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, the Quebec National Assembly has just censured unanimously a statement made by Mr. D'Iberville Fortier, a high official of the Canadian Parliament. The Canadian Official Languages Commissioner, an official appointed under a House resolution to act as the Federal Government guardian of the linguistic rights on behalf of Canadian parliamentarians, has taken upon himself to criticize and cast aspersions on a province and its linguistic policies.

As a career diplomat, Mr. D'Iberville Fortier has no doubt gone beyond the bounds of decency when he described the problems associated with the advancement of French and English in Quebec. A high official of this House should avoid any deviation from Parliamentary traditions.

No, Mr. Speaker, I cannot excuse Mr. D'Iberville Fortier, and his disrespect for ethics deserve more than a censure motion from the Sovereign Quebec National Assembly. Well done Mr. Robert Bourassa and the Quebec Opposition!

Yes, Mr. Speaker, this is a serious situation. Mr. D'Iberville Fortier's thoughtless remarks are unacceptable coming from a servant of the Canadian Parliament.

We shall have to reconsider Mr. D'Iberville Fortier's future as quickly as possible. I expect to meet Mr. Robert Bourassa within the next few hours to take stock of the situation. Mr. Speaker, I will certainly return to the House on Monday to get to the bottom of this.

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COMMISSIONER OF OFFICIAL LANGUAGES

LIMITS OF MANDATE

Mr. David Berger (Laurier): Mr. Speaker, the hysterical reaction to the comments of the Official Languages Commissioner is both undemocratic and childish.

Those who are blaming him should try instead to understand his motives, ask him for explanations in an effort to initiate a rational debate.

I should like to remind those who feel in possession of the absolute truth this comment made by Paul Claudel and quoted a few days ago by New Brunswick Senator Roméo LeBlanc before the Senate Committee who was considering the Meech Lake Accord.

Claudel said and I quote:

> Truth has nothing to do with the number of its believers.

If we take this reality into account, Mr. Speaker, we are likely to raise the level of the somewhat uncivilized debate of these past few days.

* * *

• (1110)

[*English*]

WESTERN DIVERSIFICATION FUND

GOVERNMENT'S TREATMENT OF THE WEST

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, the Western Diversification Initiative, with offices in the four western provinces, will spend $1.2 billion on western diversification.

In debate on March 1 the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) talked about the good old Liberal days when, according to him, all regions were treated fairly and equitably. This was from a member of a former Liberal Government which promised $4 billion to western development—$4 billion that never materialized; a Liberal Government that forced an unfair capital gains tax on western farmers; and a Liberal Government which imposed the national energy policy on the West, thereby ruining the western Canadian economy overnight.

The Liberal Member went on to suggest that moving the WDO out of Ottawa would make it less effective. It is an incredible statement that Ottawa based bureaucrats are somehow better able to serve the needs and aspirations of western Canada than are westerners themselves. These are the same bureaucrats who conjured up the SRTC, who brought to us the on-highway off-highway fuel definitions, and who botched the regulations on isolated communities qualifying for northern allowances.

I say let us get more regional programs out of Ottawa and into the areas of the country where they properly belong, and where there can be some understanding and commonsense applied.

Oral Questions

EXTERNAL AFFAIRS

NICARAGUA—CEASE-FIRE WELCOMED—POSSIBLE UNITED STATES REACTION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I know that all Members of the House will join with me in celebrating the fact that a cease-fire was reached between the Nicaraguan Government and the Contras this week.

Some Hon. Members: Hear, hear!

Mr. Blaikie: The House gave expression to that unanimity yesterday when it passed without debate the motion proposed by the Hon. Member for Don Valley West (Mr. Bosley), seconded by myself and other members of the Special Committee on the Peace Process in Central America.

At this point my only concern is that the unanimity with which Canadian Members of Parliament and Canadians in general greet this cease-fire may not be 100 per cent shared in the White House.

I say to President Reagan and to his colleagues that the time has come to realize that Central Americans are taking their own destiny into their own hands. The Arias Plan itself was the first sign of that collective ambition to determine their own regional destiny. The way in which the Sandinistas and the Contras themselves have been able to reach a cease-fire is also a sign of that.

The day must come in Washington when they realize that Central Americans must be given the freedom to make their own peace, to make their own arrangements in their own region. The time has come for America to take more of a hands-off attitude toward Central America and let people in that region determine their own future.

* * *

THE ECONOMY

EFFECT OF TAXES AND PRICES ON WAGES

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the great challenge facing the new Government in September, 1984, was to get Canadians back to work. This has now largely been accomplished.

However, many people who are now working efficiently and diligently and who are earning what, on the face of it, appears to be quite handsome wages and salaries, just do not seem to be able to get ahead of the game financially. Their pay cheques are squeezed by high taxes and high prices.

In the Government's next term of office our emphasis will have to include allowing the more hard-working and productive members of our society to keep more of that which is rightfully theirs.

ORAL QUESTION PERIOD

[*Translation*]

EXTERNAL AID

MOZAMBIQUE AID PROGRAM—RQUEST FOR MINISTERIAL ACTION

Hon. André Ouellet (Papineau): Mr. Speaker, Canadians were horrified by this week's tragic incidents in Mozambique and Iraq.

My first question is directed to the Secretary of State for External Affairs. Yesterday we saw shocking examples of famine in Mozambique, and in spite of the bilateral Canada-Mozambique assistance program unveiled last January and of increased funding for the South African development co-operation conference, it is obvious that these efforts are woefully inadequate.

Is the Minister aware that the assistance program announced by his colleague the Minister for External Relations will not begin before late 1989 or early 1990? Is the Minister prepared to take immediate action by launching a Mozambique assistance program within a few months?

Right Hon. Joe Clark (Secretary of State for External Affairs): Given these circumstances, Mr. Speaker, we are prepared to consider any means likely to help us provide assistance as soon as possible. We were struck by the extent of the famine in Mozambique. As the Hon. Member knows, I was there in person last August. Since then I have had an opportunity to raise the matter with the leaders of the country and non-governmental organizations.

[*English*]

There is another aspect of this which has to do with the security situation in the region of the front line States. At the Vancouver Commonwealth meeting, presided over by the Prime Minister, there was an agreement made that there had to be an assessment of the security needs of the front line States. As a result of the initiatives taken under the Prime Minister's chairmanship there has been a request sent forward by the Commonwealth to General Obasanjo, the former Head of State of Nigeria, to undertake an assessment of security needs in Mozambique and in other front line States. General Obasanjo began his mission this week.

ACTIONS OF SOUTH AFRICAN BACKED REBELS

Hon. André Ouellet (Papineau): Mr. Speaker, that leads me to my next question. The Minister must realize that the problems in Mozambique are grossly exacerbated by the continued attempt by the South African Government to destabilize the Mozambique Government.

Does the Minister realize that the hardships experienced in the Mozambique famine are in large part caused by the actions of the South African backed rebel group RENAMO? What specific step is Canada ready to take to counterbalance these aggressive acts?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the first thing we require is as clear an assessment as is possible of what the security needs are. It was with that in mind that the Prime Minister and other Heads of Government initiated the suggestion of a mission by General Obasanjo.

I discussed that with my Commonwealth Foreign Minister colleagues in Lusaka, took the proposal to launch something of that kind to the leaders of the front line States, President Kaunda and others, and there has now been agreement.

• (1120)

That is one of the things that is required, and that is proceeding. There then needs to be, once that information is in hand, a decision on what role different countries can play.

At the Prime Minister's request I invited the Foreign Minister of Mozambique to be in Canada at the time of the Commonwealth Heads of Government meeting. We had useful discussions with him then, and those will continue.

When we have the report of General Obasanjo, we will have to take a look at ways in which we can contribute to the security situation in the front line States.

There are some limitations upon us that do not exist upon other countries. Nonetheless, there are things that we can do. Certainly I take it as the view of the House that we should do everything we can consistent with our traditions.

* * *

[*Translation*]

EXTERNAL AFFAIRS

IRAN-IRAQ WAR—USE OF CHEMICAL WEAPONS—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): Earlier this week the Secretary of State for External Affairs expressed concern over the use of chemical weapons in the war between Iraq and Iran. I would like to know what the Minister has done to convey Canada's disapproval. Did he send a note of protest to Iraq, or did he take steps to have the question brought before the United Nations Security Council?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, yesterday we called the Iraqi ambassador to express serious concern and disapproval with respect to action related to the use of chemical weapons by Iraq. We also told the Iranian Government about our contact with Iraq. We did raise the issue at the United Nations. The Iraqi signed the United Nations protocol and can be expected to honour their commitment.

[*English*]

IMMIGRATION

TURKISH REFUGEE STATUS CLAIMANTS—GOVERNMENT POLICY

Mr. Sergio Marchi (York West): Mr. Speaker, in the absence of the Ministers of Immigration, I direct my question to the Prime Minister. It concerns the mad confusion which is gripping his Government over the issue of Turkish refugee status claimants.

Now that his Immigration Minister is escalating his public feud with the Province of Quebec and that federal immigration officials do not know what to do because they do not know what is the federal position, it is high time that the Government got its act together.

Therefore, will the Prime Minister clear the confusion by precisely outlining his Government's action and position on the entire Turkish issue? Could he explain or outline to the House if this action will be applied equally to Turkish claimants living outside the Province of Quebec?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, in the absence of the Minister of Employment and Immigration may I point out to the Hon. Member that the Government's position is quite clear. The policy is being followed. Existing legislation is being followed. The rules and regulations are being followed, and due process is being followed.

I am sure the Hon. Member is aware that under the provisions of the agreement reached in February, 1978, between the Government of Quebec and the Government of Canada, known as the Cullen-Couture agreement, Quebec has certain privileges and prerogatives in terms of the selection of immigrants and refugees.

Just to put the issue in perspective, the contents of the Cullen-Couture agreement are that Quebec has full power over selection of independents abroad, full power over selection of refugees abroad, and a predominant role for guarantor of family class and assisted relatives, as well as a predominant role in the selection of students. I should also say that it has a shared responsibility for temporary worker validation.

What has happened is that the Government of Quebec has exercised its right under the Cullen-Couture agreement, and that is being followed.

When the Hon. Member talks about confusion, it is time that the Liberal Party exercised its leadership in influencing the members of the Senate who have held up Bill C-55 and Bill C-84 for days and days.

Bill C-55 has been before the Senate for 156 days. Bill C-84 has been before the Senate for 193 days.

That is what is creating the confusion.

Some Hon. Members: Hear, hear!

Mr. Marchi: Mr. Speaker, with all due respect, the Government's position is as clear as mud in cloudy weather. He should stop blaming everybody else, pull up his shirt-sleeves, and get to work, because the problems are here whether we have Bill C-55 or Bill C-84.

CLAIMANTS FOR REFUGEE STATUS OUTSIDE QUÉBEC

Mr. Sergio Marchi (York West): Mr. Speaker, I direct my supplementary question to the Prime Minister. Since the Government was fortunate and took full advantage of the leadership offered by the Minister of Immigration for the Province of Québec, will the Government offer the same leadership to those applicants outside the Province of Québec who cannot expect a provincial solution, or must applicants travel to Québec to get justice, or, worse still, must applicants in Toronto await a Toronto visit by the Prime Minister in order to get some leadership and action as was taken for his visit to Montreal this weekend?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the Hon. Member is somewhat confused. The Cullen-Couture agreement was an agreement—

Mr. Marchi: Get the Prime Minister up to answer; he is responsible.

Mr. Mazankowski: —which was signed by the previous Prime Minister, Pierre Elliott Trudeau. If he has any objections to that agreement, perhaps he could address his questions to him.

In the absence of Bill C-55 and Bill C-84, what is happening is that there is an influx of something like 2,000 people per month who claim to be refugees, refugee claimants coming into the country, an influx which we cannot control.

Until such time as we get Bill C-55 and Bill C-84 passed—

Mr. Marchi: Your own government Senators are against it, Don.

Mr. Mazankowski: Until such time as that happens, that chaos will continue.

I call upon members of the Liberal Party to prevail upon members of the Senate to get the Bills passed so that we can restore legitimate refugee processing, so that we can control it in an orderly manner, and so that we can pull the whole thing together. That is what is happening, and I call upon the Hon. Member to use his good offices to do so.

Some Hon. Members: Hear, hear!

EXTERNAL AFFAIRS

IRAN-IRAQ WAR—USE OF CHEMICAL WEAPONS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Secretary of State for External Affairs. It also concerns the appalling reports of the use of chemical weapons in the Kurdistan area.

I am somewhat disappointed by the measured tones in which the Minister responded to a previous question. Obviously what is happening here sets a very dangerous moral precedent for the whole world. It seems to me that this is an opportunity for Canada to provide some leadership in solidifying and activating the international community to bring an end to this madness between Iran and Iraq.

The Minister appeared to entertain some doubt about whether or not Iraq was responsible for this when it seems that it clearly is. What has the Government clearly said to the Iraqi Government in respect of the use of chemical weapons? What is the Government planning to do to give leadership in the U.N. and in the international community in general to censure Iraq, to censure the use of chemical weapons, and finally to bring about the cease-fire which the United Nations requested many months ago in respect of this ugly conflict?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we consider the use of chemical weapons in these circumstances or in others, certainly in the proportions that have been reported to us, to be atrocious and to be inhuman.

We have made the strongest possible representations to the Ambassador of Iraq and will be following these up through other channels.

The reason I made reference to the United Nations in answer to the question of the Hon. Member for Papineau was that there is established in the United Nations secretary-generalship a requirement and a capacity to seek expert confirmation of the facts.

That should be done, and then the problem arises—and my hon. friend appreciates it—to find ways in which international opinion, apart from simply being expressed in the strongest possible terms, can be made effective against Iran and against Iraq; in this case, against Iraq and against Iran. That is the challenge. If there is some way in which Canada can move that process forward, I am certainly eager to find and follow that way.

• (1130)

ARMS EMBARGO PROPOSAL

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, the Minister will know that one of the suggestions made a long time ago concerning this war was that if there was not an adherence to the ceasefire request made at the U.N. there would be a total arms embargo on both Iran and Iraq.

It seems to me that one of the things the world could do would be to suffocate the ability of these two countries to wage the kind of war they are waging on each other.

I think Canada has a special role to play in calling the world community to account, the superpowers and everyone involved. It is in everyone's interest that these two nations be made to stop doing what they are doing. One of the opportunities the Minister has, it seems to me, is to take a leading role in getting the world community to put that kind of arms embargo on both those nations.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I accept and I agree with that. The problem is not to advocate an arms embargo that would, to use the Hon. Member's term, suffocate. Advocacy is not an issue. The problem is how do we do it.

There has been some movement on this question in the Security Council, some movement that one would have to characterize as encouraging, although that is not a word to use in these circumstances.

We are seeking more unanimity by more countries, and we want to make it clear that not only are we prepared to be a part of an embargo, an absolute suffocating embargo, but that we will be actively urging others to seek that, or to follow that or other procedures that can bring an end to a conflict which is more and more gruesome every day.

REQUEST FOR ACTION TO AROUSE WORLD OPINION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Just on that, Mr. Speaker, the Minister is right, of course, that advocacy is not everything. We certainly have not had an abundance of advocacy from anywhere in the world with respect to this war. The world has been kind of indifferent to what has been going on between Iran and Iraq in the hope that some day the war might come to an end. But it is not going to come to an end until the world awakens to the fact that horrible precedents are being set with respect to chemical weapons, and horrible precedents are being set with respect to the pollution of oceans and the sinking of tankers, and everything else. It is about time the world woke up.

I am asking the Secretary of State for External Affairs to be a prominent agent in awakening the world to the need for an end to this conflict.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I will certainly, and Canada will certainly do what we can, everything we can, to be both a more effective advocate, if that is what is required, and to be more effective in achieving a result.

I take the Hon. Member's comment in the spirit in which I believe it was offered. We will certainly respond in that spirit. If Canadian advocacy, more vigorous Canadian advocacy will help, then certainly that will occur.

Oral Questions

THE ECONOMY

INTEREST RATE LEVELS—EXCHANGE VALUE OF DOLLAR

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question was for the Minister of Finance but perhaps someone on the government side could answer it.

I am worried, like others, that high interest rates will hamper the growth and development of our regions. The Canadian dollar is being artificially maintained at about 80 cents, which is damaging our exports. The inflation rate now at 4 per cent certainly cannot any more be called Canada's main economic problem; and short-term interest rates are almost 3 per cent above those in the United States.

Are not some of these indicators sufficient to convince the Government that interest rates should be lowered, unless it is a definite policy of the Government—

Mr. McDermid: Tell us about the 22 per cent interest rates when you were in power.

Mr. Guilbault (Saint-Jacques): —to keep interest rates high in order to please the Americans so that they will adopt the trade deal in the U.S. Congress?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, that is a very welcome question. I take myself back to August, 1981. The interest rate then was 22.75 per cent.

Some Hon. Members: Shame.

Mr. Mayer: And we are still paying for that.

Mr. Hockin: Today we have a prime rate of 9.75 per cent. We have five-year mortgage rates at 11 per cent. The way the Government has been able to bring down interest rates is a tremendous boom for the Canadian consumer.

The Hon. Member asks about exports. In the last quarter of 1987 our export performance was excellent and it continues further into the first quarter of this year. Because of that, and because of the almost historic proportions of the investment intentions of the Canadian business community in the Canadian economy, 17.3 per cent over last year, which is two and a half times the ordinary increase, there is, of course, a bit of pressure on the Canadian dollar and on interest rates. That is only because more people are searching for the Canadian dollar, which puts pressure on the rates. This is all the result of the confidence that Canadians and non-residents have in the Canadian economy.

Some Hon. Members: Hear, hear!

REQUEST THAT INTEREST RATES BE REDUCED

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, maybe the Minister should talk to Mr. Adam Zimmerman of Noranda Forest Products—

Some Hon. Members: Oh, oh!

Mr. Guilbault (Saint-Jacques): —who said:

> Only an added penny in the value of the Canadian dollar means $15 million in lost revenue.

[*Translation*]

Mr. Speaker, we aren't the only ones to ask for lower interest rates and stabilizing the value of the dollar. The Premier of Quebec, the Premier of Ontario, the Canadian Export Association, the Consumers Association of Canada, the Canadian Manufacturing Association and the Canadian Chamber of Commerce have all demanded a reduction in interest rates. My question to the Minister is this: Why does the Government refuse to listen to all these national organizations, with their enviable expertise on economic issues? Or does the Minister of Finance prefer to go it alone with his inflated interest rates?

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, all I can do in answer to that supplementary question is to quote the Minister of Finance who said yesterday:

> The facts are that when an economy is strong the interest rates in the country go up because of pressure on money and because people are looking for money to invest in new things.

With an increase in investment spending per cent this year which is up two and a half times over last year there is bound to be this slight pressure on the dollar and on interest rates.

* * *

CHEMICAL WEAPONS

POSSIBLE PRODUCTION IN CANADA

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Deputy Prime Minister. It concerns the experimental production of chemical weapons and antidotes to those weapons in Alberta.

Since consideration is now being given to production contracts for the antidote drug HI-6 for use in chemical warfare to a firm in downtown Edmonton, will the Deputy Prime Minister give his assurance that, before any further production of any amounts of chemical or biological weapons or potential antidotes to those is contracted in Canada, the Government will produce for the public a position paper on how such production by Canada will affect the potential for progress toward a world-wide production ban on chemical and biological weapons?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member has been a Member of the House for some time. He knows that if he is genuinely interested in answers relating to specific developments of that kind, it is helpful to the Ministry to give notice.

I cannot accept the premises of his question without looking into all the circumstances, and I cannot answer him without doing that. But I undertake to look into the circumstances and to give him a response.

REQUEST FOR PUBLICATION OF STUDIES

Mr. Jim Fulton (Skeena): Mr. Speaker, I think I have a supplementary question to which the Deputy Prime Minister or the Secretary of State for External Affairs can give a commitment. Millions of dollars are being spent by government Ministers on the production of chemical and biological defensive materials.

Mr. Andre: Not true.

Mr. Fulton: I have the contract from you, Harvie.

Some of the key studies on the medical effects of HI-6 are being withheld from the Health Protection Branch. Since this drug would be directly injected into Canadian troops as the next stage of testing, will the Deputy Prime Minister give his assurance that all the HI-6 studies will be reviewed publicly prior to its use on any Canadian soldier?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I repeat the answer, if I may. I repeat the observation that if Members are interested in answers to these questions and not simply in creating a scare headline somewhere, then some notice should be given. I do not often ask for notice of questions, but in a circumstance of this kind I think the House would agree it is appropriate.

Some Hon. Members: Hear, hear!

* * *

NATIVE ECONOMIC DEVELOPMENT PROGRAM

PROCESSING OF APPLICATIONS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my question is addressed to the Minister of State for Small Businesses. Have the problems with the Native Economic Development Program, NEDP, now been ironed out, and are applications being processed in a timely fashion?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I must admit that enormous progress has been made in the administration of the Native Economic Development Program. Up to now we have received over 1,500 applications from throughout Canada. We have approved 420 projects and committed in excess of $200 million under that program. It is working well, but we still have improvements to make and that is why we have engaged in this consultation process. We should be about to receive that report in the next few weeks.

• (1140)

CORRECTIONAL SERVICES

EARLY RETIREMENT OPTION FOR EMPLOYEES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the President of the Treasury Board. Correctional officers, the ones who work with prison inmates, have been promised similar retirement opportunities to those for members of the RCMP and the Armed Forces. We in the Official Opposition support this proposition which would allow Correctional Services people to exercise the option for early retirement if they so wish.

The President of the Treasury Board has told the unions representing these prison guards that the amendments needed to fulfil the promise are tied to the condition that the union accept Bill C-33, an Act to remove the full indexing guarantee from pensions for public servants. Why is the Government again breaking a promise to public servants? Why is the Government using blackmail to intimidate a group of public servants into submission?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the Hon. Member has had an ongoing interest in this matter, and I regret that he has used the words "blackmail" and "intimidation", because that is not the case and he knows that. The fact is that my predecessor, my colleague who is now the Minister of Regional Industrial Expansion, indeed gave a commitment to introduce a special early retirement program for Correctional Services employees, recognizing the unique nature of their work. That commitment remains.

It had been hoped that we could have incorporated this into Bill C-33 because there was an agreement with the Public Service with regard to the provisions contained in Bill C-33. I hope that we can proceed with this initiative as soon as possible. There have been ongoing discussions. The commitment has been made, the commitment remains, and we will find a way to do it.

APPLICATION OF BILL C-33 PROVISIONS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I want to remind the Minister that there is no relationship between indexing, deindexing and non-indexing of pensions and the age requirement for early retirement that can be taken by members of the Armed Forces or the RCMP. Again, why is the Minister tying Bill C-33 to this amendment allowing correctional officers to take early retirement? These people work under stress and are entitled to some consideration. They have asked for it and the Government has promised it. Why does the Minister not keep his promise?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I thought I tried to make it clear. Bill C-33 provided a vehicle within which this could be done. To my knowledge, the Correctional Services employees had no difficulty with that. I understand that there were some negotiations with opposition Parties. They were not prepared to accept that, and we are trying to find another vehicle in which to proceed with it. I repeat, the commitment has been made, the commitment will be maintained, and we will deliver.

* * *

IMMIGRATION

INVESTOR IMMIGRANTS—REPORTED PROPOSAL TO GUARANTEE INVESTMENTS

Mr. Dan Heap (Spadina): Mr. Speaker, in the absence of the Minister of Employment and Immigration, my question is directed to the Prime Minister. In light of the current news about the guarantees of investments for investor immigrants, will the Prime Minister confirm that as of April 1 this year the Government will be allowing investor immigrants to have their investments as the basis of their visas guaranteed by Canadian taxpayers through provincial Governments?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I am advised that this is an issue which was brought forth by some provinces and the Minister has considered this issue. Discussions have been taking place. Officials have been meeting. I am not in a position at this time to report just precisely what action will be taken but I can say to the Hon. Member that those discussions are continuing, and I presume a conclusion will be reached very soon.

GOVERNMENT IMMIGRATION POLICY

Mr. Dan Heap (Spadina): Mr. Speaker, again to the Prime Minister, given that the Government has not said whether it has made up its mind about this reported decision and reported regulation, I would ask the Prime Minister how he can justify or how he would justify giving visas to rich foreigners at the expense of the Canadian taxpayers, that is for guaranteeing their loans, while the same Government is pushing legislation to shut out refugees and is delaying its promise to enlarge the family immigration class.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I find it rather strange that, on the one hand, we get criticized by the Opposition for the disorder and confusion which exist within the immigration system, and we now hear from the New Democrats that they want that confusion and disorder to be elevated. Quite frankly, these are the kinds of signals that come from opposite that really cause Members and the Canadian public, I am sure, to wonder sometime. As I said before, this is an initiative—

Mr. Berger: Do your homework next time you get up in the House.

Mr. Mazankowski: I will do my homework as long as the Hon. Member asks some important questions.

Mr. Speaker: Perhaps the Hon. Minister could answer the question.

Mr. Mazankowski: Mr. Speaker, as I indicated, the program had started, as I understand it, with representations from the provinces. There have been discussions going on to determine whether a consensus could be reached. That process is continuing. I am sure the Minister will be in a position to make an announcement very soon.

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EMPLOYMENT

NURSES—U.S. AND SWISS RECRUITMENT CAMPAIGNS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question was for the Minister of National Health and Welfare, but it might be answered by the Minister of Labour or by the Acting Minister of Health. Yesterday we were once again reminded of the unfair working conditions of nurses in many parts of Canada with examples of low pay and deplorable working conditions, with the result that they are now being recruited in large numbers to work in the United States and in Switzerland. Yesterday in Montreal over 1,000 nurses attended a recruiting meeting in this regard.

I would ask the Minister responsible if, in these circumstances, the Government will approach its provincial counterparts to work out solutions for nurses in Canada, solutions which are just and fair for this honourable profession, and make sure in addition that there is equity in working conditions for nurses in all the provinces of Canada.

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, I will gladly discuss this question with my colleague, the Minister of National Health and Welfare, and report back to the Hon. Member as quickly as possible.

PAY AND WORKING CONDITIONS OF FEDERALLY EMPLOYED NURSES

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I do not know who is the proper Minister to address this to, but I would also like to know whether the Government would set a better example at the federal level by assuring better pay and conditions for nurses working for the federal Government in its own clinics and hospitals. As the Government knows, federal nurses are now earning less than other health care workers who have lesser education and responsibility. They do not object to the other health care workers getting raises, but they do want fairness and justice for themselves. I wish the federal Government would take action to do something about that. I would like to hear an answer.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the Hon. Member is somewhat behind the times because there have been a number of representations from Members on this side and from members of the New Democratic Party about this very important issue. About a month or so ago, I announced that a satisfactory settlement had been reached with the nurses and they are all happy. What is wrong with the Hon. Member?

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CONSUMER AFFAIRS

PRICE OF GASOLINE

Mr. Norman Warner (Stormont—Dundas): Mr. Speaker, excluding taxes, the difference between the price of gasoline at the refinery and the price of gasoline to the consumer is already near historic highs and most retailers are not getting rich. Can the Minister of Consumer and Corporate Affairs assure me that when tax increases are introduced, the major oil companies will act responsibly on April Fool's Day?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I do not know whether I can give that kind of assurance because we do not have a centrally based price control system in Canada, and indeed, if there were to be price controls on gasoline, they would have to be at the provincial level since that is where the constitutional authority lies.

However, within my Department there is certainly the capability of taking action when there is unfair or collusive marketing practices by the oil companies. The situation is being monitored almost on a continuous basis, and I would invite the Hon. Member or any members of the Canadian public, if they become aware of improper or illegal activities, to let me know and we will certainly take action.

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WELFARE

SASKATCHEWAN WORKFARE PROGRAM

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, in the absence of the Minister of National Health and Welfare and the Minister of Employment and Immigration, my question is directed to the Prime Minister. Is the Prime Minister aware that the special Workfare Program which was arranged under the Canada-Saskatchewan Accord compels people to work for welfare, a mere $370 a month? If they refuse, they are cut off welfare completely.

• (1150)

Is the Minister aware that this kind of forced labour is contrary to the Canada Assistance Plan and the Canada-Saskatchewan Accord, both of which require work activities to be voluntary? If he is, what is the Government going to do about it?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I am not aware of the allegations of the Hon. Member. My sense is that this is largely a provincial issue. Nonetheless, I will ensure that the matter is looked into to try and get back to the Hon. Member early next week.

ROLE OF FEDERAL GOVERNMENT

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the Canada-Saskatchewan Accord was signed by two Ministers of the Government, and the Canada Assistance Plan is a federal plan. How can it be called provincial?

Why is the federal Government not doing its job to inform the Saskatchewan Government that it is in violation of both these agreements and must stop exploiting people, particularly those least able to defend themselves?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the Hon. Member is being somewhat unfair because this Government has undertaken a number of initiatives with respect to job training, the Canadian Jobs Strategy, and a host of similar programs which have assisted people in getting off the welfare rolls and onto payrolls.

As I said earlier, I will undertake to look into the Member's grievance and report to her fully next week.

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PUBLISHING INDUSTRY

GINN BOOK PUBLISHING COMPANY—GOVERNMENT'S ACQUISITION OF EQUITY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, on March 22 the Minister of Regional Industrial Expansion indicated that the American conglomerate Gulf and Western had not respected its March 12 commitment to divest itself of control of Ginn Book Publishing to Canadian investors as it agreed to under the Government's book publishing policy of July 6, 1985, enunciated in Baie Comeau. Now our Government, at the eleventh hour, has been forced to step in and exercise its option.

Why did the Prime Minister agree to allow the spending of $4.5 million under the pretext of achieving Canadian control while leaving significant operating decisions by the company subject to veto power by New York? Could he tell us what the Government expects from this Canadian book publishing policy made in the U.S.A?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, it is strange that the Liberal Party is not in agreement with the Association of Canadian Book Publishers who applauded the Government's decision to make the offer to Gulf and Western. These discussions continue, and I think it would be premature at this stage to try to foresee the result of those discussions taking place with the company in question.

Mr. Speaker: A short supplementary.

GOVERNMENT POSITION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, what kind of a deal is it when you have to pay 51 per cent of the shot and you do not get full control? Why does the Government not stand up and support the Canadian book publishing industry?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, as I said, discussions between Gulf and Western and the Government are continuing. It would not be appropriate at this time to comment on the specifics of this matter until it has been completed, at which time we can probably talk about it in more intelligent terms.

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EXTERNAL AFFAIRS

NICARAGUA—REQUEST FOR NEW CANADIAN DEVELOPMENT ASSISTANCE PROGRAM

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is directed to the Right Hon. Secretary of State for External Affairs. The extremely important and hope inspiring truce in Nicaragua, as the Minister knows, is extremely fragile and needs to be given every encouragement by countries like Canada which recognize that the root cause of violence in Central America is poverty.

Would Canada be willing, as part of our contribution to the peace process in Central America, to mount an extraordinary program of development assistance for Nicaragua, helping it to implement its program of reintegrating the Contras into local communities, and helping that country rebuild the infrastructure destroyed during eight years of war?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, let me very quickly make three points. The first is that the genius and strength of the Arias Plan is that it applies to the five countries in the region. Recognizing that while the conflict in Nicaragua is dominating attention, it

is also important that other conflicts in the region be addressed and resolved.

Second, and in that spirit, Canada would certainly be prepared to act in ways that would move forward the process of development. Our preference would be to do that in the region as a whole as a result of the Arias Plan. If something develops that would require and make useful an intervention by Canada in one country, then we would certainly look at doing that. We would want to do it in the context of other countries as well.

Finally, with regard to the role that Canada and the Prime Minister have been able to play in this matter, I think it would be appropriate for the House to know that the Prime Minister of Canada will, on Monday, be the first Canadian Prime Minister in our history to be honoured with the presentation of the Gold Insigne Award presented by the Pan American Society, in New York.

Some Hon. Members: Hear, hear!

Mr. Manly: Mr. Speaker, we all wish to join in congratulating the Prime Minister.

REQUEST THAT PROVISION OF ASSISTANCE BE EXPEDITED

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I would like to emphasize that the Minister's officials have said that Nicaragua is the key. Considering that now is the time when the peace process has made an unexpected breakthrough and help is urgently needed, will the Minister expedite the process, which I presume was moved forward when a CIDA task force visited Nicaragua earlier this month, so that help can get there now when it can do the most good in pushing the peace process forward?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that is a serious representation which I will take seriously. I will see if there is anything we can do to expedite arrangements.

I would like, if I may, to take the opportunity to make the following point. None of us know precisely the reasons which led to the recent very positive development in the negotiations in Nicaragua. There are a multitude of reasons which could have led to that situation. It is very important that no country take actions which could upset that balance.

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CANADIAN WHEAT BOARD

QUOTA SYSTEM FOR PRODUCERS—REQUEST FOR CONSULTATIONS ON POSSIBLE CHANGE TO CONTRACT SYSTEM

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, my question is directed to the Minister of State for Grains and Oilseeds. He knows that the Canadian Wheat Board subcommittee on quota review recommended that the Board consider moving away from quota acres toward a supply contract system for producers. Given that some producers have expressed concerns about this, does the Minister know what the attitude of the Wheat Board is, and will there be further opportunities for consultations with producers?

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): Mr. Speaker, the Wheat Board looks at the quota policy on a regular basis with the idea of maximizing delivery opportunities and, therefore, exports. The Wheat Board asked the advisory committee to do a study of this, which it did. It has reported to the Board. Any changes will not happen until August 1, 1989. In the interim there will be ample opportunity for people with concerns to express those concerns to the Wheat Board.

I can simply say that we are constantly looking for ways to improve the delivery system to help producers, and any changes will be made with full consultation so that everyone has a chance to express their concerns about those changes which the Board might adopt.

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ENERGY

DEVELOPMENT OF LOWER CHURCHILL RIVER

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, my question is directed to the Prime Minister. I remind him that six times over the past three years he promised to intervene between the Province of Quebec and the Province of Newfoundland with regard to the development of the Lower Churchill River. Nothing has happened. In the meantime, Hydro Quebec announced a $50 billion development at James Bay to export power to the U.S.

My question once again is very simple. Why has the Prime Minister not kept his commitment to develop that hydro power, and why is he allowing 10,000 megawatts of electricity to flow to the sea every day in a province which will run out of power in 1992?

• (1200)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend is, of course, quite wrong. He says that I gave an undertaking and nothing has happened. This, of course, is false.

I met with Premier Bourassa directly. I met with Premier Peckford, and have been in communication with both with a view to trying to be helpful, as the federal Government, to the Province of Newfoundland and Labrador with regard to working out an historic difficulty with the Province of Quebec.

My hon. friend will want to withdraw, I am sure, any suggestion that the Government has not fulfilled its obligation. On the contrary, I have had formal and personal meetings with both Premiers in this regard.

NEWFOUNDLAND AND LABRADOR—PROJECTED ELECTRICITY SHORTAGE

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, as I recall the Prime Minister's words they were "to use the full force of his office" to do something about the impasse. That is the most powerful office in the land. It can do more than simply negotiate. It can offer finance. It has mechanisms at its disposal to do something.

That is what I mean by the fact that nothing has been done. Talk is not enough. In a province that will run out of electricity in 1992 it is urgent that something be done to develop that hydro potential now.

Mr. Guilbault (Saint-Jacques): The political will is missing.

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am hearing some bizarre comments from a Liberal Member from Montreal who says: "The political will is missing". Is he trying to suggest, on behalf of the Liberal Party of Canada, that we should intervene in a matter that comes exclusively under provincial jurisdiction, that the federal Government should intervene in an issue of this kind? That is what he just suggested. Now please, make up your minds!

Either, you want federal intervention, which is hardly likely, or you favour the approach I just mentioned to my hon. friend from Labrador, which is to engage in serious dialogue with the Premier of Newfoundland and the Premier of Quebec, and help Newfoundland find a solution to a problem that has existed for several decades. I agree Newfoundland needs help. I agree Newfoundland is a disadvantaged province. I agree there is an energy problem, and I also think I am the first Canadian Prime Minister to have personal meetings with the Premier of Quebec and the Premier of Newfoundland with a view to solving this problem.

[*English*]

Mr. Speaker: I am sorry, but we are overtime. That will end Question Period.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106 (8), I have the honour to table, in both official languages, the Government's response to petitions, Nos. 332-3872, 332-3938, 332-3941, 332-3942 and 332-4115 to 332-4126 inclusive.

[*English*]

GOVERNMENT ORGANIZATION ACT, ATLANTIC CANADA, 1987

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mr. Pat Binns (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I have the honour to present the report of the Legislative Committee on Bill C-103, an Act to increase opportunity for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts.

[*Editors note: see todays Votes and Proceedings*]

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ELDORADO NUCLEAR LIMITED REORGANIZATION AND DIVESTITURE ACT

MEASURE TO ENACT

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs) moved for leave to introduce Bill C-121, an Act to authorize the reorganization and divestiture of Eldorado Nuclear Limited and to amend certain Acts in consequence thereof.

The Acting Speaker (Mr. Paproski): Shall the Hon. Minister have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

TRANSPORT

CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

Mr. Les Benjamin (Regina West): Mr. Speaker, I should like to move concurrence in the third report of the Standing Committee on Transport presented to the House on Monday, December 14, 1987.

I rise, Mr. Speaker—

Mr. Hawkes: Mr. Speaker, I wanted to ensure that my friend was recognized, but I understand that some Members of the House have petitions to present. We are entering into a debate which will take some time. I wonder whether there might be a predisposition in the House to proceed to petitions at this time and then revert to the debate in order to allow Members with petitions to present them to the House.

The Acting Speaker (Mr. Paproski): Is that agreed?

Some Hon. Members: Agreed.

Mr. Gauthier: I agree, Mr. Speaker, but I am surprised at the nice disposition of the Parliamentary Secretary today with regard to petitions. He is usually very aggressive and negative about petitions, but today he wants them. That is fine. He is learning.

* * *

PETITIONS

CANADA-U.S. FREE TRADE AGREEMENT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the honour to present two petitions under the provisions of Standing Order 106.

The first petition is signed by a number of citizens of Winnipeg who say that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States. They believe that the trade deal negotiated by the Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to control foreign ownership effectively and to develop Canadian energy resources in the best interests of Canadians or to equalize opportunities between the regions. Therefore the undersigned, your petitioners, humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

The other petition which I have says that the Prime Minister (Mr. Mulroney) promised in the course of the bilateral trade negotiations that Canadian sovereignty would not be compromised and that the proposed trade agreement not only denies Canadians secure access to U.S. markets, which was the key objective in these negotiations, but threatens the loss of hundreds of thousands of Canadian jobs. Therefore, your petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, I have the honour and duty to present petitions on two different topics.

The first is from a number of residents of Frontier, Saskatchewan, who are concerned about the recent Supreme Court decision. They feel that it has created and imposed a right to abortion which is without basis in the Charter of Rights and Freedoms of the country. The petitioners humbly pray and call upon Parliament to oppose this decision to save the lives of Frontier's innocent unborn.

NORTHERN TAX ALLOWANCES

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, the second petition is from a number or residents of the southwestern corner of Saskatchewan who express concerns about the eligibility list for tax deduction for northern residents in isolated posts.

They feel that in its present form it is discriminatory in that many communities not on the list are adjacent to listed communities. They feel that the tax deduction was designed to assist in alleviating the added costs of living in isolated communities and that the commission of inquiry to be established later this year to study the current criteria will not be in a position to make necessary changes to the 1987 tax filing year. The petitioners suggest that a practical solution to the problem would be for the Government to declare all communities adjacent to the corporate limits of Climax and Consul, Saskatchewan, as eligible for the isolated posts residents' reduction. They humbly pray and call upon Parliament to declare those communities adjoining Climax and Consul which share the same criteria to be eligible for the isolated posts and northern residents reduction.

• (1210)

PROHIBITION WITH REGARD TO KNIVES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have the honour to present four petitions concerning the high incidents of crime, including murder, robbery and sexual assault, that are committed with knives. This type of activity is on the increase in all major cities across Canada.

Whereas the law, through federal Criminal Code and court decisions, allow citizens to carry knives for self-defence and whereas the carrying of knives by persons in public places is directly responsible for knives then being used in a variety of crimes, as well as altercations where self-defence is claimed, these petitioners call upon Parliament to amend the federal Criminal Code to prohibit the carrying of knives by citizens in public places. The only exception is to be for those who carry knives for legitimate work activities or for religious reasons, such as the Sikhs.

[*Translation*]

PROTECTION RIGHTS OF THE UNBORN

Mrs. Claudy Mailly (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I am presenting today, on behalf of the group *Objectif-Survie Québec*, about ten petitions including almost 100 names. Those people have asked me to present and table those petitions on their behalf, because they are concerned about the protection of unborn children. According to them, the unborn child is a human being and consequently he is entitled to live and to be protected and the Supreme Court of Canada, by declaring unconstitutional the federal legislation on abortion, has left, according to them, the unborn child without legal protection; however, the Supreme

Court did point out that Parliament is empowered to pass legislation protecting the life of unborn children.

[*English*]

OPPOSITION TO BILL C-72—OFFICIAL LANGUAGES

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I have the honour to present two petitions from a number of residents of Alberta who are concerned that Bill C-72 will set a dangerous precedent by banning unilingual anglophones and other cultures. They call upon Parliament to cancel Bill C-72 so that the unilingual people have a chance for a position in Government.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have a number of petitions dealing with the so-called free trade agreement. Whereas the Mulroney Government has sold out Canada and received nothing in return; Whereas Canadian industries are still not protected from U.S. trade laws; Whereas the United States obtained everything it wanted in all key sectors, especially agriculture, energy, auto trade, financial services and investment; Whereas thousands of Canadian jobs are threatened and the Conservative Government has not provided for any adjustment assistance for Canadian workers;

Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to denounce the Government for signing the Mulroney-Reagan trade agreement.

The Acting Speaker (Mr. Paproski): Shall I proceed to Questions on the Order Paper?

Some Hon. Members: Agreed.

* * *

QUESTIONS ON THE ORDER PAPER

[Questions answered orally are indicated by an asterisk.]

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall all questions stand?

Some Hon. Members: Agreed.

Motions

TRANSPORT

CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

The House resumed consideration of the motion of Mr. Benjamin that the third report of the Standing Committee on Transport be concurred in.

Mr. Benjamin: Mr. Speaker, since there was agreement that up to two hours could be taken to debate this motion and we have used some of that time for other items ahead of Motions during Routine Proceedings, would it be possible for the Chair not to see the clock until 2.15, if it is the desire of Members to use the full two hours?

The Acting Speaker (Mr. Paproski): I think the Hon. Member should raise that at two o'clock. Does the Hon. Parliamentary Secretary agree?

Mr. Hawkes: Mr. Speaker, an important principle agreed to under the reform is that we try to end by three o'clock, and I think Private Members' hour between two o'clock and three o'clock is important.

The Acting Speaker (Mr. Paproski): If we do not get on with the debate we may have to extend it for a few extra hours. Let us carry on. The Hon. Member for Regina West (Mr. Benjamin).

Mr. Benjamin: Mr. Speaker, I am pleased to have an opportunity to speak on my motion of concurrence in the third report of the Standing Committee on Transport which was tabled in the House on December 4.

That report is a result of a trip the Transport Committee took to Europe, where we looked into the operations of airports, airlines and the question of privatization. We looked into airport ownership and management. We studied rail passenger services. We also examined some impressive sites at two major ports in western Europe.

There are some 13 recommendations in this report to which the committee agreed unanimously.

The issue of airport security has been raised repeatedly in the last three years in this House in Question Period and during debates, and in the committee itself. Yet we still see incidents which indicate some very disturbing inadequacies in airport security measures.

The committee visited Heathrow, Schiphol, Frankfurt and Charles de Gaulle Airports. We were impressed with the way they operated their airport security services. They are entirely under the management and control of the Government, an agent of the Government, or the airport management itself. Rather than so-called private enterprise tendering for security services, it is carried on by well trained airport personnel, local or regional police, or a combination of both. The airlines are billed for the cost of these services in direct proportion to the number of flights and passengers they use, or they are paid for from airport user fees, general taxation or a combination of all

three so that the costs are almost fully recovered one way or another.

In Canada, the airlines are responsible for security. Let us use as an example the Lester B. Pearson International Airport, the largest airport in Canada. The 24 airlines that use that airport make up a committee which is chaired by Air Canada, since it is the largest operator at the airport. This committee calls for tenders for airport security services. The contract for these services invariably goes to the lowest bidder because under deregulation the airlines must cut costs and hold the line in order to compete with one another and with other countries. As a result, we see jerkwater, fly-by-night security companies that tender for these contracts. Most of the contracts are held by Metropol, of which there are some eight subsidiaries registered in several provinces.

Particularly over the past three years when airport security had to be strengthened and enlarged the experience has been that those security companies pay cheap. We get cheap work and cheap results. The employees earn the minimum wage or a little better than the minimum wage. The turn-over rates are 10, 15, 17 per cent per month. At any given airport in Canada it is not unusual to find that there has been 100 per cent turn-over or more in the course of a year. Thus new people have to be continually trained.

• (1220)

The other thing that is found, Mr. Speaker, is that they receive as much as, would you believe it, three hours of training. The Minister states that there is a plan being implemented to make that three days. We have been hearing that for some time. It is still not in place in Toronto, Winnipeg, Calgary, Edmonton, Regina, Saskatoon, or Vancouver. As was shown on television the other night, there was an instance where a young lad who received three hours of training was put to work and in the next day or two he was training other beginners. To put it nicely, that is a woefully inadequate type of airport security service.

The committee recommended unanimously that the Government, the Department of Transport, take over all the operations of airport security services, and that the screening, inspections and so forth be carried out by fully trained employees of either the airport which, in most cases, would be the employees of the Department of Transport, the regional police, the RCMP, or a combination of department employees and the RCMP. The RCMP presently have officers stationed at most airports in Canada, certainly in all of the larger ones. It should be under their aegis and supervision. There could even be special constables in the RCMP to do this.

I estimate that that would double the cost of airport screening, inspections, and searches. But there would be quality airport security. We all know it can never be perfect, there will never be complete and total security, there will always be a breakdown or someone will figure out some way to get through on one occasion. But we should not make it so easy. We were impressed by the manner in which it is conducted in Europe and I suspect in many other countries. Only in Canada and the U.S. is this screwball private enterprise syndrome applied to something in which there should not be any profit-making or profit-taking. It is an essential public service, a public need, and a public demand. It is one thing that the travelling public in Canada would be willing to do. If it cost them $2 or $3 more on each plane ticket for that type of high-level quality airport security service, they would willingly and happily pay for it.

The Government remains stubborn, as did this Minister and at least three of his predecessors every time this was proposed to them. It is a move that is long overdue. I for one, and my colleagues on the Transport Committee, hoped and felt that we had achieved a goal that all of us wanted in our report that the Government would move quickly to meet. Several months have gone by since we submitted the report. The Minister states that he has written to the airlines, called in the presidents, and is going to read the riot act to them about the security services, about the low pay, the inadequate training, and the turn-over rates. This has been going on for years. Everyone knows it, including the Minister. It has never been changed and it will not be changed as long as it is left under the control of the airlines themselves. They will get by on the cheap, and cheapskate companies will carry out the security services.

That is just not good enough. We can argue and kick the airline presidents around all we like, they are not about to do it. If they do do it, one will be surprised how fast it will deteriorate again in order to save some bucks. I hope that the Parliamentary Secretary can tell us today that the Minister intends to implement that recommendation.

The airlines have repeatedly complained, even to the committee, that security procedures cause slow-downs of passenger boarding and cause delays. I submit that some of this is the fault of the airlines. They all want to arrive and leave town at the same time within a two hour time frame, three times a day. It seems to me that someone has to kick them around about that. There are only so many runways, air traffic controllers, and unloading and loading docks. Something has to be done about that nonsense. Many of the things that the airlines complain about are their own fault which they have brought on themselves.

As important is the fact that at Pearson International Airport there are two screening positions to handle passengers for domestic flights in Terminal 2. Those positions handle passengers for some 20 departure locations. There are 15 domestic departure docks attached to Terminal 2, and there are 4 or 5 other loading places out on the tarmac for propeller-driven aircraft. At airports in Europe there is a screening position for every one, two, or at the most three, loading docks.

I want to urge upon the Government that it immediately locate two more screening positions for boarding passengers on domestic flights at Terminal 2 at Pearson International Airport. At the peak periods if three or four positions were

operating instead of one or two, there would not be 200 and 300 feet long line-ups. Some people are frantic in the lineups because they are afraid that they may miss their flight and still have to walk up to a half mile length in Terminal 2.

It is bad enough that Terminal 2 is about one mile long, but it is going to be made longer. Tenders have already been called to make Terminal 2 longer. I hope that on the extension some moving walkways are put in. It is incredible to watch women, children, and elderly people struggling on foot from Gate 70 to the baggage area among mobs of people going in both directions to get on or off an airplane. Every airport that we were in in Europe with long terminal buildings had moving walkways. Every 100 feet there would be a break to get off and go to loading docks. It could still be installed in the rest of the old Terminal 2 building. It is long overdue. The little train and carts to move elderly or handicapped people, or people with children have been removed. Why? To save money. Those people are willing to pay through their taxes or in any other way necessary. The airport tax is now $50 per ticket. That should be sufficient for paying for them.

That type of thing needs to be done at several other airports in Canada, for example, at Dorval and Vancouver. I have been in line-ups to board a plane at almost every airport in this country of any significant size. Often there is only one screening position, and sometimes only one or two people working it. I remember one morning boarding a plane in an airport in this country together with approximately 60 passengers. There was one person on duty in the screening process who first ran the luggage through the x-ray machine, then ran the passenger through the walk through x-ray machine, then wanded the passenger, and then went back around and did it all again. Again, this is an illustration of a security company getting by on the cheap to satisfy the airlines.

• (1230)

I am sure my other colleagues will have more to say about these security services. I want to say that I am still not satisfied with the handling of baggage sequencing and baggage matching for international flights or flights that are domestic to international. The process is still not good enough. I am prepared to provide the Minister with some affidavits which outline some breakdowns in two different airlines in the country with respect to what is going on there.

Another matter we considered in Europe was the operation of passenger train services. I am not for one minute suggesting we could have passenger train services of the volume and frequency of western Europe. In that part of the world there is a population of some 200 million living in an area that is less than half the size of Canada. There is also a much milder climate and not nearly as harsh a geography. There is a volume of people in that smaller geography. Naturally, there are thousands of trains a day running in a dozen different countries. The one thing that we found was that the performances in terms of the speed of the schedules, the frequency and the length of stops, boarding procedures and facilities for passengers at railway stations were far superior to ours.

I have a copy of the CPR Transcontinental schedule for Montreal to Vancouver for 1892. The average speed was 33 miles per hour. That was with little steam engines which had to stop to get coal and water every 50 or 100 miles and change crews every 100 miles. Do you know what the average speed is today, Mr. Speaker? It is 36 or 37 miles per hour. The average speed for the Supercontinental or the Canadian is about 36 miles per hour. That is not much progress in almost 100 years.

One of the problems with this is that the Government refuses to order, purchase and get on stream new rail passenger equipment. I am amazed that VIA Rail employees and VIA Rail management have run the railway as well as they have when we consider the handicaps with which they have been working since 1976.

We are now into the third round of refurbishing old passenger cars. Half money again will have been spent on refurbishing old passenger cars since 1976, more than the cost of 230 new cars. VIA Rail must have 230 to 250 new passenger railway cars, including sleeping-cars, coaches, dining-cars and dome-cars. The Government keeps putting it off. It is not just this Government or just this Minister. Three predecessors kept putting it off.

We will now have to start refurbishing cars again and converting them from steam heat to electric heat. That will give them another 10 years in service, or 15 years at the most. Why do we continue to throw good money away after bad? Three years lead time is needed to get the cars built and on stream. I think the Government and the Minister ought to take the two companies in the country which build those cars and start kicking them around. I feel that in their joint tender submission proposal to the Government they are holding us up for ransom with respect to the price of those cars.

I think the Government will have to say to them, "Look, either sharpen your pencils or we will talk to some other countries which make great, beautiful passenger railway cars such as Great Britain, Sweden, West Germany, France, the United States and Japan". We could get prices from them and see how these two Canadian companies would like it. Even in Britain one can take an overnight passenger train from Inverness to London in a brand new sleeping-car, which is marvellous, for just 11 pounds for a lower berth, which is very reasonable.

I urge the Government to move quickly to adopt these recommendations passed unanimously by the all-Party committee. We do not like being ignored. We feel that we have done good work. We believe that we made an extra effort. The trip to Europe was not any holiday. We were on our feet and in meetings for 10 hours and 12 hours a day. We met with a great many experts and people who gave us a great deal of worth-while information. We tried to condense that into a report that would be useful not only to Parliament but to the

Government and to the Ministry of Transport and the transportation industry as a whole.

Darn it, I resent the foot-dragging that is going on with respect to things that so obviously need to be done. Again, as I said yesterday to the Minister, it seems a brick wall has to fall on him, and it is about time one did.

Mr. Thacker: Mr. Speaker, I have a couple of questions I would like to put to my colleague. Before I do that I would like to comment *vis-à-vis* the good work that has been done by the Standing Committee on Transport.

I have been exposed to many committees on the Hill. I must say that I do not think there is another standing committee which has worked any harder than the Standing Committee on Transport, including the work it did on its trip to Europe. In Europe the committee members had a chance to look at airport security and railway systems.

It should also be noted that the standing committee and the members of that committee have played an active role in reforming the entire transportation sector of the country. This morning we passed another Bill dealing with coasting trades which involves transportation issues.

Bill C-18 went through the House with many amendments and was accepted by the Government as a result of the good work of members of all three Parties. The same applies to Bills C-19, C-21 and now Bill C-52. The legislation dealing with railway safety is now before the standing committee. It looks as if that Bill with a few modest amendments can go through and be passed by all three Parties.

With respect to the Government's response to the report of the standing committee concerning its trip, I agree with my colleague that when we say the word "trip" some people in the public tend to think that these parliamentary trips are like holidays. They simply are not. I did not have the privilege of going on this one but I looked at the agenda and after hearing from its members since their return I know that they worked very hard.

In the many years that the Hon. Member has spent in the House and in the many reports that have been put forward has he ever seen a situation in which out of 13 recommendations put forward by the standing committee the Government instantly accepted 10? There are only three which are contentious. I think the Hon. Member would agree that concerning the three in contention the Government has indicated that there are some problems and that more work is being done on those. Has he ever in his entire experience here seen a Government respond so quickly in terms of accepting amendments to a Bill at the committee and legislative stage as well as respond to the report of the standing committee?

Mr. Benjamin: Mr. Speaker, my good friend is looking for a pat on the back for himself and the Government. I will be glad to give it.

I can remember reports from the Standing Committee on Transport submitted which were totally ignored, going back as far as 1970. I will be quite generous and compliment the Government on accepting thus far 10 of the 13 recommendations.

There is a great deal of difference between accepting recommendations and implementing them. Some of them can be implemented almost immediately. I think that VIA Rail has already started to implement the ones that we made about baggage carts and letting people get on the train whenever they like instead of making them stand in the darn station for an hour before getting on. I think that VIA Rail has already implemented those minor recommendations. That is nice.

With respect to the most important ones, in particular the one regarding airport security, it seemed to the committee from our conversations while we were travelling that there really is no other way of doing it other than the Government take it over. The Government has no choice but to take over and operate airport security services. I know that it is not an easy decision for the Government to make, but it is an area in which private enterprise has no business. There should be no profit-making or profit taking; it should be done at cost, and only the actual costs should be recovered. This would provide a much better environment for the employees doing the work and would certainly provide more peace of mind for the travelling public.

• (1240)

Mr. Thacker: Mr. Speaker, I would like the Hon. Member opposite to respond to a question about aviation security enhancement and the steps taken to enhance aviation security immediately after the Air-India and CP incidents on June 23, 1985.

In terms of factual matter, nine things were done. I will quickly review them, and perhaps my hon. friend could respond by indicating whether he thinks that more should be done.

First, more stringent security controls on passengers, carry-on baggage, checked baggage, and cargo were introduced. Second, additional x-ray detection equipment and newly developed explosive vapours detectors were put into service, and acquisition of additional equipment was accelerated. Third, the Prime Minister (Mr. Mulroney) directed the interdepartmental committee on security and intelligence to study and report on airport and airline security in Canada. Fourth, monitoring and inspection of airport and air carrier security measures were increased, and a comprehensive program of airport security audits was undertaken. Fifth, key aviation security research and development projects were identified and undertaken. Sixth, additional commissionaires and security guards were employed. Seventh, the decision to terminate RCMP policing services at eight domestic airports was reversed. Eighth, a public security awareness program was initiated and security training videos for aviation personnel

were produced. Ninth, arrangements were made with local police forces for trained dogs to ensure availability at all major airports.

I wonder whether my hon. friend would comment on whether in principle there are other major areas in which he thinks the Government should be responding.

I remember a number of occasions in Question Period when his Party was pretty critical of the security access program. Somehow there seems to be a contradiction. On the one hand he wants everything to be tightened up, yet I can recall many occasions in the House when his Party has been quite critical of the security access program, where people obtain clearance certificates and must be accompanied by a member of the staff, and of the time required to get the security clearances through.

Mr. Benjamin: Mr. Speaker, the Hon. Member never heard any complaints by me or my colleagues on the measures taken since the Air-India disaster. However, one problem with increasing the number of guards and with increasing the number of screening locations and the amount of equipment is that the system breaks down when we have a 10 per cent to 20 per cent turn-over rate of people who do the work every month. It breaks down when people have to pay for their own uniforms and they are receiving only $6 or $7 per hour, which is not a living wage, and there is inadequate supervision. There can be the best equipment and the best intentions in the world, but with that kind of situation I am sorry, I must say to my hon. friend that it is breaking down every now and again.

When there is a mishap or a tragedy somewhere in the world, security services are tightened up. It goes on like that for two or three or four weeks, but suddenly it drifts back to the way it was before. It is a case of the barn door syndrome taking over again. After there has been a disaster, everyone rushes to close the barn door, and it is a little late.

I am glad the Parliamentary Secretary mentioned the reversal of the removal of the RCMP from eight airports in Canada. I should like to tell him that under the previous Government the RCMP was removed from 12 other airports in Canada. I am still hoping—and I am afraid it is a fond hope—that RCMP services will be restored at those 12 airports as well. That would cover the 20 busiest airports in Canada, and that would be the minimum number of airports where the RCMP would be in place.

With regard to the security access program, I do not recall our complaining about it. The Minister in good faith told the airlines that they could get security passes for personnel within 30 days, and it has taken up to four months. Even the Minister has said publicly that the airlines have a good case. Again the system has broken down. It should not be necessary to take four months to get a security pass for a full-time employee of an airline, a refuelling company, or a firm bringing in the meals, the booze, or whatever else is delivered on to the airport tarmac.

It is not that we should not have a security access program. It is that we need one which moves quicker and is monitored more closely. If CSIS cannot do it, I think we ought to turn it back over to the RCMP.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I congratulate the members of the standing committee for their insightful report. I know that a great deal of serious consideration went into the writing of the report and that the members spent a great deal of time preparing for their tour of Europe. Their examination of the operations of airports and railways was detailed and exhaustive. We can only thank them at this time for their effort and contribution to the massive and complex public policy questions of transportation. A tremendous contribution was made to Canada by members of that standing committee, for they have been very active during the last three years and some months.

The committee made 13 recommendations in total. I want the committee to know now that, while the report is still under consideration by the Government, action has already been taken on 10 of the recommendations. In effect there is acceptance of the majority of the recommendations, and they already form part of government policy or programs. The Government accepts all the recommendations on Terminal 3, rail passengers, and privatization made by the committee.

The Minister of Transport (Mr. Crosbie) said on March 23 that he had asked the presidents of major airlines to meet with him—and this will occur next week—in order to review with him the situation on wages, contract duration of security companies, performance pay, turn-over rates, and other matters.

The discussions will explore how the airlines could better operate under the present system and whether it is necessary for the Government, and I quote the Minister, "to expand its tentacles to take over this service or not".

The third report of the Standing Committee on Transport recommends that the Minister of Transport take full responsibility for passenger and carry-on baggage screening at major Canadian airports and ensure that it is done by airport employees and/or regional police or RCMP. In adopting this recommendation the committee has drawn attention to the procedures adopted at many European airports. I wish to inform the House that the recommendation remains under consideration at this time.

The Minister is concerned that Canada has the best airport security program possible. Since 1985 the Government has significantly enhanced all aspects of its security program. It has done so in the realization that no amount of resources and no law or procedure will guarantee that no criminal or terrorist act will take place or be attempted. No security system is foolproof. That being said, the airport security program in Canada is and will remain one of the best in the world. Dr. Assad Kotaite, President of the Council of the International

Civil Aviation Organization, has acknowledged Canada's leading role in airport security matters.

• (1250)

The Canadian Airport Security Program consists of many facets, only one of which relates to passenger pre-board screening. The security program in total is based on shared responsibilities between the Government, air carriers and airport operators. A key policy in all these aviation security programs, and for that matter for safety programs as well, is that the carrier takes responsibility at the first level for the protection of its own equipment and passengers in the same way that carriers are responsible for ensuring that their aircraft are mechanically sound and fit for service. The Government comes in at the next level and, by means of inspection, regulation and enforcement ensures that they do so.

Air carriers and airport operators are required to submit to Transport Canada detailed security programs outlining how prescribed security measures will be implemented. In addition, the Canadian Airport Security Program is continually under review by Transport Canada in terms of how it can be improved.

Since June, 1985, the security program has been significantly expanded. Transport Canada has instituted enhanced checked baggage security requirements, the focus being on international flights since those are subject to the greatest risk. Additional x-ray detection equipment and newly developed explosive vapour detectors were put into service and acquisition of additional equipment has been accelerated. RCMP services at domestic airports have been doubled.

Since October, 1986, on international flights, Transport Canada has required in lieu of x-ray, the internationally recommended system of checked baggage security which entails the removal of the bags of persons not on board the aircraft. There are specific waivers to this security requirement which allow the bags of certain categories of passengers to remain on board in situations where they could not have engineered the conditions. For example, where the person is an employee of an air carrier and has been denied boarding by virtue of his or her stand-by status.

Over and above the passenger baggage match requirement on international flights identified as high risk, it is incumbent upon the air carrier to x-ray or physically search checked baggage. Currently, Transport Canada requires El Al to x-ray or physically search all checked baggage accepted for transportation and also requires the same procedures for baggage interlined to Air India flights.

On domestic flights, there are very strict procedures in place for the control of checked baggage. However, and until the system can be computerized, there is no requirement for either passenger baggage match and/or x-ray at normal threat levels since the current threat on domestic flights is assessed as very low. Passenger baggage match or x-ray or a combination of these and other measures are required where a specific threat exists in respect of domestic operations.

International experts agree that a passenger baggage match system is preferable to x-ray for the screening of checked baggage. The International Civil Aviation Organization recommends a system of checked baggage aboard commercial air carriers without the attendance of its owner. ICAO has recommended that baggage matching on international flights be implemented in all countries by December, 1987 but Canada already had such a system in place since October, 1986. In addition, Transport Canada is working on a computerized system that would match passengers and baggage on domestic flights, the same practice used successfully daily on all international flights out of Canada.

The actual conducting of pre-board screening is a responsibility put on air carriers by the air carriers security regulations. It is the general practice that carriers contract out screening to private security guard companies. There are approximately 1,400 personnel currently employed at Canadian airports to screen passengers and their carry-on baggage. Transport Canada certifies guards who are qualified to conduct screening based on successfully passing theoretical and practical tests. Transport Canada also provides and maintains the equipment used at the pre-board screening check points and is responsible for developing training programs for screening guards, supervisors and trainers.

Screening personnel are retested annually and are supervised on the job by the security guard company supervisors and air carriers supervisors. In the major airports, the RCMP conducts regular patrols of pre-board screening area and provides police response to incidents. In 1986, 986 real and simulated weapons were discovered by screening personnel at the screening check points of Canadian airports.

With regard to training, Mr. Speaker, Transport Canada implemented in 1987 an enhanced training program for screening supervisors and trainers. This programs deals with powers and responsibilities of pre-board screening personnel; the detection and handling of weapons, explosives and other dangerous items; what to do in emergency situations; the operation and use of electronic and x-ray detection equipment; how to conduct a hand search of baggage and passengers; special screening situations; supervisory skills and training methods; and an overview of terrorism and terrorist tactics.

To date, 115 supervisors and trainers have completed the program. An enhanced training program for screening guards is being implemented. The following procedure is presently in place at Pearson Airport for all individuals hired to perform pre-board security functions. The employee is hired and shown the five- part Transport Canada pre-board screening training package at the Metropol Base-Fort office in Toronto. Following the review, a written examination, consisting of 40 multiple choice questions is administered by a Transport Canada security and emergency planning representative. The minimum passing mark is 75 per cent. Candidates having a mark below

75 per cent but over 70 per cent are given a second opportunity to write the test. If the candidate fails on the second attempt, he or she is dismissed. Those individuals who successfully pass the test, are referred to the Ontario Provincial Police for a security check. If there is no problem with the check, they are subsequently licensed as a security guard. The individual is sent to a screening point and shown by a supervisor or a senior employee how to use the hand-held metal detector and trained on the use of the x-ray and hand-search techniques. This hands-on training goes on for several weeks, always under supervision. Once the supervisor determines that the employee is conversant with the job, he notifies the company, who in turn advises Transport Canada security and emergency planning for practical testing.

Practical testing is administered by Transport Canada security and emergency planning inspectors in the following fashion. An inspector monitors the wanding technique to ensure it is done according to standards. An inspector monitors the hand-search technique to ensure it is done according to standards. An inspector monitors the performance of the individual to assess his or her ability to interpret images on the x-ray machine. If the individual fails the practical test, he or she is given a second chance only after he or she has undergone training. If the individual fails the second time, he or she is dismissed. Those individuals who successfully pass the practical examination are then designated as security officers under Section 3.7 of the Aeronautics Act. It is to be noted that security screening points at Pearson International Airport are constantly monitored by DGSEP security inspectors, RCMP and air carrier representatives.

• (1300)

The Government also recognizes that the wages and working conditions of security guards impact on the effectiveness of pre-board screening. As I stated earlier, the Minister will be meeting with the presidents of the major airlines to address this issue next week. I want to reinforce the idea that security is a shared responsibility. The Minister will ensure that the airlines take whatever further measures may be necessary.

I turn now to the committee's recommendation that Transport Canada, in co-operation with air carriers, develop a procedure to ensure that all domestic passengers are informed of the requirement to reclaim their luggage when transferring from a domestic to an international flight. Since October 1986, Transport Canada has had a system in place on international flights whereby passengers are matched with their baggage. Baggage is not transported unless its owner is on board the aircraft.

Over and above the passenger-baggage matching, baggage on select international flights is x-rayed. Canada is a world leader in ensuring the security of checked baggage. The result of these security requirements is that baggage carried on domestic flights must often be reclaimed by the passenger before it can be processed for an international flight.

Air carrier procedures are already in place to ensure that passengers are informed whether their baggage is being checked through or whether they must reclaim it at an intermediate stop, thus any further action by Transport Canada would seem to be superfluous. Therefore, I cannot lend support to the motion of the Hon. Member for Regina West (Mr. Benjamin) for concurrence in the Third Report of the Standing Committee on Transport.

I would hasten to add again that the Government has accepted 10 of 13 recommendations. The three recommendations that were not accepted are always under review and will continue to be under review. As times and circumstances change, they may well at some point come to fruition as well.

Mr. Benjamin: Mr. Speaker, my hon. friend is very well read. I heard the Hon. Member's remarks about the tests given by the Department and the training of the people who do the screening. I would like to ask the Hon. Parliamentary Secretary his view of the adequacy of the training program and the tests and examinations that must be taken.

As the Parliamentary Secretary knows, just the other night on television, a young lady who was a screener said, when asked if she had ever detected anything, that she did not know what a pipe bomb looked like or what any bomb looked like. The average passenger is not expected to know what one looks like, but one would think that people who are doing the screening, watching the x-ray machines and running the wands over passengers would know because they have been shown and have memorized all the various kinds of devices that are known. That requires a lot more training.

Does the Hon. Parliamentary Secretary really think that what has been put in place so far is adequate and sufficient in light of what we all know about the people who work the job? They get a few hours or at best, two or three days of training. They stay on the job for two or three months and then they quit. Someone else takes the job and it is a never-ending cycle of inadequately trained and poorly paid people who simply will not stay.

Mr. Thacker: Mr. Speaker, given the complicated language of the issue, I am happy to be charged with being a good reader. Looking at the terms used in the industry, I find amazing the bureaucratese that takes over. One must read to even keep up.

My friend opposite has said that he does not believe that what is being done is adequate. I would not stand, on the part of the Government or myself, to say that anything is adequate when it comes to international security and security against terrorism. There is always the possibility of a very clever terrorist, supported by unscrupulous Governments with enormous funds and resources to train terrorists. On occasion, even the diplomatic pouch is used to transport new types of guns that are made out of plastics and cannot be detected by metal detectors. When the resources of Governments with lots of money go into the creation of terrorist equipment and

techniques, I suppose that for those of us in a democracy, it is never possible to say that it is adequate.

We want to use the security access program, but contrary to what my friend has said, his Party has taken a stand on the issue. Quite properly, his Party has raised the question of the invasion of privacy of the employees who will be inspected by CSIS. Members of the NDP on the one hand are objecting to that invasion of privacy, but on the other hand, it is those employees who, if taken over by a foreign Government or an agent of a foreign Government, would permit highly trained and sophisticated terrorists to get through.

There is a conflict here. In a democracy where we try to be open, there are always problems when it comes to security checks because they involve the invasion of the privacy of the employees as well as the flying public. The flying public wants to have quick access. They want to come to airports 20 minutes before their planes take off, and they become very annoyed when they find what they feel are overly zealous guards poking them and checking into every piece of baggage they carry. There is always a balance to be maintained and there always will be.

Mr. Benjamin: Mr. Speaker, I was not talking about terrorists, international terrorism or those aspects of airport security. I was asking the Hon. Parliamentary Secretary about the training that is provided to the people who do the screening.

By the way, the only objection I ever made to the airport security access program was made when airlines were getting passes for scabs to strike-break on a number of occasions. They were getting passes and escorts very quickly. It is hardly the way to have a good security system to give an advantage to airlines that are involved in strikes. That is certainly something about which I complained.

Again, this young woman who appeared on television the other night said that she would not feel secure if she was boarding an aircraft because she knows what is going on. These people get no training at all in crowd control. They have little or no training in first aid. They have little or no training in dealing with the massive numbers of people that can be at airports.

We all know what happens when there are a few obstreperous passengers in a lineup. It can cause a problem and quite often, the RCMP are 10 gates away. Some of these people are elderly and some of them are very young. They are not really capable of dealing with those situations. Even if they were capable, they do not get any training in dealing with them.

There is more to security than just watching an x-ray machine. Again, I ask the Hon. Parliamentary Secretary what he thinks about the adequacy of the actual training program given to the people who work for these security companies.

Mr. Thacker: Mr. Speaker, again I would not want to go on record as saying that it is adequate because if there were to be a terrorist attack, I suppose that a 10-year course would not be adequate.

The fact is that when the tests first started some years ago, the training lasted about two and a half hours. It is now up to some three days for screeners. Over a period of three days, they can learn about a lot of different aspects of security. As well, on the job they should grow and mature into the job so it is a continuing process.

I think Canadians would like to know of the additional resources to enhance security at Canadian airports which the Government has put in. In May of 1986 Treasury Board approved $33.6 million and 74 person-years for immediate enhancement of Transport Canada's Civil Aviation Security Program. Those resources are allocated as follows: Airport policing and security services, $7.5 million; physical security, $20.4 million; training, $2.1 million; research and development, $700,000; security organization, $2.9 million; for a total in 1986-87 of $33.6 million. Approval was also given for $13 million to be spent on operating and maintenance in subsequent years, for a total of approximately $60 million through 1988-89.

• (1310)

In June of last year Treasury Board again approved the following additional resources for the long-term enhancement of Transport Canada's Civil Aviation Security Program: Commissioners and security guards, $4 million; physical security, $800,000; emergency response, $100,000; security organization, $3 million; training, $500,000; for a total in 1988-89 of $8.4 million and an additional 37 person-years.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate.

[*Translation*]

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I am pleased to rise today in support of the motion put forward by my colleague for Regina West (Mr. Benjamin):

That the third report of the Standing Committee on Transport, presented to the House on Monday, December 14, 1987, be concurred in.

It is a real pleasure indeed, Mr. Speaker, because I was and still am a member of the standing Committee on Transport, and I had the opportunity to travel to Europe.

During that trip we met a number of people who were quite knowledgeable in the area of transportation. In a number of countries we visited airports, harbour facilities, rail facilities. I must tell you, Mr. Speaker, that most of the time I was very much impressed.

Of course, in some cases it would be difficult to compare European facilities with what we have in Canada for the simple reason of sheer size. The European geography of course and population centres in Europe are quite different from what we have here in Canada.

When we were over there we heard about privatization, something that is dealt with in our report in the first place. We heard about privatizating airline companies and even air terminals.

In each case, it should be noted that the Government always retained the right to step in, or if you prefer to get out, and kept a preferential share that gave it a right above all other shares. I think in Canada we should keep that approach in mind if we ever consider privatizing some of our Crown Corporations.

We also heard about the free port concept. In particular, some air terminals were designated free ports, and in one case only out of six, one air terminal met with some success. This is a recommandation we made our report, Mirabel being possibly designated a free port. Certainly this is something that should be considered.

As the Hon. Parliamentary Secretary said earlier, we made 13 recommendations, and the Government stated it had already accepted around ten. I am pleased with that, but I would still like to see the Government take much faster action not only in accepting those recommendations but in taking action. When we were over there, Mr. Speaker, we heard about safety and security on the ground and in the air, in baggage inspection, and in every aspect of air transport. This is one of the most important recommendations in our report, at least in my view.

We were told about ground security, and I think we could consider that when we take a look at the way we operate our security program in this country.

Speaking of ground security, I imagine the House will recall the incident that occurred recently at the airport here in Ottawa when they had a bomb scare, and we saw how our system operates. In fact, we saw it did not work as far as ground security is concerned, because no one knew what to do. Mr. Speaker, you probably saw some clips on television, where airline ticket agents left their posts to go to a safe area. The public, the people who were standing in line to get their tickets, simply stayed put without being warned about what was going on.

RCMP officers on the premises were asked what was happening and they answered: Well we don't know, all we know is we have our orders.

I mentioned this incident, Mr. Speaker, to draw the attention of the House to the deficiencies in our security system. Imagine if the bomb scare had been real! Many people might have been hurt and even have lost their lives, and it was lucky the scare was a hoax.

We also talked abour air safety. In Europe—at least that is what we were told—they don't have the same problem we have in North America with near misses, but I think we should discuss this problem.

In the report by the Canadian Aviation Safety Board, it says that in Canada, accidents due to lack of spacing have increased by 100 per cent, and that is a serious matter. This means that planes are flying too close together, which could be disastrous.

When we asked the Minister about this situation, he said there was no cause for alarm. However, Mr. Speaker, we now have 200 fewer air traffic controllers than we had two years ago. The Government says it is going to hire 250 controllers, but the Government will have to hurry up so it can assure Canadians they are perfectly safe in the air.

Mr. Speaker, I would like to get back to the subject of ground security, when they check passengers and baggage. We asked the Minister several times whether he was going to do something and whether he was aware of the problem. Of course, the Minister kept saying there was no problem, that everything was okay, and that people were perfectly safe. We have the best system. In fact, the Parliamentary Secretary told us earlier about various steps that had been taken by the Minister, and I could read from the same press release.

• (1320)

[*English*]

The press release of December 1 states that the Minister of Transport (Mr. Crosbie) dismissed as totally untrue the statement on CBC that tighter security measures following the Air-India crash two and a half years ago had been relaxed.

He went on to enumerate a few security measures which had been improved upon. Additional x-ray detection equipment and newly developed explosive vapour detectors were put into service and acquisition of additional equipment was accelerated.

[*Translation*]

The only thing wrong with these machines, Mr. Speaker, is that they cannot operate on their own. They absolutely need operators who know how to handle them and who understand what they can do. As recently as last week, we watched a television program devoted to the inspection system. Although we had directed several questions to the Minister to make sure that he was dealing with this problem, he had insisted that no such problem existed. Now, thanks to a television reporting crew which visited our airports, we know just how the system works.

Let us go back to my X-ray machine. Some have been bought and others are being installed. But I wish to zero in on the machine operator. When interviewed, Mr. Speaker, the young man stated that having applied for a job, he had received a few hours training viewing a video. Immediately afterwards he was put in charge of security checking passengers before boarding planes to make absolutely sure they did not carry any weapon, bomb or detonating device which could jeopardize the security of other passengers.

According to this young man, he was put in charge of this machine. As he did not even know how to operate it they gave him a different job, that of checking passengers with a magic stick, a job for which he had no more training than with the x-ray machine.

Then we heard a young woman explain that she was supposed to x-ray all pieces of luggage and keep her eyes open to discover bombs, except that she did not know at all what a bomb looked like and what shape she was supposed to watch for on the screen. Mr. Speaker, I don't know any better. I have no idea what a bomb looks like or what shape I would have to watch for on the screen. But I do know that certain Canadian authorities could show these young people what a bomb looks like and how one goes about hiding these devices in luggage. But it has never been done, or at least not in this case. And these happen to be the people who are responsible for doing the checking. Why? Quite simply because the Government told the airline companies: Security is your business, you look after that. And of course they take the same approach: security being their business, they ask for tenders from private companies, and naturally the lowest bidder gets the contract because that is the way they have to operate.

That is how come young people find themselves responsible for the entire security check process. I think we have to wonder about all this. The equipment does the work, the equipment is dependable, it can be adjusted, it can spot what it is supposed to spot, but it would be nice if only the individual who operates the equipment knew what he or she is looking for, or how the equipment will identify whatever it is designed to find.

Mr. Speaker, the Government simply must take action as soon as possible, and if it were to accept all the recommendations the committee made in its report to the House, at the earliest opportunity the Minister ought to give priority to the recommendation concerning security, which reads as follows: That the Minister of Transport take full responsibility for checking passengers and hand luggage in major Canadian airports, and make sure that security checks are done by airport staff and/or by local or provincial police, or by the Royal Canadian Mounted Police.

• (1330)

[*English*]

Mr. Belsher: Mr. Speaker, I must compliment the Hon. Member for Westmorland—Kent (Mr. Robichaud) on his address. He was a member of the standing committee that travelled to Europe to study this very important issue.

I listened with interest to his concern about safety and security, which I share. I might add that the Minister responded to questions about airport security which were raised in the House in light of a program that was aired in the media. He said that he will watch the situation very closely and will act accordingly if he is not satisfied. I do not want anyone to think that the Minister is not conscious of airport security or that he has taken no action. That is not the case.

The Member wants the Government to react positively to all the recommendations that have been put forward in this report. The Government has already made some response, particularly with regard to Terminal 3 at Pearson International Airport. I remind the Hon. Member of the recommendation that in the planning and construction of the departure level of Terminal 3 at Pearson International Airport, the highest priority be given to check-in facilities and for the comfort and convenience of departing passengers.

He will know that the Government considers that the development of the third terminal at Pearson International Airport be a prime example of private sector and Government co-operation in developing this major airport facility. He will know that all the proposals have been carefully considered and a lease is in the final stages of preparation, with emphasis on ensuring a world class facility for Canadians.

He knows that the passenger areas in Terminal 3 will be larger than those in other terminal buildings. He will also know that state of the art flow-through counters will be installed in the domestic check-in area. The international area will have specialized facilities for high risk flights. Moving sidewalks will be provided throughout the terminal for passenger convenience.

The committee also asked that where existing and future demands warrant, to ensure the continuing economic viability and development of our major airports, we should include giving the highest priority to intermodal planning and facilities, more particularly with regard to frequent and rapid train or subway links. We saw a number of those in Europe. The Member knows that the design of Terminal 3 will include a right-of-way for an automated rapid transit link to the centre of the terminal building. Transport Canada recognizes that only a multi modal approach to transportation planning will ensure the most expedient traffic flow.

A third recommendation was for an immediate review of strategy and treatment of the facilities for in-transit passengers at our major international airports, with special attention given to this type of lucrative traffic in the planning and construction of Terminal 3 at Pearson International Airport. The Member knows that this is not the sole responsibility of Transport Canada. While Transport Canada strives to provide the best facilities, it must do so by observing stringent security regulations and other legislative constraints outside its mandate. This includes respect for the enforcement mandate of those who organize and are responsible for the inspection of the terminal passengers.

It has already recognized the importance of in-transit traffic to the airlines of Canada and its economic benefits to Canada. The department has been working with the airlines and the departments of Immigration and Customs in the past year in studying the implications of adopting a more European style of operation.

Does the Member not agree that the Government is already working very strenuously toward adopting the majority of

these recommendations? I draw to his attention the first part of our recommendations dealing with terminal No. 3.

The Acting Speaker (Mr. Paproski): I will recognize the Hon. Member for Westmorland—Kent (Mr. Robichaud). He has five minutes to reply.

[*Translation*]

Mr. Robichaud: Mr. Speaker, thank you for letting me know how much time I have left to answer the Hon. Member who took advantage of the period set aside for questions to make his own speech.

When I started my speech, I said I was glad the Government had accepted ten of our recommendations for action. I am of course pleased the Government acted on recommendations for terminal 3 at Lester B. Pearson International Airport, and I hope the Government will do the same in all future planning for airports in this country.

In fact, we went to visit various airports and we noticed various construction details for separating the passengers and improving ground security, and our recommendation was to ensure that the people who plan our airports are aware of the facilities they have in Europe and apply the same standards here in Canada.

So I am delighted with the Government's decision, and I hope it will keep up the good work. However, even with the best facilities in the world, we still need a security system that offers better protection to Canadians and to passengers than the one we have at the present time.

I think the Government should take action on security as soon as possible.

[*English*]

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I was not prepared to speak to this motion this afternoon. However, I will take this opportunity to speak, having just recently received a letter dated March 22 from the Mayor of Vancouver which raises a number of issues and concerns about railway safety and the Railway Safety Act in particular.

I would also like to take this opportunity to reiterate a number of my concerns about the Port of Vancouver and other transportation problems in the Vancouver region.

The major concern expressed in this letter from the Mayor of Vancouver is with regard to Bill C-105, the Railway Safety Act. The city is very concerned that this Bill does not provide for municipalities to be allowed any kind of involvement in regulations that are put into effect under Section 24. Apparently this means that municipalities will not have opportunities to effectively develop land in the vicinity of railway lines.

Many cities in western Canada evolved around the railways, and urban renewal and development of the massive amount of land around those railways, which was given to CPR in the early days, is vitally important to the development of our cities and the transportation within them.

The city manager for Vancouver was somewhat more specific. He wrote to the Federation of Canadian Municipalities about this concern and said that the City of Vancouver is very concerned about the proposals in Bill C-105 to eliminate the provision of railway relocation orders which assist urban redevelopment. He said that the city strongly supports the position of FCM on this matter.

Throughout the city's history, the relocation of railways has been a vital tool for redevelopment of the city. For example, the very dense housing developments now on the south shore of False Creek could not have happened without such relocation. We anticipate an equal need for this tool in the future. For example, the city will be negotiating with the Burlington Northern Railway, which is an American railway, for the joint use of the Grandview cut by both the railway and a major roadway which will link the Trans-Canada Highway with the centre core of Vancouver.

• (1340)

I am particularly concerned about this, because it goes right through my riding. Those negotiations on the part of the city are apt to be very difficult. The very existence of the powers now in the Railway Relocation and Crossing Act help the bargaining process. They want some of the present provisions in the Act to be maintained, as I understand it. I would ask the transport committee to look into this matter, because it does seem to be a very important and serious complaint. I am sure there would be similar concerns in other cities. I do not mention it only from the point of view of the City of Vancouver.

Another interesting issue in this letter concerning the Mayor of Vancouver is that under Bill C-105, Part V, Clause 44, the Minister may establish a railway safety consultative committee having between 9 and 11 members representing various interests. But a member to represent municipalities is not specified. As municipalities will obviously be much affected by the recommendations made by the committee, we recommend that a member be established to represent municipalities. That is tremendously important. It seems to me it is an omission that the federal Government also makes in other structures.

I recall when there was a complete reorganization of the port authority that the structures allowed for government appointees, which we know will be political appointees to an advisory committee or board in the case of the corporation, but did not allow for any input from the communities that surround the port. Many of them are affected by port developments, and can be extremely helpful in co-ordinating planning.

I wish to give one example of why it is important to have municipalities represented on railway consultative committees, particularly regarding safety. In Vancouver, two years prior to Expo the powers that be, certainly over the objections of residents in my community, decided to move the transfer point for dangerous goods from the central core of downtown Vancouver a few blocks east outside the Expo area into east

Vancouver, an area equally densely populated, but populated by poor people, immigrants, and by the working class. In the riding of Vancouver East we now have the transfer point for dangerous goods. In the view of many workers on the waterfront, the manner in which it was transferred was not well done. It is still an extremely explosive situation, which I mean literally, because it is the place where dangerous cargo comes in on the railways, and by trucks. There have been some very bad chemical spills in that area. The chemicals are transferred to plane to go to Vancouver Island, they are transferred on to barges and boats in the Port of Vancouver.

It is critical that this planning go forward. At the time the Minister indicated the federal Government would assist with this, to ensure that there is logical planning for the transfer point, and certainly it should be in a less densely populated area. Where municipalities are not represented on those consultative bodies, how are things like that achieved?

If I may be so bold, it is also very important that the transport committee take another look at the development of our ports. I noticed in the report that there is a small section on ports. The committee was impressed with developments in the Port of London where all the lands are being redeveloped around the port. I remember seeing that myself, and it is most impressive. The committee was also impressed with Amsterdam, which has a very effective port. There was a port manager in Vancouver who had formerly been at the Amsterdam port. That port has a very aggressive marketing procedure which is very much needed. I tend to think that sometimes the container clause was the scapegoat for everything that the port was not doing in trying to promote marketing itself. In Amsterdam there has been noted growth and commercial success. There were also some interesting comments on compulsory pilotage services.

The reason I ask if the transport committee would consider looking at the whole port development is because it has been a number of years, probably four or five, since the harbours board went out of existence and Transport Canada was born with its children that were supposed to be autonomous, namely, the local port corporations. I would like to know if the original goal of autonomy is being achieved effectively. I sometimes wonder about it. On a number of matters in which I have been involved, it is very difficult to get local decisions. What progress has this meant to the operation of the port itself?

I would particularly like to raise the question of the responsibility of a federal Government Crown corporation, in this case the Vancouver Port Corporation, to the surrounding municipalities and communities. There is an extremely arrogant attitude. One does not even receive answers to letters when one represents constituents on matters of concern. We have a right to expect answers and some response from the port authorities.

I can think of an example in Vancouver East which involved MLAs, myself as the MP, and a senior cabinet Minister, the Hon. Member for Vancouver Centre (Miss Carney). It involved the incidence of a large garbage scow which serves the cruise ships that operate in that port, incidentally as a result of federal developments and the new cruise ship facilities. Why on earth do the large garbage scows need to be located below a residential area, causing very bad pollution for the neighbourhood both from smells and air pollution? It is scandalous that a port manager who is a Crown corporation employee has paid absolutely no attention to submissions by the community. The City of Vancouver cannot organize a meeting or receive a response from him. MPs, and indeed the senior Member from B.C., seem to have no influence for co-ordination in solving this problem.

My final point, on which I do not have a lot of information, and perhaps my hon. colleague who is on the transport committee may have some information, is that I recall the Hon. Member for Comox—Powell River (Mr. Skelly), who is very interested in transportation matters, being concerned about the Vancouver airport and the need for another runway there. The Hon. Member for Comox—Powell River is a pilot and flies into Vancouver airport. I mention that again because it is something of local concern.

I thank you, Mr. Speaker, for the opportunity to raise those somewhat parochial concerns but concerns which also have relevance to our country.

Mr. Belsher: I listened attentively to the Hon. Member for Vancouver East (Ms. Mitchell) speaking to the motion about adopting the report of the transport committee tabled in the House on December 4. While the Hon. Member raised some very interesting points, perhaps she strayed somewhat from the subject at hand. Nevertheless the Hon. Member did raise some very important points on which I would like to respond. When she talked about the letter from Vancouver which was in support of the Federation of Municipalities to the standing committee on Bill C-105 which is dealing with safety within rail transportation, she did raise a very important point.

• (1350)

I want to assure the Hon. Member that we are listening very carefully and with a sympathetic ear to what the municipalities are saying to us. I do not know whether she is aware of the fact that the representatives of the City of New Westminster came to make a presentation to the committee, as did representatives of the City of Regina and a number of other municipalities such as Chilliwack, Abbotsford, and Hope. Other areas in the Fraser Valley have lent their support to the submissions that have come before us.

The Hon. Member raises a point about dangerous goods. A great many people are thinking that they should be moved out to the Fraser Valley. I want to be very careful as to where the dangerous goods should be handled. Whether or not they should be handled out in Matsqui or down in Fraser Valley East will have to be looked at carefully. It is easier for me to

deal with it right now where it is than what the Hon. Member is suggesting, that it be done away with.

The Hon. Member brings an interesting point forward about the Port of Vancouver and that there should be local membership running it. The membership of the Port of Vancouver is made up of local residents.

Ms. Mitchell: Not municipal.

Mr. Belsher: The Hon. Member says that they are not municipal. We want to ensure that the person has been voted on to that board. The head of Ports Canada is from the north shore of Vancouver. He is a very respected member of the community and is very familiar with the operations of Transport Canada.

With respect to what the Hon. Member has raised today, yes, the standing committee is listening, and it is listening very carefully. It has also prompted various municipalities to come in to see it. It has invited them to appear before us whenever we have been told that there were concerns. When it comes to the relocation of railways and the fact that Bill C-105 will repeal the Railway Relocation and Crossing Act, the municipalities have suggested that Part I should be retained. I know that serious consideration will be given to that recommendation.

Mr. Benjamin: How serious?

Mr. Belsher: The Hon. Member for Regina West (Mr. Benjamin) wants to know how serious is serious. At this point in time—

The Acting Speaker (Mr. Paproski): I would like to interrupt the Hon. Member at this time. I wish that he would address his remarks to the Hon. Member for Vancouver East (Ms. Mitchell). There is only a very short period of time left.

Mr. Belsher: Mr. Speaker, I would like to ask the Hon. Member for Vancouver East this. In light of the fact that municipalities have appeared before the standing committee and have put on the record recommendations, is that not sufficient to address the concerns that she now raises?

Ms. Mitchell: Mr. Speaker, I am surprised at how naive the Hon. Member is. There is quite a difference between hearing something at committee and having some government action to change a Bill. So of course it is not enough. We want to see the changes which the municipalities have been asking for.

I would like to comment quickly on the Hon. Member's point about the structure of the Port of Vancouver. He does not seem to realize that there are two structures, as I recall. There is the official board, which is an appointed board, usually made up of a fair degree of political patronage appointments, first by Liberals and now by Conservatives. There is also a place for an advisory committee. That is what I am referring to.

I think that there should be consultative advisory committees which are concerned with planning issues. We did a great deal of work on a master plan for the Port of Vancouver and it has been shelved. Nothing has been done about it. There should be people who have the appropriate connections with municipalities, as well as the expertise that is needed, to process this type of thing. The port should welcome that type of input.

Mr. Thacker: Mr. Speaker, I would like to commend the Hon. Member for Vancouver East (Ms. Mitchell) for making a wonderful speech on Bill C-105, which has nothing to do at all with the recommendations of the standing committee, and which in its own right is before committee. All these points are being covered exhaustively by witnesses and by the members of the standing committee. I thought about raising a point of order with respect to relevancy, but I realized that the fact that the Hon. Member was speaking on entirely different issues spoke to how well the Government has responded in positive terms to 10 of 13 recommendations with the other three still being examined on an ongoing basis. That has told me that the Government is responding very well indeed, something which is unparalleled in the history of this Parliament.

I can remember sitting for four years in opposition and having made some very sensible recommendations. Let us face it, we all come here elected by our constituents. We all believe that we have something to contribute to the national welfare of Canada. For years we could not get a Government to accept even the commas we might want to put into a sentence. But the Government under the leadership of the present Prime Minister (Mr. Mulroney) has accepted hundreds and hundreds of recommendations. We deserve credit.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): I knew that the Hon. Member for Vancouver East (Ms. Mitchell) was well aware that Bill C-105 is in committee. However, she did get back to the various points in the debate today.

There are still a couple of minutes left in the time allotted for questions and comments.

Mr. Thacker: Mr. Speaker, I have a question for the Hon. Member. I would like to ask if at the Vancouver airport she has run into any problems with respect to the airport restricted area access clearance program. Under the question of privacy the Hon. Member's Party has raised intrusions on the rights of existing employees to be examined by CSIS and to be asked certain questions. I would like to refer to a letter addressed to the Hon. Member for Regina West (Mr. Benjamin) from the Minister. It is in reference to his letter of December 2, 1987, which enclosed a number of petitions signed by individuals protesting the requirements of the airport restricted area access clearance program.

I would like to have the Hon. Member explain to the House how she thinks the Government should balance this matter. It does not matter which Government is in. How do we balance the rights of the privacy of individuals with the rights of the rest of us to ensure that those employees are examined by CSIS so that they cannot be part of any so-called international terrorist plot?

Ms. Mitchell: Mr. Speaker, I do not really feel that this is one of the areas of my expertise. I do not want to take the time of the House to filibuster when I really do not have enough information.

Mr. Cooper: Mr. Speaker, I have a short question to ask of the Hon. Member. It has been very obvious to everyone that I really wanted to have an opportunity to speak on this issue. The reality is that the Government has a wonderful record on this matter. We have a wonderful Minister who has done a marvellous job. The Parliamentary Secretary from Alberta has done a tremendous job in representing my province in this issue. There are people such as Lynda Chapin in the Minister's office who are just incredible. Even the Hon. Members on the transport committee deserve to be recognized.

I put a lot of work into the remarks that I wanted to make. It is unfortunate that I have run out of time. I want to say that the Government's record is one that we can all be proud of when it comes to VIA Rail.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): It being two o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1400)

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

NUCLEAR ARMAMENTS

CRUISE MISSILE TESTING

Ms. Pauline Jewett (New Westminster—Coquitlam) moved:

That, in the opinion of this House, the Government should consider the advisability of giving notice, under the terms of the weapons testing umbrella agreement with the United States, for the termination of cruise missile testing in Canada.

She said: Mr. Speaker, the motion to which I am speaking today advocating the termination of cruise missile testing was originally introduced a couple of years ago in its present form, although we have been arguing for the termination of cruise missile testing for over five years. Even though this particular motion was introduced in 1986, it is even more relevant today than it was then.

One need only look at the headline in today's edition of *The Globe and Mail* entitled "U.S., Soviets raise stakes in vast northern arena" and at the subheading "Bear Bombers keep interceptor planes busy" to realize that the momentum of cruise missile development, and indeed bomber and interceptor development, has picked up enormously and tragically in the last two years.

The article is in one way somewhat misleading because it does not address one of the main reasons for the accelerated activity of both the United States and the Soviet Union, particularly with bombers capable of carrying cruise missiles, in the last two years. As everyone in the House knows, the air leg of the Soviet triad is the weakest, whereas it is close to the strongest, if not the strongest, in the American nuclear arsenal. Undoubtedly attempts are being made by the Soviets to increase their bomber-cruise missile leg of what is usually referred to as the triad.

However, what has undoubtedly given them and indeed a great many Canadians cause for alarm in the past two years has been the development of ADI, the U.S. Air Defence Initiative. It is this Air Defence Initiative which was mandated by President Reagan in July, 1985, to which Canada has signed on, that is developing very advanced technologies both to knock down Soviet air-launched cruise missiles in Canada's northern air space and to advance the first strike cruise missile capabilities of the U.S. in the far North. The Air Defence Initiative is seen by many observers, if not most observers, as not simply a retaliatory instrument but, rather, as a first strike device.

A very good article written by a Canadian, David Kattenburg, appeared in the February 27, 1988 issue of *The Nation* on Canada's intimate involvement in the offensive air initiative being pursued by the Pentagon and to which, undoubtedly, the Soviets have been responding since 1985 by increasing their overflights in the North.

It is unfortunate that the article this morning did not go into the historical development of the increased momentum generated by the Pentagon's Air Defence Initiative and by the modernization of the cruise missile and of cruise missile technology involved in these developments.

A few years ago when we were first objecting to Canada testing nuclear weapons capable cruise missiles, some of those who were not concerned about the testing argued that at that stage the air-launched cruise missile could not possibly be used in a surprise attack, that it was too slow, too short-ranged, and too susceptible to radar. They argued that it would be purely an instrument to maintain stable deterrence, that it would not be and could not be used for first strike purposes.

That argument, in so far as it applied at all, simply no longer applies with the development of what is called the advanced cruise missile, the ACM, or what is generally often spoken of as cruise missile modernization.

The developing technologies on the cruise which are taking place in the United States today are making for much greater speed, much longer range, and a more accurate guidance system. Above all and most important, the advance cruise missile will embody a radar evading stealth technology that will make it very difficult, if not impossible, to detect cruise missiles. Some 2,300 of these ACMs will be, it is expected, produced and deployed by the early 1990s.

Also in the works now and expected to be deployed by the mid to late 1990s is the ultimate sophistication in cruise missile development, namely, the supersonic cruise missile which is absolutely impossible, one would think, to detect, a cruise missile which will also incorporate even more enhanced stealth technology, even greater speed, and even greater range.

When we read about these developments, which are fully known, we think of the constant build-up and the modernization that have taken place, going right through to the late 1990s, and we wonder whatever has happened to arms control. We wonder what the Government is thinking about. So far at least it has given only a military response to the modernization of the cruise. It has signed on to the U.S. Air Defence Initiative which is supporting the development of a supersonic cruise of a first strike capability. We have apparently gladly signed on, Mr. Speaker. We will, therefore, undoubtedly be testing the advance cruise missiles.

• (1410)

Last year the Minister said we had not yet been requested to test the missile with stealth technology, but left the clear implication that Canada wanted to be in on everything related to these U.S. developments and that we would get involved by implication in the cruise missile modernization program by testing the advanced cruise missile. That has been our response. The Government has not even tried to argue that this would enhance stable deterrence because it knows perfectly well it will not. It is really incredible that the Government has not at least paid lip service to another response to this modernization program, namely, an arms control response.

The Canadian Government said it places arms control and disarmament high on its agenda and strongly supports the INF agreements recently reached between Secretary General Gorbachev and President Reagan. Yet is is literally saying nothing about cut-backs in cruise missiles in our cruise missile arsenal. It has said nothing at all about the importance of pursuing negotiated cuts in cruise missile arsenals rather than the superpowers engaging in activities that encourage enhancement and modernization of cruise missile arsenals. As far as I can determine, the Government has not pressed upon the superpowers the absolute necessity of including cuts on both sides in cruise missile arsenals at the START talks in Geneva.

I asked in the House whether or not we had made written representations, and got a very wishy-washy answer from the Prime Minister (Mr. Mulroney) to the effect that he often writes President Reagan and Secretary General Gorbachev. Obviously, Canada, even more than in relation to INF in Europe—in relation to both air and sea-launched cruise missiles—should have been aggressively pursuing negotiated cuts. It would appear at the moment from what I have read that there are not in the present START negotiations, that is to say, the negotiations to cut back on strategic nuclear arsenals any provisions restricting the modernization of cruise missiles, let alone the arsenals themselves. I specifically mention the modernization and, above all, the enormous increase in the speed of the missiles and the radar avoiding technology, the stealth technology, as being of the utmost importance in negotiations to reduce arsenals. It is very often the case that simply reducing arsenals only gives more room for modernization, as it is called, of other arsenals. One feels one almost has a free hand to take all the research moneys, skills and defence dollars and put them into the development, including the testing in which Canada is complicit and the ultimate deployment of such modernized weapons. I am speaking again of the cruise missile particularly, that we are really undoing the steps that have been taken. For example, in the elimination of intermediate nuclear forces, we are simply transferring the problem.

Mr. Prud'homme: Hear, hear!

Ms. Jewett: Canada has not said anything about this. Canadian public opinion wants Canada to be out of the testing of cruise missiles. Today, 54 per cent of the population, up from 45 per cent a few years ago, say that tests should not be allowed, that we should, as this motion suggests, give notice now. Canadian public opinion wants to see all the response to the modernization of the cruise missile, not the testing of it, not the testing of the new radar avoiding cruise missiles but rather the pressing on the superpowers, in all fora for cuts in cruise missile arsenals and the elimination of cruise missile modernization. The Canadian public wants to see the end of cruise missile testing.

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, the motion before us requests the Government of Canada to consider the advisability of terminating U.S.A. cruise missile testing in Canada. I would like to explain why the Government does not view the termination of cruise missile testing as advisable and why such a termination would actually work against the mutual reinforcing nature of defence and arms control policies. While we will spare no effort to promote practical arms control and disarmament measures, we will be equally vigilant in maintaining a defence commitment that will serve as an effective deterrent to aggression. Let us not live under any illusion. To abandon our contribution to a viable nuclear and conventional deterrent on the part of the West would not improve the prospects for equitable arms control and disarmament measures.

Ms. Jewett: It has nothing to do with deterrents.

Mrs. Sparrow: What incentive would the East have to reduce its nuclear or conventional forces if the West were

prepared to eliminate its weapons without the reciprocal obligations of arms control or disarmament agreement?

Ms. Jewett: That is what START is all about.

• (1420)

Mrs. Sparrow: Do Members of this House really believe that the Soviet Union would have agreed to eliminate its entire intermediate-range missile forces if the alliance had refused to deploy its own INF forces in the mid-1980s?

It was the unbreakable unity of the NATO allies in supporting the maintenance of an effective nuclear deterrent that compelled the Soviet Union to return to the negotiating table and continue the process which culminated in the historic INF treaty signed in Washington last December. This treaty is an historic arms control and disarmament agreement in the sense that it represents the first time that an entire category of nuclear arms has been eliminated.

As the Prime Minister (Mr. Mulroney) said in his statement issued at the time of the Washington Summit, President Reagan can justifiably claim great success. It was he who provided the vision in his zero option proposal of 1981. It was he who held firm against those who wanted to freeze these weapons at levels still threatening to the West. It was he who had the courage to distinguish between firmness and intransigence.

We must show equal firmness and resolve in the future. I think it clearly follows from the INF experience that if we wish to see similar progress made in the strategic arms control negotiations, the U.S.A. and its allies must display the same political solidarity. The maintenance of an effective strategic deterrent must be supported in the same manner the allies supported a credible theatre nuclear deterrent throughout the U.S.-U.S.S.R. arms control negotiation process.

For Canada, the most tangible expression of this support has been its involvement in the co-operative testing of the U.S.A. air launched cruise missile, a crucial element of the strategic bomber forces that helps provide a nuclear deterrent for NATO as a whole. This is our concrete contribution to ensuring the credibility of the alliance's nuclear deterrent. It is a modest one at that compared to those of our allies who actually have nuclear weapons deployed on their territory.

Some have claimed wrongly that Canada's testing of the air launched cruise missile was to cease once an INF Accord had been reached. The reason this Government, and for that matter its predecessor, has never established a rigid linkage between the outcome of INF negotiations in Europe and the continuation of the co-operative testing program for the air launched cruise missile is relatively straightforward. The cruise missiles that are affected by the INF agreement are ground launched cruise missiles deployed as part of a European theatre nuclear deterrent. In contrast, the cruise missiles that are being tested here in Canada under our arrangement with the U.S.A. are air launched cruise missiles that form part of the U.S.A. strategic deterrent forces and constitute the alliance's ultimate nuclear deterrent against attack.

The relative importance of these U.S.A.-based strategic deterrent forces in maintaining the over-all balance of nuclear deterrence will increase in the wake of an INF agreement eliminating United States missiles in Europe. In this connection, ensuring the reliability and effectiveness of the air launched cruise missile through the co-operative testing program with the U.S.A. becomes more rather than less compelling in the context of an INF agreement, and I mean compelling from an arms control as much as from a defence perspective.

One of the Government's priority objectives in its arms control and disarmament policy is the enhancement of strategic stability. The air launched cruise missile with its long flight time and its relatively slow, recallable carrier is currently among the most stabilizing elements of nuclear deterrent forces. It does not pose, for example, the first strike capacity of the fast flying, invulnerable to attack intercontinental ballistic missile.

We believe nonetheless that cruise missiles too should be subject to arms control restraints and have supported the inclusion of air launched cruise missiles in the limits on strategic nuclear arms currently being negotiated at the U.S.A.-U.S.S.R. Geneva talks. By giving air launched cruise missiles a greater role in the nuclear force structure of each superpower at the expense of ballistic missiles, the first strike potential of the respective forces will be reduced. In this way, air launched cruise missiles can actually contribute to enhancing strategic stability in the context of the 50 per cent reduction of strategic arms envisaged by a strategic arms control agreement.

Canada has consistently supported the agreed U.S.A. and Soviet objective of a 50 per cent cut in their strategic arsenals. We have also advocated the negotiation of effective limits on long range air and sea launched cruise missiles. In addition, we have regularly conveyed our views to both negotiating parties on how this joint aim of radical reductions in strategic weaponry can best be realized.

Canada's commitment to arms control and disarmament and the maintenance of a stable and agreed arms control regime is well known. Our work in verification research is a practical contribution second to none. This is important work and work we intend to vigorously pursue.

It is through informed allied solidarity and a constructive negotiating approach rather than by means of unbalanced and self-denying actions that progress in arms control is best assured. That is why I cannot support the motion before us today.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I welcome this opportunity today to speak on the subject of cruise missiles

and the destabilizing impact of cruise missile technology on the international strategic balance of power.

In the few minutes I have, I would like to review two aspects of this question. First, the Liberal position on cruise missiles and the Government's position, described just now by the Hon. Member who spoke previously, and I think our conclusion must be that the Conservative Government's view is at odds with the movement toward international peace that prevails at the present time. I find it hard to believe that the Government, despite its success on the international scene, should insist on taking the hard line.

Second, I would like to stress the importance of another aspect of the same question, and I am referring to the advance cruise missiles, the so-called ACMs, which may persuade the Government that the time has come to take a close look at arms proliferation and that, if they miss this opportunity, the new class of cruise missiles will certainly create a far more destabilizing situation than we have today.

In the fall of 1987, the Leader of the Opposition, (Mr. Turner) asked the Canadian Government, in accordance with the provisions of the Canada-U.S. agreement on nuclear arms testing, to submit a notice of termination of cruise missile testing in Canada, and I would like to quote what he said:

I have always believed in honouring the Cruise missile commitment made by the Government of Canada to the United States and to our other allies, and we have honoured that commitment. I have always believed in honouring the commitments that previous Governments made.

As I said in my speech to the House of Commons when the issue was debated on March 6, we should test the Cruise missile until such time as there are concrete results in the negotiations between the two super powers on intermediate range nuclear weapons. There have been concrete results, much to the relief of the world, and I say the time has arrived to move forward in the world search for peace and for Canada to suspend Cruise missile testing in Canada.

It is clear, as the Leader of the Opposition said on October 1, that the time has come to reconsider the wisdom of continuing this agreement between Canada and the United States. I must say that the Government is playing a rather curious role in this matter. First of all, the Minister of National Defence (Mr. Beatty) has refused to either confirm or deny if there had been a request for tests of this new class of cruise missiles, when the question was put to him in the House. And the Government continues to play a kind of wait-and-see game in this respect.

In a statement to the House in March 1987, the Secretary of State for External Affairs (Mr. Clark) said, and I quote:

"At the present time in Geneva, it seems that negotiations that apparently had been terminated have now been resumed. We will determine the policy of the Government of Canada in terms of what is decided in Geneva".

• (1430)

[*English*]

In October, as I indicated, progress was indeed made, and the Government refuses to face the fact that to pursue cruise missile testing is destabilizing. The Government had the chance to review its position and come clean on this question, but it still argues that its decision to continue testing the cruise is based on the rationale that the testing under the umbrella agreement contributes to stable nuclear deterrence.

I have serious concerns about that. How can a policy that creates the conditions for arms proliferation contribute to stable deterrence? It is clear, in the context of the information negotiations signed in Washington in December, 1987, the Government's policy is most definitely not in keeping with the atmosphere.

[*Translation*]

As was mentioned earlier this afternoon, a poll published recently indicated a significant shift in the position of Canadians on cruise missile testing. Fifty per cent of those surveyed are now opposed to the testing, 38 per cent are for it and 8 per cent are undecided. What is even more interesting is that when asked by pollsters whether they were aware cruise missiles were tested over Canadian territory, many people replied they did not know.

Of those 17 per cent of the Canadian people who were not aware of the test, 68 per cent said no when they were asked: "Do you want such testing to be done over Canadian territory, yes or no?" It is a cry from the heart, the immediate and spontaneous reaction of people to a factual situation that should be terminated as soon as possible.

In conclude with the opinion that a consensus seems to be emerging on that isssue in Canada, and that Canadians are no longer in favour of cruise missile testing.

[*English*]

In the face of this the Government persists in playing hide and seek on its policy concerning testing of the advanced cruise missile, a truly dangerous cousin to the air launched cruise missile because of its improved speed and stealth technology. Testing of such weapons in Canada's North would up the ante.

I want to quote Mr. John Barrett, Deputy Director of the Canadian Centre for Arms Control and Disarmament, who said that the ACM may pose a greater threat to the strategic balance than the version tested because it will be faster and harder to detect. That statement was made on January 20 after the last cruise missile test on Canadian soil. He went on to say that the Soviet Union might view deployment of the ACM as a U.S. attempt to develop a clear capability to carry out a first strike nuclear attack.

The Prime Minister (Mr. Mulroney), when we questioned him on this and asked him to review the Government's position, said that he was reaffirming the Canadian goal of

vigorously promoting progress in arms control and disarmament. He went on to say that the goal in all these areas is stability, stability in a lower level of arms and stability in the relationship between offence and defence.

Clearly, as the situation has evolved, there is no reason for the Canadian Government to continue to pursue the same position in regard to cruise missile testing. It is clear that the recent agreement between President Reagan and Mr. Gorbachev has changed the situation and does not force the Canadian Government to continue to allow this testing to take place on our soil.

I want to say that I have grave doubts about the Government's clear intentions of trying to bring stability to the situation, particularly when we look at what it has been doing in relation to its position in NATO and its decision to buy nuclear submarines. It is, as my Leader said when he was speaking in Vancouver recently—

[*Translation*]

While superpowers are talking about weapons reductions, our Conservative Government decides that Canada will build ten or twelve nuclear attack submarines, which could cost as much as $16 billion. The construction and deployment of attack submarines signal a radical departure from the deterrence role our armed forces have played traditionally. In my opinion, the Government is wrong to seek to equip Canada with nuclear attack submarines in the Arctic. The Government says those ships will be used for the surveillance and defence of our waters in the North. If so, there are less expensive, safer and more efficient means of doing the job.

I say in conclusion it seems obvious to me the Conservative Government, far from seizing the opportunities it has to contribute to disarmement, has chosen to follow the armament and global destabilization route.

• (1440)

Mr. Michel Champagne (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, it also gives me great pleasure to take part in the debate on motion No. 67 related to the termination of cruise missile testing in Canada.

I have just heard the Hon. Member for Papineau (Mr. Ouellet) conclude on a note which I find somewhat inappropriate in view of the criticisms which the Official Opposition has addressed to us in the past about the ability of Canada to defend its territorial zone in the Arctic. We can tell him that we are taking the appropriate means to provide this defence and that, in our opinion, nuclear submarines are the best way to defend our territory and to prevent the Americans from violating the sovereignty of our territorial waters whenever they wish, as the Opposition said earlier.

Mr. Speaker, we should perhaps examine more closely the purpose of this motion. It seems to presume that cruise missile testing in Canada goes against our arms control and security objectives. In my opinion, such a presumption is false. The maintenance of a strong and effective defence is not inconsistent with the objectives of arms control and disarmement. On the contrary, the will to maintain a credible nuclear deterrence can make it easier to come to an agreement, as evidenced by the signing of the historical treaty on intermediate nuclear forces.

In spite of the success of the INF treaty, and perhaps because of the hopes it has raised, mistaken notions still persist about the air-launched cruise missiles, their relation to the US-USSR negotiations in Geneva on strategic weapons reduction and the importance of continued testing of these missiles. I would like to take this opportunity to correct these mistakes.

The US-USSR INF agreement applies to the middle-range missiles deployed in Europe. It does not apply to long-range strategic systems, which include the air-launched cruise missiles. The signing of this treaty never involved the termination of testing for these missiles.

The only link between the deployment of the INF's and the testing of air-launched cruise missiles is that of NATO solidarity. By deploying the INF's and other nuclear weapons on their territory, the Europeans have shown their political support for the nuclear deterrence force of NATO. Canada is doing nothing else by allowing the testing on its territory of the cruise missiles which are essential to deterrence. These tests are part of our contribution to our collective security, which is based on modern and effective weapons. And it is because we have maintained this power of deterrence unfailingly that we have had over forty years of peace and security.

The strategic systems, both the long-range balistic missiles and the cruise missiles, are under the START negotiations. Within this framework, the United States and the USSR have agreed in principle to reduce by 50 per cent the number of their nuclear warheads. The number of airborne cruise missiles will be subjected to the limits established under the START negotiations. Canada, for one, has indicated that it is in favour of reducing by 50 per cent these warheads and limiting the number of cruise missiles.

Without the Alliance's solidarity and determination to maintain a credible nuclear deterrent force, it is doubtful that the Soviet Union would have accepted to resume the Geneva negotiations, negotiations which have finally resulted in the elimination of a whole class of middle range weapons. The same solidarity and determination will be necessary to achieve any progress in the reduction of strategic systems.

A unilateral decision by Canada to terminate airborne cruise missile testing in Canada would have detrimental effects on the Alliance's strategic deterrent force and would jeopardize the solidarity which has proven so efficient in the FNI area. This testing is Canada's contribution to the maintenance of NATO's strategic nuclear deterrent force. It is a rather modest contribution compared with that of our European allies who, even with the elimination of the INFs, will bravely continue to deploy on their territories the nuclear weapons essential to peace.

I must take exception to another aspect of the motion which implies that any progress in the area of arms control could be achieved through declaratory and unilateral action, rather than through negotiable and enforceable treaties.

In the area of arms control as in any other, the first stage, often the easiest, consists in setting up the objectives which we want to achieve. In such a vital and complex area, we must have long term objectives, for I do not think it would be realistic to expect to achieve them overnight.

We might even seriously jeopardize the arms control process by not setting this issue in its proper context.

When we examine the arms control process objectives, it is important to remember that weapons are the result and not the primary cause of international distrust. Arms control could limit, and even eliminate, some manifestations of this distrust, but it would not get to the heart of the problem.

We have to take arm control for what it really is, that is a management tool in the East-West competition and a contribution to our security. It is not, as some are led to believe, an end in itself.

Arm control plays a central role in the reduction of tensions, in the reinforcement of trust and consequently of security. We often say that increased confidence on all sides is necessary to conclude those agreements. However we must take care not to interpret those agreements as being a clear indication of a lack of distrust. To the extent that they are verified and complied with, arm control agreements can restrict and focus competition. They cannot remove it.

Indeed, it would be interesting to ask ourselves what the world would be if we agreed to radical proposals for arms control. Some say that it would lead to quick progress in some areas such as development. Others contend that the reduction of nuclear arms would give rise to other problems and that issues such as the unbalance of conventional arms between the Eastern and Western countries, the Middle East and Southern Africa as well as human rights would be even more burning.

Consequently, I think that if we have to assess more carefully the arms control process, it is also essential to consider critically the various proposals made in that respect.

It is important in that respect to consider a wide variety of factors, the first one being the global dimension of the East-West rivalry. That global aspect implies that solutions to international relations as well as arms control problems must have a wide support and a wide application.

Any serious approach to arms control, and Canada's approach is serious, Mr. Speaker, must bear the stamp of caution. Proposals that do not produce the expected effects, that are easily bypassed or that do not take into account the complicated relationships which I just mentionned, must be avoided. They are useless if not misleading, and maybe even dangerous.

It is the very complexity of the arms control issue, and the interdependence of its technical, political and military aspects that explain the protracted negotiation process and our reluctance towards declamatory statements. Public discussions are full of statements of good intentions and miraculous solutions. However, we know from experience that no effective and rational initiative can ever be elaborated and applied if it has not first been negociated.

Since we have the United States as neighbours and we are partners with other democratic countries, we inevitably share the threat that hangs over the West. Our geographic position, the powerfulness of nuclear arms, their terrible effects and the way those arms could be used make it impossible for a nation gathered along the U.S. border to escape that threat. Any claim to the contrary would be delusive.

We share the threat, thus we must also share the responsibility to protect ourselves against it. By helping the United States ensure the reliability of the cruise missile, which is an important element of the strategic arms deterrent, we fulfill a responsible task for a country that benefits from the protection of these deterrent forces.

For these reasons, Mr. Speaker, I cannot support a motion suggesting that we escape our utmost responsibilities.

• (1450)

[*English*]

Mr. Dan Heap (Spadina): Mr. Speaker, I am very happy to have an opportunity today to speak in support of the motion of the Hon. Member for New Westminster—Coquitlam (Ms. Jewett). The motion reads:

> That, in the opinion of this House, the Government should consider the advisability of giving notice, under the terms of the weapons testing umbrella agreement with the United States, for the termination of cruise missile testing in Canada.

To put it mildly, that is an idea whose time has come. It came before, but the majority of this Parliament missed it. It has come again with changed circumstances that are even more favourable now than they were before.

One of the changed circumstances of course has been what has already been mentioned by several Members, the INF agreement between the Soviet Union and the United States to eliminate a number of intermediate ranged weapons. However, another changed circumstance which I wish to speak about is the change in the outlook of the Canadian people. I am referring in part to an extensive survey done with a large number of questions by the Canadian Institute for International Peace and Security. About half a year ago, in their survey, they found these opinions, among others, among the Canadian people. One is on a simple question: "Do you agree or disagree that there can be no winners in a global nuclear war?"

Ninety-six per cent of Canadians agreed. The large majority, 81 per cent, strongly agreed and another 15 per cent agreed. This means that 96 per cent of Canadians have come to understand that there can be no winners in a nuclear war.

There are other questions. Some people say that the maintenance of a strong deterrence force can be guaranteed only by regular testing of existing and experimental nuclear weapons. That is the view that has been expressed by both the Government speakers. They are against 81 per cent of Canadian people, who are of the opinion that we should totally ban nuclear weapons testing.

The Government has claimed that by doing this we would weaken the western alliance and the Russians would come rolling in with their bombs, tanks, secret police and the rest. They are out of step with the majority of Canadians. Another question is whether such a policy would weaken the western alliance and cause serious problems with Canada's allies, especially the United States. Fifty-seven per cent think that on the other hand Canada should become a nuclear weapons free-zone. They are not worried about weakening the western alliance and causing serious problems.

Specifically on cruise, the question was: "Given that Ottawa has allowed testing of cruise missiles in Canada on the understanding that the United States would continue to pursue arms reductions with the Soviet Union, should the Canadian Government now refuse permission for further such tests or not?" Sixty-eight per cent said yes, Canada should refuse to allow further cruise testing.

Remember, we heard a lot about the two-track system, that we would go on with the cruise until the Russians agreed to INF arms reductions. The Russians agreed. Why go on with the cruise missile? I will come to that answer in a minute, but I want simply to add further, because one previous speaker seemed to get the figure a little wrong, that according to *The Toronto Star* on March 21, the Gallup Poll found that 54 per cent say Canada should not permit the tests and only 38 per cent said they should be allowed. That is quite a growth of public opinion against the testing.

The core of the Government's argument is that we need the cruise as part of the bargaining for Russian arms reductions. In fact, we are not using them that way. The public does not believe in it. The public does not believe in the nuclear deterrent any more because they are convinced that a nuclear war will simply end everything. The Government does not believe in it either. It does not use it that way.

Last year before the Standing Committee on National Defence, the Secretary of State for External Affairs (Mr. Clark) pointed out that to his knowledge there had been no public or private attempts to push for controls on the sea launched cruise missile.

The sea launched cruise missile is more dangerous to Canada than the air launched cruise missile. It is much more available if the Russians start lobbing them from their submarines than if they have to lob them over the North Pole. The submarines are less subject to central control than are air launched cruise missiles, yet the Government has not even attempted to negotiate a limitation or control of sea-launched cruise missiles. Therefore, our Government does not believe the argument it uses, that this is a deterrent and should be used to bargain with the Russians. Rather, it looks as though the Government simply wants to get in on every bit of new technology so that it can get arms contracts and higher profits for Canadian military producers. The fact is that the new stealth or advanced cruise missile, is clearly becoming a first strike weapon, the most destabilizing thing we could have.

The American Air Defence Initiative has two prongs. One prong is a better system for knocking down Soviet missiles if they come over Canadian territory. Whether air launched or sea launched, as many as possible will be dumped on Canada. Thank you very much, Mr. Reagan. The other prong is to improve the American cruise missiles so that they will be faster, supersonic, be able to evade radar as much as possible and therefore be used to launch a first strike.

The American plan for the use of cruise missiles is very dangerously destabilizing. Why do we hear reports about the Russians increasing their air patrols over the Arctic waters with their Bear bombers and other airplanes? Obviously they are afraid of the destabilizing effort.

Therefore, since there is one minute left in the debate, I believe we should have a vote on this matter. It is a good resolution and I would urge that this House vote in favour of the resolution put forward by the Member for New Westminster—Coquitlam.

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Debate. The Hon. Member for Nepean—Carleton (Mr. Tupper).

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, thank you for the opportunity to speak to the motion moved by the Member for New Westminster—Coquitlam (Ms. Jewett). I was intrigued by two things in the debate.

Mr. Prud'homme: On a point of order.

The Acting Speaker (Mr. Paproski): The time provided for the consideration of Private Members' Business has now expired.

Mr. Manly: There is one minute left.

The Acting Speaker (Mr. Paproski): Not by my watch. The Hon. Member for Saint Denis (Mr. Prud'homme) on a point of order.

Mr. Prud'homme: Mr. Speaker, it is too late now, but the purpose of my point of order was to ask the Member if he would like to proceed with a vote. I would have liked to vote for this motion.

The Acting Speaker (Mr. Paproski): The time provided for consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1) the order is dropped from the Order Paper.

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

The House adjourned at 3 p.m.

HOUSE OF COMMONS

Monday, March 28, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

NATIONAL HEALTH AND WELFARE

GOVERNMENT RESPONSE TO FIRST REPORT OF STANDING COMMITTEE

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, on behalf of the Minister of National Health and Welfare (Mr. Epp), and pursuant to the provisions of Standing Order 67(2) and Standing Order 99(2), I wish to table, in both official languages, the government response to the first report of the Standing Committee on National Health and Welfare entitled *Booze, Pills and Dope, Reducing Substance Abuse in Canada.*

* * *

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to 46 petitions bearing Nos. 332-3814, 332-3871, 332-3916, 332-3917, 332-3936, 332-3937, 332-3966 to 332-3971 inclusive, 332-3975 to 332-3982 inclusive, 332-4007 to 332-4029 inclusive, 332-4131, 332-4137, and 332-4144.

[*English*]

INDIAN ACT

MEASURE TO AMEND

Hon. Gerald S. Merrithew (for the Minister of Indian Affairs and Northern Development) moved for leave to introduce Bill C-122, an Act to amend the Indian Act (by-laws and membership rules).

Mr. Speaker: Mr. Merrithew for Mr. McKnight, seconded by Mr. Hees, moved for leave to introduce the Bill. Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

INDIAN ACT

MEASURE TO AMEND

Hon. Gerald S. Merrithew (for the Minister of Indian Affairs and Northern Development) moved for leave to introduce Bill C-123, an Act to amend the Indian Act (minors' funds and surviving spouse's preferential share).

Mr. Speaker: Mr. Merrithew for Mr. McKnight, seconded by Mr. Hees, moved for leave to introduce the Bill. Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

[*Translation*]

CANADA LABOUR CODE

MEASURE TO AMEND

Hon. Don Mazankowski (for Minister of Labour) moved for leave to introduce Bill C-124, an Act to amend the Canada Labour Code.

Mr. Speaker: Is it the pleasure of the House that the Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

• (1110)

[*English*]

PETITION

NORTHERN RESIDENTS' TAX ALLOWANCE

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I have the honour and privilege, on behalf of the constituents of Kenora—Rainy River, to present this morning three petitions duly certified by the Clerk of Petitions. The first is signed by approximately 92 residents of the community of Fort Frances and the communities of Sioux Narrows and Watten Township. The second is signed by approximately 27 residents of the community of Fort Frances and the third is signed by no less than 216 residents of the communities of Ignace, Dryden, Wabigoon, Dinorwic, Dyment, Vermilion Bay, Eagle River, Waldhof, and Borups Corners.

These petitioners, along with the well over 1,000 who have already signed petitions from various communities in my riding, are calling upon the Government to redress the inequitable situation which has been created by the application of the northern residents' tax allowance and seek the Government's remedy in extending that tax allowance to all those ridings consisting of remote and isolated communities designated and known as Tier III ridings.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

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

Some Hon. Members: Agreed.

[*Translation*]

MOTION TO ADJOURN UNDER S. O. 29

TENOR OF REPORT OF COMMISSIONER FOR OFFICIAL LANGUAGES

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, I wish to move a motion under Standing Order 29.

I respectfully ask the Chair to accept my proposal to adjourn the business of the House for an emergency debate on the conduct of the Commissioner of Official Languages of Canada, Mr. D'Iberville Fortier.

I have received several opinions as to the validity of my request which in every respect meets the Standing Orders of the House as adopted in June 1987. Beauchesne's, the Table Research Branch, your predecessors and you yourself, Mr. Speaker, have laid down the rules for conducting this kind of debate. All the criteria are there for the Chair to accede to my request, and they are quite clear. If you will allow me, Mr. Speaker? I will be very brief.

I will spare you the various precedents I would not insult the Chair by quoting from authors like Erksine May, 20th Edition, Beauchesne's, Lamoureux or Jerome. The Clerk of the House, Mr. Robert Marleau, and his colleagues are eminently qualified to confirm the accuracy of my statement.

Mr. Speaker, yesterday afternoon, all my Conservative colleagues from Quebec sitting in this House vigorously endorsed the present proposal at a convention my Party held in Montreal.

It is the first time in the history of the House that a senior official appointed by Order-in-Council to be the "watchdog" of bilingualism has been condemned by a legislative assembly.

This morning, according to the rules, I sent the Chair notice of my request. I included a passage from the unanimous motion condemning D'Iberville Fortier. I sent copies of my request to the Chair, to all Members of this House and to all Members of the Quebec National Assembly. In this connection, Mr. Speaker, I would like to take a few moments to read to the House the motion of the Leader of the Opposition, as amended by the Premier and adopted unanimously by the National Assembly on March 24, 1988. The Secretary General of the Quebec National Assembly has been asked to send you a certified copy, if so requested.

Mr. Speaker, here is the text of this unanimous motion:

That this National Assembly vigorously condemns . . .

Mr. Speaker: I realize the subject is a very important one, but I don't think it is appropriate to read a motion by the National Assembly of the Province of Quebec. I agree the motion is also very important, but the Hon. Member does not have to put the question for the Speaker. Proceed, please.

Mr. Jourdenais: Mr. Speaker, I accept your ruling.

It is unthinkable that we should not accede to the request of the premier of a province for an explanation from D'Iberville Fortier, who is a servant of Parliament and of this House.

My Party has taken a clear stand on this question, as have the Liberals and the NDP. Mr. Speaker, please don't tell me we will have to listen to Mr. Fortier in committee or somewhere else! It is in this House, under the TV lights, that we shall explain to Canadians that under Section 91 of the British North America Act, the federal Government, and especially Parliament, shall not interfere in areas under provincial jurisdiction.

Many Members of this House support my request for this debate. I am sure that out of respect for our institutions, the provinces and ourselves, we would like to debate the subject immediately. However, according to our Standing Orders, there can be no immediate debate.

Mr. Speaker, I therefore ask you to agree to a debate at eight o'clock this evening, and I promise it will finish at seven o'clock tomorrow morning, at the latest.

Mr. Speaker, I therefore move, under Standing order 29, that this House be now adjourned to proceed with the consideration of statements made by the Commissioner of Official Languages of Canada.

Mr. Speaker: First of all, I am sorry, but originally I said this was a question to be raised according to the usual procedure, like a question of privilege. However, it is not a clear question of privilege but a request under Standing Order 29.

I think we can say that of course this is a very important issue for all Canadians and especially for Canadians in the province of Quebec and Francophones outside Quebec. A servant of this House has made some very interesting statements which during the weekend were the subject of a great deal of debate.

However, according to the Standing Orders it is up to the Chair to decide. I listened very carefully to the Hon. Member. The question he raised is a very timely one which, as I said before, concerns many Canadians. However I must advise him that on procedural grounds I cannot allow this kind of debate because, in my opinion, Standing Order 29 does not provide for this. I would suggest that the Hon. Member might more effectively follow through on his remarks by making representations to the Joint Committee on the Official Languages. After all, it is important and necessary that Hon. Members have a very clear understanding of the purpose of Standing Order 29, especially when another forum is available for debate. We do have an important problem, and it should be raised before the committee. I understand the feelings of the Hon. Member, just as I understand the significance of the subject. I would urge the Hon. Member and all his colleagues in the House to accept my ruling because I think it is in keeping with the Standing Orders.

• (1120)

GOVERNMENT ORDERS

[*Translation*]

CUSTOMS TARIFF

MEASURE TO AMEND

Hon. Don Mazankowski (for Minister of Finance) moved: That Bill C-118, an Act to amend the Customs Tariff, be now read the second time and referred to the Standing Committee on Finance and Economic Affairs.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, Hon. Members may have noticed that the Bill under consideration today is not very long, but still Canadian companies and individuals think it is important. If the Bill is adopted we will be in a position to amend the Customs Tariff tabled by the Minister of Finance (Mr. Wislon) last February 10 when he presented his Budget.

Most of these tariff amendments will result in reducing or eliminating duty on equipment not available from production in Canada: specified machinery used by the oil-sands producing industry, certain compressors and differentials for automotive vehicles, steel rods used in the construction of silos, unrecorded magnetic tapes used to make cassettes for the blind, certain model kits, and burial shrouds. Some of the amendments are of a purely technical nature, for they simply continue to guarantee duty-free entry of equipment which was not subject to duties before the February 10 Budget, including among others facsimile transmission apparatus and diesel engines used in certain construction equipment.

Mr. Speaker, these amendments are among the least voluminous tariff measures introduced in recent Budgets. This Bill is substantially different from Bill C-87 proclaimed on December 24, 1987, which was one of the most important Bills the House had to consider. Naturally, it dealt with tariffs, but its main purpose was to review the whole customs tariff to ensure its consistency with the international harmonized goods designation and codification system.

Mr. Speaker, the development and implementation of the new harmonized system, which required massive resource investments from the business sector, without mentioning public expenditures, explain in large part the relatively small number of tariff amendment requests requiring the introduction of legislation to have been submitted to the Minister of Finance since the tabling of the 1987 Budget. I believe that this situation is also due to the fact that manufacturers, importers and other business people have focussed all their attention on the Free Trade Agreement with the United States. As Hon. Members already know, the agreement provides for the elimination of all tariffs imposed by Canada

and the United States on the goods they trade. Depending on the products, certain tariffs will be eliminated on January 1, 1989, while others will be phased out over periods of three, five or ten years from that date.

I have already indicated that, while the tariff changes included in this bill are few, they are very important for the companies and individuals who will benefit from them. As an example, the tar sands development industry will be able to import duty free a wide variety of parts not manufactured in Canada, which will allow this industry to reduce its costs at a time when it is attempting by every means possible to produce oil at a cost competitive with world market prices.

Mr. Speaker, the policy of the Government is to meet the needs of the business sector and individuals by amending the tariffs in its annual Budgets. This Bill maintains this tradition. I therefore urge the House to adopt it as quickly as possible.

[*English*]

Miss Aideen Nicholson (Trinity): Mr. Speaker, as the Hon. Parliamentary Secretary said, this is a fairly straightforward technical Bill which need not take up a lot of time in the House but should, I think, be examined rather carefully in committee.

The Bill introduces amendments to the customs tariff and these were included in the Ways and Means motion tabled as part of the Budget on February 10, 1988. Duties are being removed on a range of equipment used by the oil sands industry, certain compressors for motor vehicles, steel rods for farm silos, and so on. The Government tells us that all these changes have been made at the request of certain segments of industry, and of course we will want to confirm that through hearings with other interested parties to ensure that this is indeed as generally acceptable as we are told.

• (1130)

The Bill also provides for some technical amendments to the customs tariff, some of which are to ensure that goods which are now duty free continue to be so. These include facsimile equipment and diesel engines used in certain construction equipment.

Finally, there are some measures in this Bill to correct errors which were made in the new harmonized systems tariff. As the Parliamentary Secretary mentioned in his speech, the previous Bill, Bill C-87, contained a truly enormous list of goods on which there were changes. The Bill in itself was not very large, but the schedules were enormous comprising several columns. In speaking to that Bill on December 11, I said that brokers, and especially small importers, were clearly going to have problems with new names, new designations, and so on.

The original Bill, C-87, will require very careful monitoring. It does contain one clause, Clause 131, which could be used to give relief. Clause 62 gives the Government very broad authority of a kind which had been used in the past merely to implement GATT decisions. However, that broad authority could potentially be used to give relief to innocent citizens who find themselves caught up in the maze of this Bill.

One would hope that the Department of Customs and Excise would continue to be helpful to users of the system. Much publicity was undertaken in connection with Bill C-87 and information was provided to the larger brokers to guide them through that more complicated Bill. Bill C-118 contains amendments which the Government has frankly admitted are necessary as a result of its errors.

On the face of it, Mr. Speaker, this is a straightforward Bill, but even Bills which are apparently straightforward and technical often present problems for the users. We do not know how extensive the Government's consultation has been. I would hope that in committee we will be able to hear witnesses and get a better understanding of the effects of these measures on Canadians.

Mr. Simon de Jong (Regina East): Mr. Speaker, I wish to say a few words on behalf of the New Democratic Party on Bill C-118. As the Parliamentary Secretary indicated and the spokesperson for the Liberal Party concurred in, this is not a major Bill. It is not a thick Bill like the one we received earlier which dealt with the harmonization of the trade practices between Canada and other countries involved in GATT. When we discussed Bill C-87 there were concerns expressed with regard to some of the measures. While the Government ignored some of the points raised at that time it has now, through Bill C-118, attempted to deal with some of the mistakes it made when it drafted the harmonization Bill, C-87.

This Bill removes tariffs on a range of equipment used by the oil sands industry, certain differentials and compressors for motor vehicles, steel rods for farm silos, recording tapes used to make cassettes for the blind, certain model kits, and burial shrouds.

We will have some questions in committee with regard to the importance of these measures, the revenue implications that they will have, and the type of consultation which has occurred between the Government and industry. There is not much more I can say about this Bill at this stage. Most of our questions will be asked in committee. We hope to receive appropriate responses from the Minister at that time.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Finance and Economic Affairs.

[*Translation*]

EXCISE TAX ACT

MEASURE TO AMEND

Hon. George Hees (on behalf of the Minister of Finance) moved: That Bill C-117, an Act to amend the Excise Tax Act and the Excise Tax Act, be read the second time and referred to the Standing Committee on Finance and Economic Affairs.

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, this Bill C-117 makes it possible to implement a number of proposals related to the Excise Tax Act and the Excise Act. Most of these amendments were announced last June in the White Paper on the tax reform and in the Notices of Ways and Means Motions which were tabled later on, more specifically on December 16, 1987. Moreover, this Bill makes it possible to implement a number of measures announced in the Budget speeches of February 18, 1987, and February 10, 1988.

From a tax point of view, this Bill is very important. Although it provides for some tax increases, it should be seen in its proper context. In this Bill, most of the revenue increasing measures are part of the global tax reform program. Generally speaking, this program is fiscally neutral: the major reductions in personal income tax, which represent some $12 billion over the next five years, will be compensated by an increase in revenues from corporate income tax and by a large number of the sales tax increases provided for in this Bill. It should be emphasized that, among other measures involving personal income tax, the tax reform program provides for an increase of 40 per cent of the refundable sales tax credit paid to low-income Canadians. The purpose of this measure is to considerably reduce the impact of the sales tax increases on less fortunate Canadians.

In addition to measures announced when the tax reform was unveiled, the Bill features others aimed at a major target, namely deficit reduction. The most important factor in our deficit reduction strategy has been a curb on the growth of public expenditures, and we have been highly successful in this endeavour: general expenses have gone down, and there has been a sharp decline in operating expenses and capital expenditures. However, intent on reducing the deficit and maintaining financial management improvement, we had to combine lower expenditures with the higher taxes proposed in the Bill. Although no Government likes to raise taxes, these measures reflect our commitment to show more responsibility in the financial management of the economy.

Mr. Speaker, allow me to deal with some of the measures which will enable us to boost revenues.

I should like to sum up the major steps through which we intend to increase revenues, as set forth in the Bill. Here are the main provisions of the over-all tax reform program: a 10 per cent tax on telecommunications services such as telephone and telex, excluding service charges for local residential telephone lines. The corresponding tax rate on cable and pay TV services will rise from 8 to 10 per cent. These changes took effect on January 1, 1988 and are expected to yield additional revenues of about $870 million a year.

The sales tax rate on paint and wallpaper products has increased from 8 per cent to 12 per cent effective January 1, 1988, which should bring in an extra $60 million annually.

To compensate the effects of the tax reform temporary measures on revenues, the payment of sales and excise taxes will be accelerated effective April 1, 1988. At present, all businesses are required to remit the sales tax on the last day of the month following the month of the taxable sale. Under the new provisions, the great majority of corporations will have to remit the tax on the 21st day of the month following the month of the sale, while the largest corporations, which represent fewer than 1 per cent of all taxpayers, will be required to remit the tax twice a month.

This measure does not increase the amount of tax payable on each transaction, but only reduces the time elapsed between the date on which the taxable sale is made and the date on which the sales tax is remitted. This measure will make it possible for the Federal Government to get a one time cash flow increase of $1,6 billion for the fiscal year 1988-89.

Finally, Mr. Speaker, as was announced in the Notices of Ways and Means Motion of December 16, 1987, this Bill will increase the federal sales tax rate on beer, spirits, wine and tobacco products from 15 to 18 per cent, effective January 1, 1988.

The revenues resulting from this amendment, representing some $175 million per year, will be used to finance the increase in tax benefits to families with children.

This Bill will also allow for the implementation of two revenue increasing measures included in the February 1987 Budget.

Since February 19, 1987, the duties and excise taxes on tobacco products have increased by 4 per cent, which is about the rate of inflation. This measure should increase the revenues by some $70 million a year.

Moreover, to recover a greater portion of the air transport program costs, the February 1987 Budget provides for an increase in the air transportation tax levied by $4 per ticket, which should take in an extra $45 million in 1987-88.

Finally, this Bill provides for an increase in the excise tax on gasoline by 1 cent per litre, as announced in the February 10, 1988 Budget. This increase will come into effect on April 1, 1988. At the same time, the existing fuel tax discount for farmers, fishermen and other primary producers has been increased by an equivalent amount to protect them from the tax increase. The net increase produced by this measure should bring some $300 million in revenue in 1988-89.

The bill also provides for the implementation of a number of technical amendments to the Excise Tax Act and the Excise

Act. Sales taxes on motor fuels have been transferred to the manufacturer to solve the administration and reporting problems which became apparent when these fuels were taxed at the wholesale stage.

The burden of federal sales and excise taxes on leaded and unleaded gasoline has been balanced to support the efforts of the Minister of the Environment who is trying to eliminate lead emissions from gasoline.

The tax rate on alcoholized coolers has been lowered to correspond to that of wine-based coolers to grant them equal tax treatment.

The provisions on the reimbursement of the sales tax for certified public institutions have been made more specific to ensure that the tax abatement is limited to non-profit organizations. Certain compliance provisions of the Excise Act have been reviewed to reflect reduced on site surveillance by excise officers in relation to the production of alcohol and tobacco products.

In addition, the Bill contains certain measures to reduce the paperwork of small businesses; more specifically, the tax ceiling for periodical and seasonal returns has been doubled, which will allow some 2,000 additional taxpayers to pay their taxes four times a year, twice a year or periodically rather than every month.

In response to the concerns raised by cultural groups, original engravings have been exempted from the federal sales tax.

Mr. Speaker, this Bill also amends certain fair price provisions included in Section 34 of the Excise Tax Act. Under the proposed amendment, the tax will apply on fair market values when non-arm's length sales are made. This amendment follows a recent ruling by the Federal Court which questioned the power of the Minister of National Revenue to determine the value of a product for tax purposes under such circumstances.

That amendment, as well as the provisions concerning the taxing of marketing and distribution costs, which will be implemented under another bill on November 1, 1988, should effectively solve the problem of value for the purposes of the sales tax before the second phase of tax reform is carried out.

Finally, the bill implements the provisions announced in the budget speech of February 1987 according to which the tax levy is shifted to the wholesaler's level for a variety of items such as candies, snack foods, pet food and certain electronic equipment. Thoses changes will come into effect on various dates between May 1 and August 1, 1987. When the proposed rules on marketing and distribution costs are enforced on November 1, 1988, the tax levy on most of those items will be shifted back to the manufacturing level.

Other minor technical amendments provided in the Bill are aimed at clarifying the interpretation of some provisions in the legislation and to give legislative authority to some present administration procedures.

In conclusion, Mr. Speaker, I want to reiterate that it is a very important bill. It is one of the basic aspects of our comprehensive tax reform which will enable us to reduce considerably the income tax collected from 8 out of 10 Canadian taxpayers. Moreover, it completes important steps in our Government's comprehensive strategy which is to reduce the deficit and to improve the financial management of the economy.

To enforce those changes, I call upon all Hon. Members to approve the Bill as soon as possible.

• (1140)

[*English*]

Miss Aideen Nicholson (Trinity): Mr. Speaker, this is a Bill to implement a number of increases in excise taxes. This is from a Government that came to power on a promise to reduce the deficit without increasing taxes.

The Prime Minister (Mr. Mulroney) was quoted early on as saying that taxes would not be increased generally because Canadians already pay a lot for the services they receive from the Government. He was also quoted as saying he would tax the rich, that the rich would pay handsomely. However, what is happening is that we are seeing enormous increases in sales taxes. The Minister of Finance (Mr. Wilson) regularly inveighs about the manufacturers' sales tax, which he says is a silent killer of jobs, yet he uses it and abuses it and piles taxes upon taxes on Canadians. Between the increases in personal income tax, many of them hidden because they were arrived at by deindexing, and the increases in sales taxes, this Government has taken an additional $22 billion from Canadians since it came to power.

• (1150)

In his speech the Parliamentary Secretary also made a reference to reduction in personal income tax of approximately $2 billion this year. The Minister of Finance takes $22 billion away over a five-year period, proposes to hand back $2 billion in the pre-election year, and we are all supposed to be grateful. As the Parliamentary Secretary pointed out, many of these measures in the Bill before us were contained in the White Paper last June, the so-called tax reform paper, which also had a lot of the features of a budget, and in the subsequent Ways and Means motion tabled December 16. In addition, this Bill implements some of the measures announced in the Budgets of February 18, 1987 and February 10, 1988.

In talking about the White Paper, the Parliamentary Secretary repeated the myth that his Party has continued to express, that the package is fiscally neutral. The effect of fiscal neutrality is achieved by smoke and mirrors. The package the White Paper produced was to involve reductions of personal income tax by $12 billion over a five-year period,and an increase in corporate taxes by $5 billion over a similar period,

increases in manufacturers' sales tax, to which I will return, and then at least $2.6 billion worth of smoke and mirrors, that is, advanced remittances. Employers were initially required to remit at a faster rate, fortnightly instead of monthly, and later it became weekly instead of fortnightly, payroll deductions from their employees. That, I think, accounted for $1.2 billion.

Today the Parliamentary Secretary reminds us that by requiring business people to remit the sales tax earlier, on the twenty-first day of the month following the sale instead of the end of the month, and requiring some firms to remit fortnightly, we arrive at a situation where the Government has a one time cash flow increase of $1.6 billion for the fiscal year 1988-89. There were other pieces of smoke and mirrors in that exercise, but I think we should be clear that phase one of the so-called tax reform was not, and never has been, fiscally neutral.

In his speech, the Parliamentary Secretary also said that the most important element of the Government's strategy of deficit reduction has been to limit the growth of government spending. Unfortunately, that does not jibe with the facts. The facts are that this Government has tried to tax its way out of dealing with the deficit. While government spending has been reduced in some areas which are important to Canadians, such as post-secondary education, research, the environment, the Prime Minister's presidential lifestyle has required very large increases in government spending.

This Bill before us puts a 10 per cent tax on long-distance telephone calls and on cable and pay television services, which will net the Government $870 million a year. This tax is quite a hardship on people with small businesses who do a lot of business overseas as well as within Canada. I have heard from many people whose telephone calls are a necessary part of their business, and this will now represent a serious increase in their costs. The sales tax rate on paint and wallpaper products has increased from 8 per cent to 12 per cent, and this is expected to raise $60 million annually for the Government.

The taxes on beer, spirits, wine and tobacco products, which were previously announced, are all in this Bill and altogether will amount to something like $240 million a year. However, the tax that will concern many Canadians is the continued increase in the excise tax on gasoline, another one cent a litre increase effective April 1, 1988. Since this Government has been in power it has raised the price of gas by 23 cents a gallon. That is causing severe problems to our transportation industry, already competing with very large American firms, and is also causing problems to our tourism industry. Of course, the cost of gasoline goes right through our economy. It affects manufacturing, packaging, storage, heating of retail facilities, and so on. At every point in the distribution chain, increased gasoline costs affect the final cost to the consumer.

When I spoke on the borrowing authority and on the Budget, I pointed out again and again that this Government, since it came to power, has taxed Canadians in a way that is unprecedented since Confederation. I will not repeat all those criticisms again today, however, they certainly still hold. The Parliamentary Secretary, in concluding his speech, said that the over-all tax reform package provides major personal income tax cuts for more than eight out of ten Canadians. What he omitted to say is that it provides income tax cuts to poorer Canadians with incomes of less than $15,000 a year, and that these income tax measures, which have been misleadingly called "reform", are particularly hard on young families with children. A family with two children and one earner earning around $30,000 per year will pay a great deal more after this package.

• (1200)

Furthermore, what has been left out of this argument is the cumulative effect of all the tax changes that have been built in since the Government came to power. I refer to the deindexation of family allowances, the deindexation of personal allowances. Factor all those measures in and one comes up with a very different picture in which eight out of ten Canadians will not be benefiting.

Mr. Simon de Jong (Regina East): Mr. Speaker, I listened attentively to the spokesperson for the Liberal Party. I wish to address myself to this Bill as well. Many of the criticisms we propose to Bill C-117 are ones that she has stated. Indeed, when we come to look at Bill C-117 we really begin to see the smoke and mirrors of the Government, the double-talk and the double-think.

When introducing this measure the Parliamentary Secretary talked about tax reform and the great job the Government has done in lowering taxes paid by ordinary Canadians. Yet we know that since the election of the Conservative Government in 1984 some $22 billion in increased taxes have been levied on the Canadian taxpayers. What tax reform does is to return some $2.2 billion to them. The Parliamentary Secretary was certainly very forward when he suggested that the $2.2 billion was a great effort by the Government to relieve the tax burdens that ordinary Canadians pay. Yet he did not mention the $22 billion in extra taxes that the Government is collecting.

Of course, the Government likes to collect its money in what I would call the sneaky way. It has done a partial deindexing on marginal tax rates. It has deindexed family allowances so that the benefits from family allowance do not keep pace with the increase in inflation. However, these are things that are not immediately apparent to the Canadian taxpayers. I say that because they would first have to figure out what the rate of increase should be if it were fully indexed to inflation as opposed to the increases that they are getting under the partial deindexing that the Government has introduced.

The Government tried to take on the seniors by deindexing the old age pension. However, the seniors were a little smarter than the Government, and certainly a little faster on their feet. They forced the Government to backtrack on that measure.

The biggest revenue grab by the Government was the partial deindexing of the income tax which will mean that as inflation

increases the Government's take will increase also. The Government benefits from inflation because it has now partially deindexed the income tax.

One wonders, if it is in the Government's vested interest to have a certain amount of inflation, then how committed is it to reducing inflation to zero? In the last little while members of the New Democratic Party have been asking for a lower interest rate. The Minister of Finance (Mr. Wilson) defends a high interest rate because he figures this is the way to fight inflation, that inflation at around 4 per cent is still too high and therefore we have to maintain this high interest rate.

Yet when we look at Bill C-117 we begin to recognize why we have the high inflation that we do have. It is not because of market forces. It is because of the forces of the Government. It has increased the taxes on manufactured goods which has resulted in increased prices right across the board. So it does not matter how high the interest rate is, it is the taxation policies of the Government that are maintaining an inflation rate of 4 per cent.

When we hear the Minister of Finance tell us that we need a high interest rate in order to combat inflation I suggest to the Canadian people that if we are to combat inflation we should turf this troupe out. If we did not have a Conservative Government, inflation would be down around 2 per cent. I would venture to estimate that 50 per cent of the reason that we have the inflation rate that we do have is the tax measures of the Government.

Let us take a look at some of these tax measures. The Bill which we are debating today will justify a 10 per cent increase on telecommunication services such as telephone and telex services, not including the charges for local residential lines. How much will this take out of the economy? It will take some $870 million per year, by the Government's own figures. Now our telephone costs are higher, which increases the costs of doing business. This increased cost will be shifted on to the consumer. It is no wonder that we have this inflation rate when the Government is taxing anything that sits, moves and jumps.

The sales tax rate on paint and wallpaper products is increased from 8 per cent to 12 per cent effective January 1, 1988. That will take an extra $60 million annually. In other words it will cost a little more to renovate one's home, put on some new wallpaper or to paint, whether it is a renovation or new construction. Again, we see the cost of homes and home fixtures being increased because of the measures of the Government.

Bill C-117 increases the federal sales tax rate on beer and spirits, wine and tobacco products from 15 per cent to 18 per cent. There is an increase in specific excise tax on the excise duty rates for tobacco products by 4 per cent.

There is an increase in the air transportation tax levied by $4 per ticket to recover a greater proportion of the air transport program costs. There is an increase in the excise tax on gasoline and aviation gasoline by one cent per litre. As my colleague and the spokesperson from the Liberal Party pointed out, since the election of the Government the federal take on gasoline has increased by some 23 cents per litre. My gosh, if Canadians wanted to have cheaper gasoline prices they should turf this group out. That inflationary cost is something that gets passed on to the consumer as well.

The Bill also introduces several technical amendments to the Excise Tax Act and the Excise Act. These include a shift of the taxes on motor fuels to the manufacturing level to address administration and compliance problems. Again, this is something that the finance committee has been concerned with. We did issue a report on it. I am happy to see that there is some sensitivity by the Government on this matter. Whether or not it deals with the problems of the small wholesalers of gasoline or not I am not quite certain. I think that the measures of the February 1987 Budget created unfairness in the system. That unfairness still prevails.

Part of the problem with our present excise tax and our sales tax is that they create distortions in the economy. As well as being unfair to low-income Canadians and to consumers they also create distortions in our economy. I will be addressing these distortions a little later in my remarks.

• (1210)

The Bill also shifts the sales tax to the wholesale level for snack foods, pet food and pet litter, candy and confectionery goods, and certain electronic equipment. This comes out of the February 1987 Budget. The tax on most of those products will be shifted back to the manufacturing level when the marketing and distribution cost measures announced in the February 1988 Budget come into effect on November 1 of this year.

The Bill clarifies the refund provisions applicable to certified public institutions. It amends the fair price provisions to apply tax on fair market values when non-arm's length sales are made, or where it is difficult to determine the sale price. There is a revision to certain compliance provisions in the Excise Act to reflect reduced on-site surveillance by excise officers in relation to the production of alcohol and tobacco products. Those are mainly housekeeping type measures.

One of the relieving measures in this Bill, and there are a few, is an increase in the existing fuel tax rebate available to primary producers for the excise tax on gasoline by one cent a litre to compensate for the increase announced in the February 1988 Budget. Thank heavens for that. The farmers in my district who are already having difficulty enough in surviving with the low grain prices and high input costs, will not be asked to pay an extra cent a litre for the gasoline that they must use to put the crop in the ground.

Another relieving measure is an increase in the tax threshold for periodic and seasonal filers in order to reduce the paper burden for small businesses. I am happy to see this provision. A small business person or restauranteur had to fill out those forms for, at times, very insignificant amounts, but it did take time. Operating a restaurant is not an easy matter, particularly

if one has loads of paper work to deal with a few dollars of remittance to the Government on some sales tax item. It was a necessary part of the job, it did not make sense, and I am glad to see that there is some sensitivity on this issue from the Government.

We also see a little sensitivity from the Government regarding the fine arts. As a relieving measure in this Bill there is an exemption for original prints from the application of federal sales tax.

Let us look at the Government's philosophy in terms of tax. Bill C-117 is a Bill to amend the Excise Tax Act and the Excise Act. It is legislation coming out of the February 10, 1988 Budget. In light of tax reform, the Minister of Finance has missed the opportunity to introduce real tax reform. I think that my colleague, the chairman of the finance committee, will say a hearty "hear, hear" when I make this statement. We all recognize that, in essence, the Minister has flubbed when it comes to tax reform.

In other jurisdictions that have implemented tax reform it has been done as one complete package coming into effect on one day. When there was an increase in the sales tax and people saw the price of goods and services increasing, on the same day they also saw a reduction in their income tax, and low income people saw an increase in family benefits. All of this was done in one day in one complete package with most of the middle and lower income people benefiting from such measures. Certainly, we do not see this today in Bill C-117 and the Government's attempt at tax reform. It has reduced marginal rates. But what it has given with one hand it has taken back tenfold with the other hand. There is an increase in taxes of $22 billion and a rebate to the average taxpayer of $2.2 billion. That is a clumsy way of playing a shell game, something that I do not think average Canadians will be fooled by.

Since most of the tax reform proposals dealing with sales and excise taxes are proposed in stage two of tax reform, what is not in the Bill is more interesting than what is in it. It is obvious, by delaying stage two of tax reform, which is not expected until after an election, the Minister and the Conservative Government are content in sustaining a deeply flawed, unfair, and inequitable system of federal sales tax and excise tax.

Since the 1984 election the Conservative sales and excise tax revenues have escalated dramatically. It is clear that the Government is increasingly relying on the regressive sales and excise taxes to finance federal expenditures. The more the Government does this, the more difficult it will be to revise it.

The theory and implementation of federal sales tax is quite straightforward. The underlying principle of the tax is that it should apply only once in the distribution of the goods from producer to the consumer. Manufacturers are given licences which allow them to buy goods tax free. When the manufactured products are sold to non-licenced firms such as wholesalers they then become subject to tax. This method of licensing manufacturers is designed to avoid the problem of multiple taxation.

Canada is the only remaining major industrial country with a sales tax at the manufacturers' level. Canada now collects more revenue from those goods and service taxes, 35 per cent of our total revenues, than most OECD countries where the average is 29 per cent.

In the six decades since its inception, a wide array of variable rates and exemptions have been developed to reduce the inherent regressivity of such a tax. The system is so skewed that in 1981, six commodities accounted for 61 per cent of total federal sales tax revenue, three of which, motive fuels, alcohol, and tobacco were also subject to excise taxes.

Excise taxes which are levied under the Excise Tax Act are usually *ad valorem* taxes levied as a percentage of the manufacturers' selling prices, similar to the federal sales tax. They were originally designed to apply to luxury or non-essential goods. Excise taxes now are levied on goods such as alcohol, tobacco, jewellery, matches, lighters, coin-operated games or amusement devices, motive fuels, air travel, playing cards, radio and television programming services, automobiles, et cetera. Excise taxes apply to both domestically produced goods and imports. The excise duties are usually applied at a fixed rate for a given quantity of goods. Excise duties are only levied on alcohol and tobacco products. These sumptuary taxes are designed specifically to reduce consumption of what are considered to be harmful products, like the working man's beer.

The degree to which the Conservatives have decided to emphasize these regressive, hidden commodity taxes in their deficit reduction plans has become one of the hallmarks of this administration. Amid the controversies surrounding the capital gains tax exemption, the partial deindexing of marginal tax brackets, pensions, and family allowances, those commodity tax increases have gone forward virtually unnoticed.

There are some major problems with the current system. First, there is the difference in sales tax burden. The federal sales tax is levied on the manufacturer's selling price. However, the selling price may vary for the same product depending upon whether the manufacturer sells it to a wholesaler or to a retailer. Selling to a retailer brings with it a higher relative tax burden. When the manufacturer sells his or her products to a retail outlet, a higher cost will be incurred than if the product is sold to the retailer directly.

In 1977 it was estimated that fully 44 per cent of taxable manufacturers' sales went directly to retailers. To reduce this discrimination there is now an extensive list of what are called notional values, which are used to discount the price at which a manufacturer sells a product to a retailer to the price that would have been paid by a wholesaler. We can see the arbitrariness of the sales tax system.

Another problem is the taxation of production goods. When purchasing intermediate goods to be used in the production

process, the manufacturer inevitably ends up paying hidden sales taxes on some goods. It was recently estimated that 42 per cent of federal tax revenues were collected on intermediate and capital goods. This leads to the third concern that we have with the present sales tax system, and that is the discrimination against exports. Hidden sales tax costs are forward shifted to the export price, making exports more costly than they would otherwise be. We are about the only industrialized country in the world that puts a tax on our exports.

The fourth concern that we have with the sales tax is the advantage to imports. Canada does not include the cost of transporting goods to Canada as part of the cost base for the calculation of federal sales tax. Consequently, those imports competing with domestically produced goods are often subject to less tax than goods produced in Canada. We tax exporters through our sales tax system and we give an advantage to importers. Aren't we smart? Instead of the Government attempting to deal with it in phase two of tax reform, which should have been brought in at the same time as phase one, the Government, through Bill C-117, is complicating and making worse an already bad situation.

• (1220)

Our fifth concern is the complexity. The licensing requirements of manufacturers and the documentation which entail, the special exemptions for certain goods, and the system of notional values, all tend to make the federal sales tax administratively very burdensome and unnecessarily complex.

The new 1 cent per litre increase in gasoline, which is not applicable to farmers, fishermen, and other primary producers, will cost the average Canadian family of four, assuming a $35,000 annual income, some $50 extra per year. This amount is roughly the same as the decrease in tariff rates, which the first two years of the free trade agreement will see as a reduction of federal government revenue. In other words, the Government will lose this money because of the free trade agreement and the reduction of tariffs. It will be reducing its revenues, but the Minister of Finance has made certain that he will grab it out of the hands of consumers by increasing the price of gasoline by 1 cent per litre.

The new telecommunications tax on long distance rates is a blow to Canadians for two reasons. First, the finance committee of which I am a member, in its report last fall, recommended that people living in the remote North be subject to the 10 per cent tax on long distance calls only to a maximum of $3, since many people living in northern Canada depend heavily on long distance telephone service. The Minister rejected the recommendation. In fact, the Minister of Finance rejected most of our recommendations, but this is one about which I feel somewhat outraged. It is a tax on people living in remote and rural areas who depend upon telephone services much more than people living in the cities. People in remote areas have to place many more long distance telephone calls than city people, and this 10 per cent tax is an unfair levy on them.

Second, the CRTC ruled that Bell Canada should reduce its rates because Canadians were paying too much on their telephone bill. The Government's new 10 per cent tax on long distance rates ensures that Canadians are still paying too much on their telephone bill.

These are some of our concerns with Bill C-117. It increases inflation, despite what the Government has been saying about the reasons for having a high interest rate to combat inflation. As I mentioned earlier, if we are to combat inflation, the best thing to do would be to defeat a Government which has been so inflationary because of the increases in sales tax which it has imposed.

We are also concerned about the unfairness and complexity of the present sales tax regime. I admit that it is a problem which the present Government inherited from the previous Government. However, the Government has been in power for almost four years now, and it still has not done anything about it. In fact, it has made a bad situation even worse by piling more sales taxes on average consumers, by taxing pet food, candy, chocolate bars, and so on. It has created distortions in the market-place with unsalted peanuts not being taxed and salted peanuts being taxed. If we look at the list we see that certain yoghurt products are not taxed whereas certain frozen bars are taxed. There are distortions in the market-place because of the unfairness of the sales tax system.

We have seen the Government do its smoke and mirror act regarding tax reform. In a sneaky way it has taken more money out of the pockets of Canadians while up-front it has given them some tax relief.

This is certainly not honest and fair government. A fair Government would have been honest with Canadians and, if it was to increase taxes, it would do it in an up front way rather than through hidden sales tax.

We are not happy with the Bill. As I mentioned before, it makes a bad situation even worse. We are certainly looking forward to reviewing it in committee.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I take part in the debate on Bill C-117 very reluctantly because we are not too happy about having to face a government that uses regressive taxation, that resorts to hidden taxes to collect from Canadian consumers enormous amounts of money, admittedly to strike where it shows the least and use measures at its disposal such as the sales tax, the most unfair of all because it affects everybody without any consideration of income. Rich and poor alike pay the same sales tax. That is what a regressive tax is, Mr. Speaker, and a sales tax such as this one must be changed, even though it brings in significant revenue, and I think there is a disposition in this country to replace this approach with a fairer and more progressive one. But we are starting to lose patience with this Government. After three and a half years of endless studies and broken promises, Canadians have every reason to grow impatient.

The objective of Bill C-117 is to implement numerous sales and excise tax increases the Government announced in the Budget of February 18, 1987, also in the tax reform of June 18, 1987 and, finally December 16, 1987 in the most recent Budget of February 10, 1988. It is therefore because of those four Government measures that we now have before us a Bill that seeks to raise present taxes and give effect to the budgets or so-called economic statements the Government presented in the last year.

Mr. Speaker, I could detail those tax measures and tell you the 12 per cent tax the February 1987 Budget imposed on candy, snacks and ice cream as of July 1, 1987 has brought in $60 million in revenue and will bring in an estimated $80 million more in 1988-89. The same February 1987 Budget slapped a 4 per cent tax on cigarettes and tobacco that yielded $70 million in 1987-88 and will yield an estimated $77 million in 1988-89.

• (1230)

The air transportation tax was increased by $4 per ticket: $45 million in 1987-88 and $50 million in 1988-89; the sales tax on leaded and unleaded gasoline was equalized as of April 1, 1987, resulting in revenues of $30 million in 1987-88 and $30 million in 1988-89.

Mr. Speaker, as I said earlier, we had the tax reform in June and December 1987, when a 10 per cent tax was added to long-distance calls and the tax on cable TV was increased from 8 per cent to 10 per cent. As of January 1, 1988, this tax will raise $877 million in fiscal 1988-89.

As was stated by a number of my colleagues in this House, the tax on long-distance calls is unfair because it mainly affects people who live in rural areas. The tax on cable TV is unfair to people on medium and low-incomes for whom this may be the only kind of entertainment they can afford. And now the tax on cable TV is being increased from 8 to 10 per cent. There is also an increase from 8 to 12 per cent on paint and wallpaper, which will raise $60 million in 1988-89. The accelerated remittance of sales and excise tax, which will become effective in April 1988, will raise $1.6 billion. Another increase in the excise tax on alcohol and tobacco from 15 per cent to 18 per cent will raise $175 million.

The 1988 Budget brought down on February 10 brought us a one cent per litre increase in the excise tax on gasoline. This will raise an additional $225 million in 1988-89.

Mr. Speaker, what I don't like about sales tax, and I think many Members will agree, is that it is applied indiscriminately. The rich pay and the poor pay. They all pay the same amount because this tax is collected on a transaction, and no matter what your income is, the tax remains the same. That is why it is regressive, unlike the tax tables which are progressive, in other words, the more you earn the higher your income tax.

As I said earlier, this Bill implements certain statements made in the House and certain Budget proposals, but for some reason the Government has put off presenting this Bill until today. Mr. Speaker, it is not unusual for the Government to delay such a Bill. It has made a habit of bringing in Bills that affect all Canadians and increase taxes just before the House adjourns for Christmas, Easter or for the summer.

Mr. Speaker, we must remember that the same Government, the same Prime Minister (Mr. Mulroney) and the same Minister of Finance (Mr. Wilson) promised not to raise taxes. And we do remember. This is not new.

I want to quote from *Hansard* of March 6, 1984, two statements made by the Minister of Finance:

> We would cut spending. We would not raise taxes. Tax levels in Canada are already too high.

But that is what he did, he made the load heavier still, not by taxing the rich and the 60,000 Canadian companies which do not carry what I consider their fair share of the tax burden, but by taxing low- and middle-income Canadians.

Here is a statement made by the leader of that Party, the Prime Minister of Canada, and reproduced in *Le Devoir* of November 29, 1984. I am quoting: "Canadians pay a fair amount of money for government services, and they have the impression they are paying enough". Quite true. The Prime Minister was right. As individuals we pay enough taxes. Perhaps he might practice what he preaches and tax his friends, those rich people who do not pay their fair share.

Since the Conservatives took over, Mr. Speaker, revenues from indirect taxes, sales taxes, excise taxes, went up much more sharply than those produced by direct taxes. Revenues from sales and excise taxes jumped by 77 per cent between 1984-85 and 1988-89, while personal income taxes rose by 55 per cent since this Government was elected, as compared with only 28 per cent for corporations and rich people. Through personal income taxes, sales taxes and excise taxes, individual Canadians rather than corporations had to shoulder most of the added burden.

Again, Mr. Speaker, for your enlightenment I could sum up the table I have here which shows the load Canadians have had to carry since September 1984: indirect taxes, higher sales tax from 9 to 10 per cent on October 1, 1984, from 10 to 11 per cent in January 1986, and from 11 to 12 per cent in April 1986. And each time it meant an additional $1 billion in the public purse, $1 billion more from hidden, regressive and unfair taxes.

I have here a list, which could be of interest to Conservative Members, concerning increases in the excise tax on gas: for example, 2 cents a litre on September 23, 1985 generating $900 million in revenue; 1 cent a litre on January 1, 1987—$450 million; 1 cent a litre on February 19, 1987—another $450 million. And, on April Fools' Day, we will get another increase of 1 cent a litre—$300 million in revenue, for a total increase of 23 cents on a gallon of gas in Canada since they came to power.

Mr. Speaker, their avowed objective is to tax the poorer people in order to get the large sums of money they cannot or do not want to get honestly in a progressive, open and fair manner. There is also the 10 per cent tax on long distance calls and cable television services. The Hon. Minister should rise on that subject and explain how those young people . . .

I see that he is singing, he finds it funny. The young people find it funny, Mr. Speaker . . . He is playing the violin . . . But I say to him that the young people, like their parents, will remember this Government for taxing cable television and long distance calls.

I could perhaps read from another interesting list on this Government's costs.

We spoke about indirect taxes earlier, and we shall now deal with direct taxes, which are collected up front.

First, the de-indexation of family allowances, personal credit and income tax tables. Since January 1, 1986, the Government has relieved Canadian taxpayers of $635 million by de-indexing family allowances. The Members opposite are happy about it!

Mrs. Bourgault: We are paying for your mistakes!

Mr. Gauthier: Since January 1, 1986, the elimination of the tax rebate has brought in $650 million. By eliminating the deduction for the Registered Home Ownership Plan as of May 22, 1985, the Government has taken away $125 million from Canadians. The temporary surtax of 5 to 10 per cent on high incomes from July 1 to December 31, 1986, has brought in $500 million. The general and permanent surtax of 3 per cent for all taxpayers implemented on July 1, 1986, has brought in $1.2 billion. The change in the tax system for dividends implemented on January 1, 1986, has brought the Government $300 million. The change in the spousal exemption implemented on January 1, 1986, has cost taxpayers $20 million.

Mr. Speaker, I heard one Member say: "That is nothing!" It was a Conservative Member, one of the silly ones who usually make such comments. "That is nothing!"

For him, Mr. Speaker, $1.2 billion, a general surtax of 3 per cent, on to all taxpayers is nothing.

The Hon. Member is probably wealthier than average Canadians. "That is nothing", say the Conservatives, Mr. Speaker!

This is why the public is becoming cynical as far as the Conservatives are concerned. It is because of such comments that the Government has lost all credibility.

An Hon. Member: All credibility!

Mr. Gauthier: That's right, the Government has lost all credibility, you have lost, wasted and destroyed everything in the past three and a half years. The little you had in 1984 you have now lost!

Mrs. Bourgault: The polls say—

Mr. Gauthier: Mr. Speaker, I like to hear such comments because they keep me interested. There is nothing more useful than to have people make comments. It is interesting.

I would like to point out to those Hon. Members that Canadians will remember that this Government said: "These taxes are nothing! That is nothing!"

• (1240)

[*English*]

Maybe I should go back to my second language and say that indeed the Government's actions speak for themselves. It chose to bring in a Bill to amend the Excise Tax Act and the Excise Act for second reading just before a recess in the hope that the opposition Parties will debate and pass it quickly.

As we know, these revenue-raising items are some of the tools used by the Government to create its smoke and mirrors illusion that the deficit has indeed decreased. If it has, it has been at the expense of the average Canadian wallet. My colleagues and I would like to spend some time in drawing attention to this Bill and in telling the people of Canada how the accelerated federal tax and excise tax remittances and the manufacturers' sales tax will impact upon them.

I spoke about the illusory $29.3 billion deficit. It bears repeating that one of the ways this illusion was created was through the use of accounting tricks such as the acceleration of federal sales tax and excise tax remittances. Canadian employers who must deduct income tax, Canada Pension Plan and unemployment insurance contributions from their employees and remit those amounts to the Government have been required to do this with greater frequency since 1987. In January, 1987, employers had been remitting once a month. They then had to start remitting twice a month, increasing the paperwork and workload of their operations. This gave the Government a one time increase in revenue of $1.6 billion. Then the Government told the employers to remit deductions weekly, resulting in another increase in revenue for the Government.

Due to the fact that pay-roll deductions based on new tax rates will not begin until July, 1988, the Government has given itself a six-month interest-free loan for this year of about $1 billion, because employers will still be remitting at the old rates between January 1 and July, 1988.

I want to now address the changes related to the manufacturers' sales tax, dubbed the silent killer of jobs by the Minister of Finance (Mr. Wilson) himself. Between October 1, 1984, and April 1, 1986, this tax increased from 9 per cent to 12 per cent. This resulted, as I said previously, in a $3 billion gain for the Government. Manufacturers, too, are required to remit this tax earlier, sometimes even before they have collected it through sales. The Government continues to tinker with this tax, apply it to more goods, broaden the base, and increase the rate, and evidently this will continue because the national sales tax that the Government was going to replace it

with will not be presented before the next election, or the next two elections if the Conservatives, I hope, do not return to power.

The Government said in 1984 that it would not increase taxes, but it has done so.

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member but his time has expired. There are questions and comments to follow.

Questions or comments? Debate.

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I am glad to have the opportunity to address some comments to the Government's Bill to amend the Excise Tax Act and the Excise Act. What we have before us is a pot-pourri of partial measures, quick fixes, limited claw backs, but above all revenue-raising measures which the Government has now put together in one vast portmanteau of legislation.

We are today examining changes arising out of the Budgets of February 18, 1987; February 10, 1988; the June 18th, 1987 White Paper on tax reform; and the December 16 tax reform paper. It is important to state the context in which the Government, rather than introducing measures and policy changes in an orderly fashion and getting them passed in legislation, is saving them up for this sort of Bill where so many changes come at one time that it is almost impossible for opposition speakers to isolate effectively the individual measures to measure their effect on the over-all tax system and tax yield, and of course to critique them effectively. However, that is perhaps what the tax happy Torquemadas, the excise extortioners of the Tory Ministry of Finance, want to see.

I am somewhat reminded of the petition given to James VI after he became James I of England in which it was stated that monopolies sit in our seats, sleep in our beds, sup in our cups. Thus it is with these excise taxes with their pervasive and deleterious effect throughout the Canadian economy and their distorting effect on the consumption and purchase patterns of Canadians. What we have here is not a sensible realignment of the tax system as this Bill should be. What we have is not a reform, not an overhaul, not even really a reasonable, minor maintenance program for the excise tax system. Rather, what we have is a wholesale and thorough continuation of some of the principles that even the Minister of Finance (Mr. Wilson) has seen fit to speak out against in the past.

Why is that? It is, of course, to raise revenue. It is of course for the Government's stated goal of deficit reduction, and the revenue raising capacity of some of these commodities with their, to the Tories, unlimited ability to bear additional taxes.

I am reminded of another example or paradigm from the early days of taxation. This concerns the Minister of Finance of Henry VII of England, one Morton. He was known for the instrument called Morton's Fork whereby he would visit a wealthy noble, perhaps, or merchant, and if he was seen to be living modestly and frugally, then he must have accumulated some reserves which Morton could dip into or appropriate for the purposes of state that his master bade him do. If this merchant or noble was seen to be living lavishly—on a Tory sort of scale, I suppose—Morton said that his consumption was excessive, that he was obviously a person of manifest and evident wealth and was therefore able to contribute handsomely to the coffers of the king.

• (1250)

The point that I want to make, of course, is not that taxation is carried on in that way nowadays, although the long-suffering taxpayer may often feel that this is the case, but rather that the key to understanding this is to identify whom Morton went to visit. We see some unhappy similarities between whom Morton went to visit and whom the Tories went to visit because, naturally, there were those whose position or status kept them above even Morton's attention. Similarly, there are those whose status or wealth keeps them above the attention of the Tory Minister of Finance.

It is worth-while reiterating who they are, Mr. Speaker. Above all, of course, are the corporations, the chief sponsors and, in spite of any resolutions that might be passed, the chief financiers of the Tory Party, namely, profitable corporations. Last year, 60,000 profitable corporations in Canada did not pay tax. It is partly because of the failure of the Minister of Finance to bring in tax for them that we are forced to spend the time of the House reviewing this smorgasbord of legislative measures to raise that same amount of tax by slicing and dicing the consumer and the taxpayer.

Another class which Morton did not visit and the present Government does not visit is the wealthy. Tory tax policy, as implemented in Budgets and legislation, has led to some very handsome tax breaks for the wealthiest Canadians, those who have the highest personal incomes, notwithstanding the rather feeble attempt that the Minister of Finance made to adapt the policy and the platform of the New Democratic Party by bringing in an alternative minimum tax rate.

Whom does this latter day Morton visit, Mr. Speaker? He visits the middle classes and, increasingly, he visits the poor. That is where the Government is looking to raise the revenues which it sees as essential for reduction of the deficit.

The Tories have said that the reduction in expenditures is the over-all priority, but this sort of tax mining of the middle class and, increasingly, the poor, characterizes the approach. It is like the frog in the well. They get that expenditure down one notch, but in the meantime they are bumping up the tax side of the ledger by a couple of notches.

There are some revenue-raising items in this Bill which impact very seriously on Canadians, and inequitably upon some. With regard to the 10 per cent tax on telecommunication services, my hon. colleague, the Member for Regina East (Mr. de Jong), pointed out that if you live in an isolated community a far higher percentage of your telephone calls are likely to be long distance. It seems that in some parts of the

country you do not have to phone a very great distance before you start paying long distance charges.

I would like to point out a situation which pertains to some people in my riding. Entrepreneurs, in some cases, and people who choose to live in rural areas, in other cases, are now hit with a 10 per cent federal tax on the already very high rental rates that they pay for radio telephones. If you are a tourism entrepreneur on a lake 30 miles from Red Lake with no easy road access and, of course, no telephone line, in order to do your business you need to have a radio telephone. The rates for such a telephone range between $50 and $90 a month depending on the power of the transmitter and the service provided. Some of these people are suddenly being hit with a $9 per month federal tax imposition on top of all their other expenses for what is essentially to them a local telephone service. That is an injustice which the Government should consider.

The telecommunication programming services tax, a tax on the people's entertainment in the form of cablevision, is another revenue raiser for the Government. The committee recommended a $3 limit on the telecommunications tax in order to provide a measure of equity. That is something in which the Government is really not too interested and it ignored that.

Increasing the sales tax rate on paint and wallpaper from 8 per cent to 12 per cent is quite a substantial imposition on a particular portion of the population. It will, of course, affect the sales of do-it-yourself and home decorator stores. One wonders why.

The acceleration of remittances is another concealed revenue-raising measure. Before it came to power the Government made all sorts of vaunting promises to small businessmen about reduction of paperwork, reduction of bureaucratic compliance, and reduction of red tape. It is now prepared to put those people through the hoops of filling in returns on a weekly instead of bi-weekly basis and on a bi-weekly rather than monthly basis. I am sure that that is one sector of the economy which will not forget the way in which it has been inflicted upon by the Government.

I see, in the increase in the federal sales tax on beer, spirits, wine, and tobacco products from 15 to 18 per cent, that some of my more favourite vices, and some which I truly detest, are being hit in an equal fashion. I suppose that rather than making a specific confession I should point out that the Government has quite a range of legislative measures available to it if it really wishes to control and reduce the incidence of tobacco smoking.

Another tax put in for the purpose of revenue generation is the increase in the levy on air tickets. It must be pointed out that there are some benefits in the application of that levy, particularly for small, remote and isolated communities, and that it does not impact upon aircraft with a take-off weight of over 12,500 pounds. I am glad to see that exemption continued, and for this relief we give much thanks. However, I believe that we have increasingly a picture of taxation without representation whereby the Government continues to ignore many of the desires of the users of airports and airlines for whom, after all, it is a prime operating resource. That should be looked at very carefully.

The further increase on the excise tax on gasoline and aviation gasoline is already having distorting effects in this economy. Since the Government came to power it has increased the excise tax on gasoline no fewer than four times to the point that now one-tenth of the pump price of gasoline is made up, not of total taxes, not of total federal taxes or total provincial taxes even, but of Tory increases. Every time the average Canadian fills his or her average domestically or North American produced automobile they are paying $2 in Tory increases alone for that fill-up.

Remote areas, of course, suffer from a lack of alternatives. We must recognize that by not taxing propane and by imposing lower taxes on diesel fuel the Government does provide alternatives. However, the people who use motor vehicles the most are the people who have the least opportunity to avoid the incredible imposition of those very same taxes.

I see that it is one o'clock, Mr. Speaker. I look forward to returning at three o'clock.

The Acting Speaker (Mr. Paproski): Before I call it one o'clock, the Hon. Member will have seven minutes left for debate plus the ten-minute question and comment period when we resume debate.

It being 1 p.m., I do now leave the Chair until 2 p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

OFFICIAL LANGUAGES

A DEFENCE OF LANGUAGES COMMISSIONER

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I rise to offer a word in defence of Canada's Official Languages Commissioner, Mr. D'Iberville Fortier. He has been a strong and effective defender of the rights of Francophones outside Quebec. When one of the communities which I represent, Kapuskasing, Ontario, was locked in a struggle over official bilingualism, he was there to provide encouragement, support, and guidance. Thank you, sir, for that.

Now, because he expresses some concern for anglophone rights in Quebec, he is condemned and under attack. To all my

colleagues in the House who have participated in this unjust criticism, I say think again.

To the Premier of Québec, and all members of his Legislature, I say shake off your hypersensitivity. You are part of a nation that stretches from sea to sea, from Vancouver Island to Newfoundland.

Our country is too vast, too magnificent, too beautiful to accommodate such pettiness in one of its parts. The criticism of one of Parliament's dedicated and devoted servants has been excessive, harsh, and entirely unnecessary.

* * *

ETHNIC AFFAIRS

GREEK COMMUNITY'S CELEBRATION IN TORONTO

Mr. Alan Redway (York East): Mr. Speaker, this past weekend the Greek community of Metropolitan Toronto, 120,000 strong, again celebrated the anniversary of Greek independence with an exciting parade and a huge banquet.

Last year on the same occasion, Professor Steve Triantis of the University of Toronto spoke for all ethnic communities, 40 per cent of Canadians, when he said:

> The leaders of all political Parties should be advised that no ethnic group in Canada holds a monopoly of excellence in brains and education. We demand full and equal participation in the political, social, cultural and economic life of this country. We shall be looking for action in particular with regards to appointments to boards and agencies.

This past weekend, a frustrating year later, he added:

> The leaders of all political Parties shall be judged by their acts not by their promises. We speak out today with our voices, tomorrow with our votes.

* * *

FISHERIES

REDUCTION IN ALLOWABLE CHINOOK SALMON CATCH

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, over the past 30 years Chinook salmon escapement in the lower Georgia Strait has declined from 30,000 to 4,300. For this reason I reluctantly support the 20 per cent reduction in the annual catch for all sectors of the fishing industry.

In order to reduce the over-all sports catch by 20 per cent, individual bag limits will be reduced from 20 Chinook to eight. Since 95 per cent of British Columbia's sport fishers already catch eight Chinook or less, this new policy will not hurt them. But it will hurt the charter boat industry and the tackle suppliers.

Gulf trollers will also be badly hurt by the 20 per cent reduction since it comes on top of other severe reductions since 1984. They fear that they are being squeezed right out of the industry.

Seiners worry that the Chinook reduction will cost them valuable days of fishing during heavy Pink or Sockeye runs. Indian people also face cut-backs in their traditional fishery.

Let us hope that these costly reductions, combined with enhancement, will do the job and our Chinook stocks will be restored to health.

* * *

UNEMPLOYMENT INSURANCE

DENIAL OF BENEFITS TO SCARBOROUGH RESIDENT

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, a Scarborough West constituent left his company because of corporate restructuring and opened his own business, which he had to close after 18 months of effort.

Although he had paid into the Unemployment Insurance Fund for 27 years, he was informed that he was not eligible for benefits because he had not paid into the fund during 10 weeks of the previous year. However, he also learned that he would have been eligible had he been in prison for those 18 months.

I speak to the House because here is a man who tried to start a business, and was denied what he could have gained had he committed a crime. I speak of this because sometimes, as Charles Dickens reminded us, "the law is a ass" and deserves a kick.

* * *

[*Translation*]

EXTERNAL AFFAIRS

THE ARMENIANS—REQUEST FOR UNIFICATION OF MAGORRY KARABAKH REGION

Hon. André Ouellet (Papineau): Mr. Speaker, since Secretary General Mikhael Gorbatchev came to power, a new atmosphere seems to be spreading over the USSR under *Glasnost*. We have witnessed several dissidents being released from prison, a new freedom of the press and other reforms.

Today, I should like to call the attention of the House to a most disquieting situation which exists in that country. I am referring to the situation in the Nagorny Karabakh region. Since 1923, this region has been part of the Azerbaïjan Soviet Socialist Republic. Because a great many of its inhabitants are Christian Armenians, the Nagorny Karabakh population has informed Moscow of its desire to become part of the Armenian Soviet Socialist Republic and to have its borders changed accordingly.

I need not remind Hon. Members just how the men and women of this group have suffered over the past few centuries. Too many have died already. The unification of that area should proceed under the best spirit.

S. O. 21

Last week, we learned that the Soviet Union had taken measures to improve the situation of ethnic Armenians in Azerbaïjan. We hope that under *Glasnost*, Mr. Gorbatchev will continue this reconciliation approach and respond positively to the will of the Armenian people.

* * *

• (1405)

[*English*]

FINANCE

ENTRY OF GOVERNMENT INTO INTEREST RATE SWAPS MARKET

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, financial services, a few years ago only available in New York, London or Hong Kong, are now an integral part of the Canadian money market. A case in point is the domestic market for interest rate swaps which has grown to about $20 billion a year.

This year, for the first time, the Government of Canada has entered the domestic market. Although to date only a few hundred million dollars of swaps have been involved, this is an interesting development which will add depth and maturity to the market. At the same time, it marginally reduces interest rates on certain government borrowings, a savings for the Canadian taxpayer.

* * *

APARTHEID

SOUTH AFRICA—GOVERNMENT'S ACTIONS AGAINST OPPOSITION GROUPS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, on Friday we witnessed the pathetic spectacle of the South African Ambassador to Canada trying to deflect criticism of an indefensible regime by claiming that Canada appears to back those who seek the violent overthrow of the South African Government. The fact is that all Canadians hope for a peaceful transition of power in South Africa. It is the Government of South Africa that does not.

Instead of encouraging meaningful dialogue between whites and blacks in South Africa in order to achieve majority rule in that country, the South African Government has banned black opposition groups, imposed media censorship, and has crushed any efforts to demonstrate against the evils of apartheid. Church people are arrested while neo-Nazis march in the streets with complete freedom.

It is not Canada that is encouraging violent revolution in South Africa but rather the repressive and uncompromising policies of the South African Government.

Let there be a revolution, but let it be a revolution of the heart, of the Afrikaaner heart, so that the violence accumulating in the hearts of the victims of apartheid might be transformed into energy for a new multiracial and democratic South Africa. Otherwise, it may indeed come to be the case that the South African Government will have sown the wind and reaped the whirlwind, and it will have no one but itself to blame.

* * *

[*Translation*]

PROGRESSIVE CONSERVATIVE PARTY

MEETING OF QUEBEC WING

Mr. Gilles Bernier (Beauce): Mr. Speaker, the Quebec wing of the Progressive Conservative Party of Canada held its annual meeting in Montreal during the week-end. It was a real success. Our leader, Mr. Mulroney, sounded out his Quebec team. Over 200 fundamental resolutions and positions were drafted by the members and by the people, reflecting Quebec voters' daily concerns.

Mr. Speaker, those resolutions were first drawn up in 10 regional symposiums held throughout Quebec during the past six months. When members of the Conservative Party state their views, they are taken into consideration. They guide decisions taken by the Government. It was a genuine democratic exercise. The Quebec Conservatives have taken an important step toward cleaning up political practices when they adopted the principle of party financing by the people, something about which the Liberals are not happy.

Resolutions on the environment, reform or abolition of the Senate, regional development, agriculture and its renewal, the ageing population, etc, were analyzed. In short, serious discussions, Mr. Speaker. This is how the Conservative party listens. To the organizers, I say well done!

* * *

EXPROPRIATIONS

LA MÉMOIRE DE MIRABEL

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, March 27 is a memorable date in Mirabel. On March 27, 1969, the Liberal Government expropriated 97,000 acres of land to establish the Mirabel airport. From that moment was initiated the greatest litigation in the history of Quebec. The expropriated land owners regrouped in the CIAC in order to win back their lands that were unjustly acquired and not needed for the airport. On March 27, 1985, a sixteen-year struggle came to an end; the Conservative Government did justice to the

expropriated and signed an historic agreement that terminated that social disorder.

Yesterday, on March 27, 1988, in Sainte-Scholastique, that matter was closed and Mr. Jean-Paul Raymond released *La Mémoire de Mirabel*, a book he hopes will prevent the repitition of such disasters.

Mr. Speaker, we must pay tribute to the people of Mirabel and their patriarch, Mr. Jean-Paul Raymond, for having shown that tenacious convictions can make one victorious in just causes. I invite all Hon. Members to buy that emotive testimony of solidarity whose language, as the bishop of Trois-Rivières said, is as straight as a furrow, as savoury as maple syrup and as direct as the cut of an axe.

* * *

• (1410)

[*English*]

FISHERIES

NORTHERN COD—LABRADOR SHRIMP COMPANY DENIED ACCESS

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, today the Minister of Fisheries and Oceans (Mr. Siddon) is in Corner Brook, Newfoundland. If he is watching this telecast I want to ask him to take this opportunity to reverse the decision that he made to deny the Labrador Shrimp Company access to northern cod. As a result of that decision the fish plant in Cartwright has been closed, laying off 50 people. In a community of 500 where the plant is the economic backbone of the community there is no alternative.

I ask the Minister now to adopt the policy that those who are closest to the resource have primary access to it, and to grant the Labrador Shrimp Company access to northern cod so that small fish plants can remain open.

* * *

SHIPBUILDING

CONSORTIUM'S PROPOSAL TO BUILD MINESWEEPER PATROL VESSELS

Mr. Joe Reid (St. Catharines): Mr. Speaker, Canadian Shipbuilding and Engineering Limited, a consortium of shipyards based in St. Catharines, has made a proposal to the Government which the Government cannot ignore. It was a design and build proposal for 12 minesweeper patrol vessels so badly needed to protect our two ice-free coasts.

CS&E has a full-time design team already at work on the project. It has technological experience in place. Five yards from coast to coast are involved. By sharing the work shipbuilders across the country will benefit. Construction could begin in six months.

To tender and delay the awarding of this contract could mean that other yards will suffer the same fate as Port Weller Dry Docks which, with the lay-offs of last week, leaves only 12 maintenance men in place.

I call upon the Government to grant this contract now to CS&E Limited. It has already done the groundwork, and it is its turn. To delay will simply cost the taxpayers more in the long run.

* * *

ENVIRONMENTAL AFFAIRS

OPPOSITION TO PROPOSED DAM ON OLDMAN RIVER IN ALBERTA

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, a number of Alberta environmentalists met last Saturday with members of the New Democratic caucus in Edmonton to consider how to make sustainable development a reality, especially in agriculture.

A major concern raised at that conference was the Oldman River and the Alberta Government's plan to dam it at enormous cost for little benefit, all the while refusing public involvement and environmental assessment.

The federal Government has two reasons to be involved. For native people the Oldman dam would mean "the single most devastating project in the history of Alberta in terms of destroying prehistoric sites and historic buildings".

Environmentalists have asked the federal Government to consider the impact on sport fishing, which is excellent in that area. The federal Government has the jurisdiction to conduct an environmental assessment. So far it has refused to do so.

I call on the Minister of Indian Affairs (Mr. McKnight) and the Minister of the Environment (Mr. McMillan) to take the actions they can to stop this devastating assault on the environment.

* * *

NATIONAL PAROLE BOARD

POSSIBILITY OF EARLY PAROLE FOR CONVICTED MOBSTERS

Mr. John Oostrom (Willowdale): Mr. Speaker, law enforcement agencies are irate over the possible granting of early parole to mobsters presently serving time for committing various capital offences. These extremely dangerous individuals are gaining early parole for good behaviour even before serving two-thirds of their sentences. This is an absurd situation.

For example, one individual who is serving 15 years for arson and bombings also plotted a murder while still in prison. He received an additional 12 years and is now eligible for early parole for good behaviour.

It is clear that the parole board must receive new guidelines to deal with these underworld crime lords. Our law enforcement agencies must be given effective tools to protect society from this filth.

Justice must be done, not seen to be done, and all those who commit capital offences must serve all their time.

* * *

SPECIAL CANADIAN GRAINS PROGRAM

DELAY IN PAYMENTS TO ONTARIO AND QUÉBEC CORN PRODUCERS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the Special Canadian Grains Program of the Department of Agriculture was set up to compensate Canadian farmers for their losses suffered as a result of the U.S. Farm Bill. The farmers who had seen their income drastically reduced were anxiously awaiting their cheques.

There was good news for some farmers, particularly those prairie farmers who were paid in February. I am really happy that they did manage to get their money. However, Ontario and Quebec corn producers will not be paid before the end of April. This situation is totally intolerable.

What it means for the Ontario grower in my riding is further losses. Those farmers will miss out on traditional discounts on purchases of products which are usually offered during the month of March. In some areas this will mean extra money to be reimbursed on loans that are now late for repayment because of this delay.

• (1415)

I urge the Minister of Agriculture (Mr. Wise) to use his powers to accelerate the payments to Ontario grain producers. Those farmers have suffered enough under this Tory administration.

* * *

[*Translation*]

SPACE AGENCY

A SPATIAL CAPITAL!

Mr. Jean-Robert Gauthier (Ottawa—Vanier): On March 23, the media reported that 160 highly specialized engineers would soon come to Ottawa to work for the Canadian Space Agency. The president of the National Research Council confirmed that 70 experts were already working on the orbital station project within that organization and that that number would soon rise to 120.

It would be a disgrace to let these people settle in the National Capital Region and then force them to move with their families to Montreal or some place else in order to comply with some Tory electoral agenda.

The Government must have the courage to confirm once and for all that the space agency will be in the National Capital. I say it loud and clear: the Government is already setting up that agency little by little. The National Capital Region is spatial, but it is also very special.

* * *

[*English*]

TRADE

IMPORTS OF BROILER HATCHING EGGS AND CHICKS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, nobody likes the thought of gassing day-old baby chicks. What is not cute either is the flood of surplus American hatching eggs and chicks which are displacing domestic production.

Six years ago those imports amounted to 12 per cent of our needs. They will be double this year. This is hurting Canada's $2.5 billion chicken industry of which $100 million is our broiler hatching egg industry.

A national agency was proclaimed in November, 1986, but producers have not been able to get the Government to agree to border controls, very necessary underpinnings to supply management.

I call upon the Minister for International Trade (Miss Carney) to place broiler hatching eggs and chicks on the import control list to avoid further damage to this fledgling Canadian industry.

ORAL QUESTION PERIOD

[*English*]

OFFICIAL LANGUAGES

COMMISSIONER'S ANNUAL REPORT—GOVERNMENT POLICY

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is directed to the Acting Prime Minister. Under the Official Languages Act, the Commissioner of Official Languages has the power and duty to comment on the status of the official languages in Canada. In fact, he has been doing that in his reports for many years.

While we might not have used the same language as the Commissioner in his recent report, on the other hand we must recognize that his report was balanced and he criticized

language violations in all parts of the country. We might not always like what the Commissioner states, but we have never questioned his right to report freely. In this respect, he is like the Auditor General.

I wish to ask the Acting Prime Minister if, in these circumstances, the resolution passed by Quebec Conservatives on the weekend is in accord with government policy? Further, does the Government agree with some of its members that the Commissioner should resign?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, first I think the Hon. Member would agree that the Language Commissioner is not an officer of the Government. He is an officer of Parliament. He is independent and should be treated with independence.

Insofar as the alleged offensive words that have been used are concerned, the Commissioner himself has recognized that perhaps he could have chosen words that were less provocative. I think he has recognized that, and for that he has apologized. Perhaps it should be considered within the context of the various mechanisms that we have in this Chamber. There is a special language committee of Parliament, which is a joint committee. Currently hearings are being conducted with respect to Bill C-72. I understand that the Commissioner will be appearing before that committee. There are also Estimates which have been referred to the respective committees.

There are various ways in which an elaboration of the points the Commissioner has made in his report can be elicited by all Hon. Members. I would suggest that that would be the best vehicle and mechanism to seek that clarification.

[*Translation*]

COMMISSIONER'S FREEDOM OF EXPRESSION—GOVERNMENT POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, while the Commissioner reported on the situation of English-speaking Quebecers, he also expressed dismay about the case of Mr. Piquette, MLA, and the rights of French-speaking Albertans. If it is considered as a whole, his report can be seen as well balanced.

My question is this: Is the Government ready to support and defend the freedom of expresssion the Official Languages Commissioner needs to go on with his job?

• (1420)

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I think we have to take the Commissioner at his word. He has acknowledged the fact that perhaps he could have used less provocative language. In his press release he has said that while he may have pointed out his view in a rather blunt manner, he did not, despite certain interpretations, condemn the Government of Québec in his report. On the contrary, he credited the Government with a number of positive initiatives and expressed his confidence in its ability to reduce present language tensions in Québec.

Having made that clarification, and with all Members having the opportunity to cross-examine the Commissioner before the respective committees of Parliament, it seems to me that if any further elaboration is required that is the place to seek it.

BILL C-72—POSITION OF MEMBERS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, if the Conservative Party wants to censure those who really oppose bilingualism and minority language rights, why does it not condemn and demand the resignation of those Conservative MPs who oppose Bill C-72?

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Deputy Prime Minister may choose to answer that question, but I point out that the question is an allegation which goes to the motivation of Hon. Members and is completely improper.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, if the Hon. Member wants to degrade this very sensitive issue into a partisan issue, then he is certainly going the right way.

Quite frankly, if he wants to condemn the Conservative Party, there are certain members of the Liberal Party in the Province of Québec who voted to censure the Commissioner of Official Languages.

If he wants to talk about Bill C-72, maybe he might want to explain why the Liberal Opposition wanted to filibuster it at second reading when we were prepared to put it through.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Gauthier: We could set the record straight on that last assertion.

[*Translation*]

USE OF FRENCH IN COURTS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the language used by the Commissioner in his comments on the linguistic situation in Quebec was certainly not judicious.

The report of the Official Languages Commissioner is a well balanced one, in which 95 per cent of the comments are about the francophone diaspora, that is those who live outside Quebec like myself but still use French in everyday life. Only

three provinces out of ten have education programs in the minority official language under Section 23 of the Constitution. There are still three provinces where it is impossible to have a criminal trial in French, according to the most elementary principles of justice. What does the Government intend to do to remedy this situation, where you have to beg permission to speak your mother tongue in a legislative assembly, which is quite humiliating. What is the Government going to do to convince the six remaining provinces to abide by Section 23? What does he have in mind to protect our right to be judged in French in the three provinces that do not provide French in courts?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, if the Hon. Member wants to quote selectively from the report of the Official Languages Commissioner, perhaps I could do the same thing.

He has been very complimentary about a number of initiatives this Government has undertaken. He starts in Part I by saying the following:

> The introduction to the proposed Canada-United States trade agreement offers the prospect of a "richer Canada—which can afford to enhance the quality of life through and for Canada's cultural endeavours."
>
> The Meech Lake accord, Bill C-72, a Multiculturalism Bill and possible new laws and policies on communications, broadcasting, citizenship and immigration convey some idea of what those cultural endeavours comprise and of the cost of maintaining Canada's distinctiveness.

Those are all initiatives which have been taken by this Government, and I think he is very complimentary in stating that.

[*Translation*]

REQUEST THAT DEPUTY PRIME MINISTER CONTACT SASKATCHEWAN PREMIER

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, we are still waiting for an answer.

I want to ask the Deputy Prime Minister what he intends to do. What do he and his Government intend to do to encourage, urge and if necessary pressure certain provinces to recognize the Canadian reality, the linguistic duality of Meech Lake? What does he intend to do to ensure that Canadians, wherever they happen to be in this country, are entitled to two fundamental services, education and justice, in their own language?

Is he prepared to invite the Premier of Saskatchewan and ask him, face to face, to take concrete action? A month ago, on February 25, the Supreme Court ruled that Section 110 applied to Saskatchewan. Not a word since then. The Legislative Assembly has been sitting in Saskatchewan since February 21, but not a word, not in the throne speech or anywhere else, about this matter . . .

Mr. Speaker: I am sorry, but I must ask the Hon. Member to put his question.

Mr. Gauthier: Does the Deputy Prime Minister intend to invite Premier Devine and talk to him and persuade him to do something in Saskatchewan? Will he bring him here to Ottawa to rap his knuckles and tell him to move, and move fast?

• (1425)

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the Hon. Member being a member of the Liberal Party would always choose the option of confronting rather than co-operating. I think that in the course of this Government's initiative toward national reconciliation much has been gained in terms of bringing the country together and healing the wounds of the nation which were so bad during the course of the previous five years.

The Hon. Member talks about the Premier of Saskatchewan and mentions the Premier of Alberta. These two Premiers signed the Meech Lake Accord and all that goes with it. I think that is the best measure of confidence in the future of Canada and of preserving the duality of the two official languages in Canada.

* * *

CANADA ELECTIONS ACT

DISTINCTION BETWEEN CAMPAIGN EXPENSES AND ELECTION EXPENSES—REQUEST FOR AMENDMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Deputy Prime Minister. He will know that the federal wing of his Party met in Quebec on the weekend, during which time they discussed the federal Election Expenses Act. During the so-called Masse affair, a very substantial loophole was discovered in the existing law permitting a Party to avoid dealing with any serious limits on election spending because of the distinction that has been made between so-called campaign expenses on the one hand and election expenses on the other.

Since both opposition Parties have called for this to be dealt with promptly before the next election is held, will the Government demonstrate its good faith and its commitment to this legislation by making sure that it is dealt with promptly before the next election?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, if the Leader of the New Democratic Party is so sure that that is the position of his Party, I wish he would talk to his members. We brought the Bill forth for debate with the hope of moving it into committee where we could discuss—

Mr. Broadbent: What Bill?

Mr. Mazankowski: The Election Expenses Bill.

Mr. Angus: There is nothing in that Bill to do that.

Mr. Mazankowski: That is right, there is nothing in the Bill. We have entered into discussions with the opposition Parties. We are prepared to move this into committee so that we could discuss this very important issue. We think that, because there is a Bill before the House, with all-Party agreement we would be able to incorporate a new provision, and we had indicated our intention to do so providing we could get the support of the two opposition Parties. They chose to filibuster rather than to move the Bill ahead into committee.

REQUEST FOR GOVERNMENT ACTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I do not want to challenge the good faith of the Deputy Prime Minister on this issue because it is important, but my information was very different. If he is now saying that his Party is willing to deal with that matter on a priority basis before the next election, then, as I have already indicated, it is certainly our view that it ought to be dealt with. My understanding is that that is the view of the Official Opposition as well.

[*Translation*]

During the same Conservative Party Convention in Quebec, they also discussed contributions to political parties. I raised the question three times here in the House in the last twelve months, and I suggested we should have a decision on this issue before the next election campaign.

My question is directed to the Deputy Prime Minister on this subject as well. To show its political will, would the Government immediately refer the subject to committee for action, before the next federal election campaign?

• (1430)

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I know that the NDP spokesman on the Elections Act is not in the House, nor is his House Leader. However, I can assure the Hon. Member that there were discussions between the Government's Deputy House Leader and other House Leaders to move this Bill into committee so we could deal with the issue of segregation of election expenses and campaign expenses. It is true it was not incorporated in the Bill because it came to light during the course of committee hearings involving the Minister of Energy, Mines and Resources. However, we are prepared to do that.

With respect to the other item, if we can move this Bill into committee this is clearly another matter that could conceivably be considered. Certainly we have no problem with that. We thought it would be most appropriate because there are some very important matters in the Bill currently before the House that need to be moved on, and if we can incorporate the other provisions we would be prepared to do so.

REQUEST FOR GOVERNMENT ACTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, as the Deputy Prime Minister knows, the resolution passed by the Quebec wing of his Party did not obligate the Party at the national level or the Government in any way.

I have asked three times in the past year that all questions concerning the financing of political Parties be referred for action before the next election, with no predisposition to a conclusion. As well, two cabinet Ministers from Quebec have already made contradictory statements with respect to that Party's resolution. Therefore, will the Deputy Prime Minister commit himself to act on this before the next election instead of supporting something outside the House? It can lead only to conclusions of hypocrisy if it is not dealt with in the House.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I will of course take that as a representation. There will be other matters considered when we get this Bill before committee. For example, we will be considering the propriety of the NDP financing municipal elections under the guise of the Elections Act.

Mr. Broadbent: That is good.

Mr. Mazankowski: Then we will see how far he goes.

Some Hon. Members: Hear, hear!

* * *

AIR SAFETY

REQUEST THAT DEPARTMENT ASSUME RESPONSIBILITY FOR AIRPORT SECURITY

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Minister of Transport. I have in my hand a copy of a confidential task force report on airport security presented to the Minister of Transport in May of 1986. The report, prepared in the wake of the Air-India disaster, is signed by the Director of Security for Transport Canada and says: "The task force agreed that working conditions for the majority of security screening personnel are very poor, leading to low morale and a high turnover rate, and this inevitably had an adverse effect on security."

The report was presented to the Minister two years ago. Since then nothing has changed.

What action is the Minister now prepared to take in light of recent examples of slackness in our security screening system? Is he now prepared to take airport security out of the hands of Canada's major airlines and have Transport Canada assume direct responsibility for screening of passengers and baggage at Canada's airports?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, there was a task force report which I referred to here last week and which was acted upon. There were nine major improvements instituted as a result of that report. I outlined to the House how in excess of $60 million in additional funds have been spent improving airport security. Last September we instituted a screening procedure with respect to security areas in airports. All of this, of course, met with the opposition of the NDP and the unions they represent who have been kicking and screaming all the way.

With respect to the question of whether or not we are prepared to take over the screening of passengers at airports, as the hon. gentleman knows, I have summoned the presidents of the major airlines to meet with me to review that situation and see what they are prepared to do to improve the service. The Hon. Member's suggestion is a possibility or option which is being considered.

LIABILITY INSURANCE NEEDED BY SECURITY FORMS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I thank the Minister for his answer.

The task force report also identified as a major concern the problem of liability insurance for security companies. Since that time, Pinkerton's, the biggest security agency in the world, and Burns, have withdrawn from airport security.

Can the Minister confirm for the House and Canadians generally the fact that, as a result of the near impossibility of getting adequate liability insurance in the wake of the Air-India disaster, if another disaster were to occur today those companies still engaged in airport security work would be forced to declare bankruptcy because they do not have the liability insurance they require, and those who suffer injury or loss of life would be unable to seek financial redress under this system? Can the Minister confirm that?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I am not going to confirm some hoked up, hypothetical question about what might happen if there were another disaster, God forbid, of the Air-India type, and what would happen to the insurance requirements of certain unnamed firms—

Mr. Tobin: They do not have insurance.

Mr. Crosbie: —or whether they have insurance or not.

Mr. Tobin: They have to have insurance.

Mr. Crosbie: This is one of the silliest questions I have heard. I cannot be expected to take this question seriously. If the hon. gentleman was serious he might have given notice so that the matter could be looked into first, instead of continuing with his attempt at sensationalism, which is contrary to the interests of the industry.

NATIONAL REVENUE

NORTHERN TAX BENEFITS—FEDERAL CIVIL SERVANTS—DELAY IN RECEIVING T4 SLIPS

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is directed to the Minister of National Revenue. As he knows, the northern tax benefits for housing and travel are extremely important to northerners to offset their high cost of living. However, I can tell him that the number of pot-holes in the administration of this program are as large as those on the Alaska Highway.

Northern benefits guides and forms were not even out until late February. Now, contrary to Section 205 and Section 209 of the Income Tax Act, northern federal civil servants have not received their correct T4 slips as required by the end of February. If the Government cannot follow its own rules, how can taxpayers do so?

What is the Government doing to ensure that northerners all across Canada get the corrected T4 slips?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, the Hon. Member raises a very timely question. The answer is as follows.

In this case she is referring mostly to Treasury Board since we are talking about federal civil servants. If there are errors or omissions in the T4 slips, then every employer has the responsibility to amend them and notify all concerned, particularly the employees in our Department, as soon as possible. I have had a word with my colleague, the Deputy Prime Minister. We are aware of the problem and we are going to see what we can do to correct it.

INCOME TAX RETURNS—REQUEST FOR EXTENSION OF FILING DEADLINE

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, will the Minister extend the date for filing returns for these people if they do not receive the T4 slips immediately? In that way they will not be penalized and will not have to pay interest if they owe money and file late. As well, those expecting a refund will get interest because they have not been able to file at the proper time. If so, when will this be done?

• (1440)

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, it is the policy of our Department that if the Government contributes to the difficulty of a taxpayer we make redress.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRESIDENT OF CANADIAN CANCER SOCIETY

Mr. Speaker: I wish to draw to Members' attention the presence in our gallery of Dr. Gweneth Ballantine, President of the Canadian Cancer Society, and her executive, with a special guest, Mr. Steven Fonyo.

Some Hon. Members: Hear, hear!

* * *

UNEMPLOYMENT INSURANCE

TREATMENT OF LAID-OFF CANADA PACKERS PLANT WORKERS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have a question for the Minister of Employment and Immigration. When the amendments were introduced to the Unemployment Insurance Act dealing with severance benefits the Minister was careful to assure the House that all laid-off workers would be given exactly the same treatment.

Is the Minister aware that in the lay-off of 350 workers at the Canada Packers plant on Friday there was a major distinction between salaried workers, who have privileges to receive their UI benefits early, and hourly workers, who must wait several months before they will be eligible?

In light of that inequity will the Minister take steps now to ensure that the hourly workers at the Canada Packers plant, and other workers affected by the same situation, will not be treated in this unfair way and will be able to get their severance and UI benefits on a basis equal to that of all other workers?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, it is the first I hear about this. I shall take the question as notice and check to see whether or not the Hon. Member is right. If anything can be done, we shall take immediate action.

[*English*]

Mr. Axworthy: Mr. Speaker, I thank the Minister for responding. I hope that will be done in an expeditious way because the workers have in fact been laid off.

PROGRAM TO ASSIST OLDER WORKERS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my supplementary question is for the same Minister. His colleague, the Minister of Labour, was quoted as saying on the weekend that they are near to making an agreement on a major program to assist older workers. The Minister is aware that the Government cancelled the Labour Adjustment Program which would have provided assistance to older workers.

Since many older workers, including some at the Canada Packers plants, are now being left without benefits, can we get a guarantee from the Government that any proposal will grandfather benefits for older workers who were laid off during the interim between the cancellation of the Labour Adjustment Program and the introduction of the new legislation?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I would like to say first that the program was not cancelled. We were at the end of the program.

With regard to the other part of the question, the Minister of Labour is working at the present time toward an agreement with the 10 provinces on the new program for older workers. The Government has always been concerned about the relationship with the provinces and, unlike the former Government, it will continue to work with the provinces.

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CANADIAN NATIONAL RAILWAYS

CLOSURE OF MONCTON MAINTENANCE SHOPS—PAYMENTS TO FORMER EMPLOYEES

Mr. Jack Harris (St. John's East): Mr. Speaker, my question is for the Minister of Transport and is with regard to the CN shops at Moncton. CN's decision to shut the rail and shop operation at Moncton at a cost of 1,200 jobs was based on studies which supposedly show how much CN could save by closing down the operation.

Since these studies were done an arbitration award has confirmed contract rights for employees which will mean that by September, when the operation is finally shut down, CN will still have to pay over $10 million a year—full pay—for up to 300 workers to stay home and do nothing until retirement.

Will the Minister instruct CN to make these so-called rationalization studies available to the employees and to the Transport Committee or, if the Minister has the studies himself, will he make those studies known to all of us?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, this matter has, of course, been discussed in the House many times. It is regrettable that CN had to take a decision to close the Moncton shops.

Mr. Rodriguez: You let them.

Mr. Crosbie: However, life changes—

Mr. Rodriguez: And so will the Government.

Mr. Crosbie: —as the railway industry has changed, and it was in the economic interests of CN, unfortunately, to close those shops.

CN's studies show quite clearly that it will make considerable savings as a result of the decision to close these shops. CN has, I suppose, the most generous compensation system in the world, or certainly in Canada, which applies in these situations. There will be very considerable compensation for the employees who are affected.

ECONOMICS OF CLOSURE

Mr. Jack Harris (St. John's East): Mr. Speaker, those studies were done before the confirmation of the arbitration decision that the CN will have to pay these workers. How can it be sensible for CN to pay 300 people to do nothing and have the work done elsewhere and pay for it there?

Why will the Minister not try to talk some economic sense into CN management and convince them to consolidate their operations, keep the shops open, and provide some job security for the workers who are there?

Hon. John C. Crosbie (Minister of Transport): Apparently, Mr. Speaker, the Hon. Member is complaining that CN has this extremely generous employment security plan. If you work for CN for eight years and your job is lost, CN will either ensure that you get a comparable job elsewhere, if one exists, or pay you your salary until you become pensionable. It is a very generous scheme.

Despite that, the facts remain and the figures show quite conclusively that it is most economic for CN, in view of the fact that it does not have enough work to support all of the main shops which it had in operation, to close the Moncton shops. The provision for the employees affected has been most generous.

Of course there was an opportunity for other employment to be provided in those shops. CN came forward with a plan to establish a manufacturing enterprise there but it was not accepted by certain of the unions involved, the co-operation of which was requested.

* * *

NATIONAL DEFENCE

REQUISITION OF NUCLEAR POWERED SUBMARINES

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, in the absence of the Minister of National Defence my question is for the Deputy Prime Minister. Recently General Theriault, a respected Canadian soldier and former Chief of Defence Staff, called the policy to create a nuclear submarine fleet, as a lot of defence analysts are saying, "an unaffordable extravagance".

In view of the mounting criticism of that policy is it not time for the Government to admit that the policy to create a nuclear submarine fleet has been blown out of the water? Is it not time to take that money and put it into the real, meaningful defence of Canada?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, General Theriault also said, I understand, that nuclear powered submarines are an excellent weapons system and that the acquisition will greatly enhance Canada's maritime defence capability. Of course, that is precisely what we have in mind.

As the Hon. Member knows, after years and years of neglect our maritime capability is not up to the required standards. We have over 5,000 miles of coastline; we have three oceans. With the acquisition of these nuclear submarines we will have the capability of operating in all three oceans for the first time. That is going to contribute to Canada's defence and Canada's sovereignty. The Government remains committed to its decision.

Mr. Rompkey: Mr. Speaker, if we had enough money we could do anything, including having a decent Post Office which we do not have. The point is that the General said that it is an unaffordable extravagance. That is the situation.

COST OF ACQUISITION

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, in view of the fact that the people of Canada do not want it and we do not want it, why does the Government not listen to the people of Canada and put that money into creating more jobs for Canadians by increasing the complement of the Armed Forces? Why not that policy?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, is the Hon. Member suggesting that we should deliver the mail by submarine?

Mr. Rompkey: It will go just as fast.

Mr. Andre: After years of neglect I am pleased to be able to say that the Post Office will be turning a profit this year.

Every defence analyst who has looked at our situation has recognized that the most serious need for the Canadian military has been updated and modernized equipment. We have three very old diesel submarines and nothing else.

The Hon. Member says that we should expand the manpower, but one needs the equipment for the personnel to use. What good does it do to have more sailors if we have nothing for them to sail on?

* * *

IMMIGRATION

REFUGEE CLAIMANTS—DELAY IN ISSUING WORK PERMITS

Mr. Dan Heap (Spadina): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. As

the Minister knows, before July, 1986, refugee claimants were given generic work permits following their first inquiry when they indicated their decision to claim refugee status. Since then the Government has made it impossible for these people to work until after their statement under oath has been taken. As a result there are now about 7,000 refugee families in Metro Toronto waiting a minimum of eight months each, at a welfare cost of $500 per month.

• (1450)

Will the Minister restore to the refugee claimants permission to work as soon as they have had their initial inquiries so that they can regain their self respect by supporting themselves?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the current backlog, which is now nearly 50,000 people as I was informed this morning, has reached such a level that it would be much more difficult today to apply the policy which was in effect when there was only a backlog of a few hundred or thousand people. I believe that the best thing to do would be to allow us to take care of this backlog, and the Hon. Member knows exactly what he has to do in that regard.

Mr. Speaker: The Hon. Member for Spadina on a short supplementary.

[*English*]

REQUEST THAT PROVISIONAL PERMITS BE ISSUED

Mr. Dan Heap (Spadina): Mr. Speaker, the Minister knows that many of the delays are caused by the Department's scheduling problems. Therefore, if he is withholding the work permits as claimed in order to pressure people to make their statements, why not follow the advice of the Bar Association a year and a half ago and make the permits subject to revocation if there is undue delay? Let them support themselves.

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I would like to understand the coherence of a policy which gives a permit and revokes the permit if they are not refugees. The fact of the matter is that those persons have claimed refugee status. There are 50,000 in this country. It is unacceptable for all Canadians.

I believe that my hon. friend is honest enough to understand that, as long as we do not have what is needed. He knows very well that if the policy just on the other side of the wall is released, that will be the best answer for all refugee claimants in this country.

[*Translation*]

ADMINISTRATION OF JUSTICE

FAMILY VIOLENCE—CONCLUSIONS OF MINISTERS OF JUSTICE

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is for the Minister of Justice. Last month, I asked the Minister whether he would agree to federal-provincial action with a view to reducing family violence. Within the last six months, three women have been killed by their husband or spouse. A federal-provincial meeting of Justice Ministers was held on March 16, 17 and 18. I would like the Minister to tell us what came out of that meeting and what conclusions the Ministers reach concerning this issue.

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate the question from the Hon. Member. I want to report to her and Members of the House that the federal-provincial meeting held in Saskatchewan on March 17 and March 18 was directed towards some specific topics. We are meeting again at the federal-provincial level in Québec on May 26 and May 27, at which time there will be an opportunity for more extensive discussions on a number of topics.

I should tell the Hon. Member that in connection with the particular representation she has made on the matter of family violence, my colleague, the Minister of National Health and Welfare, and I have been working closely together with respect to a federal response.

As far as my responsibility for the criminal law is concerned, I am working with my provincial counterparts to look at areas of the Criminal Code which require reform to make sure that we can improve the law. This particular area is certainly one that our Department is considering.

[*Translation*]

Mr. Speaker: The Hon. Member for Outremont on a very short supplementary, please.

REQUEST THAT SUBJECT BE PLACED ON AGENDA FOR NEXT MEETING

Mrs. Lucie Pépin (Outremont): I simply want to remind the Minister that, on February 29, he promised this House that this matter would be on the agenda. I would like the Minister to assure us that the issue will definitely be discussed at the next meeting in May.

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think the Hon. Member is fully conversant with the complexities of this issue. The question of family violence is not something that should be dealt with solely and exclusively by the criminal law.

I think there must be a co-ordinated approach to this matter. I believe she would probably join with me in this particular effort.

We are dealing with amendments to the Criminal Code on a federal-provincial basis. It so happens that the federal-provincial meeting will take place on May 27 and May 28 in Quebec City, Quebec, Canada.

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UNEMPLOYMENT INSURANCE

PAYMENT OF BENEFITS TO NON-STRIKING LAID-OFF WORKERS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. It deals specifically with the Supreme Court of Canada decision last week.

In a case where there was an industrial dispute in the workplace and workers who belonged to the same international union but a different local were laid off, the Supreme Court of Canada ruled that they should be entitled to collect unemployment insurance benefits even though union dues go to the central fund to support strikes, or to support disputes.

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

Some Hon. Members: Oh, oh!

Mr. Rodriguez: Does the Minister intend to bring in amendments to Section 44 of the Unemployment Insurance Act to make it consistent with the ruling of the Supreme Court of Canada?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, we are now considering the legal implications of the Supreme Court ruling. I should think that in due course, before suggesting that the Unemployment Insurance Act might be amended—I realize my colleague likes that a lot, we have just done that recently—before starting over again I think we will try to find out exactly what the decision might entail.

[*English*]

Mr. Speaker: Of course, I will recognize the Hon. Member for a supplementary question. There are a number of other Hon. Members who wish to be heard. I ask that the supplementaries be short.

REQUEST THAT STATUTE BE AMENDED

Mr. John R. Rodriguez (Nickel Belt): Thank you, Mr. Speaker. I will be short as usual.

Some Hon. Members: Oh, oh!

An Hon. Member: You don't have any choice.

Mr. Rodriguez: I am standing, Mr. Speaker.

Mr. Speaker: I assure the Hon. Member that I would believe him, where others may not.

Some Hon. Members: Oh, oh!

Mr. Rodriguez: It is good to know that I have a Speaker who has faith in me.

My supplementary question is directed to the same Minister. The Supreme Court decision is consistent with recommendations made by the Standing Committee on Employment and Immigration late last year regarding the whole question of Section 44 as it applies to locked out workers, maternity benefits, which are now paternity and adoptive benefits, for workers who are laid off because of an industrial dispute in the workplace.

When the Minister is considering amending Section 44, will he consider bringing those other aspects of Section 44 in line with the decision of the Supreme Court?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I want to be shorter than my friend. No.

* * *

THE ECONOMY

INTEREST RATE LEVELS—RATE OF INFLATION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Minister of Finance. The Minister of Finance, who is a—

An Hon. Member: A great man.

Mr. Guilbault (Saint-Jacques): Yes, he is a great man.

Some Hon. Members: Hear, hear!

Mr. Guilbault (Saint-Jacques): If the Minister is such a great man and deserving of all this applause—

Some Hon. Members: Hear, hear!

An Hon. Member: Time is up.

Mr. Speaker: The Minister will no doubt wish that the Hon. Member would just stop right there. However, perhaps the Hon. Member could put his question.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, when the Minister of Finance tries to justify his interest rate policy he always says that it is for fear of fueling inflation. John Crow, Governor of the Bank of Canada, has an avowed objective to reduce inflation to zero. Do not think, Mr. Speaker, because they say it, it is their policy. The Minister is also imposing

billions of dollars in indirect taxes on Canadians which in turn are fueling inflation.

• (1500)

Some Hon. Members: Question!

Mr. Guilbault (Saint-Jacques): Witness the 10 per cent tax on long distance telephone calls and increased tax on cablevision which has been in force since January 1. Witness the increased tax on gasoline which is coming onstream this week.

Some Hon. Members: Question!

Mr. Guilbault (Saint-Jacques): My God, there is a bunch of stupid guys on the other side.

Some Hon. Members: Oh, oh!

Mr. Speaker: Perhaps the Hon. Member will put his question.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I would not like to be in your shoes and have the duty to maintain order in this place.

Mr. Speaker: I suppose all I can say is that what the Hon. Member has just said on one side is probably being repeated *sotto voce* at the same time on the other side. Will the Hon. Member put his question?

Mr. Guilbault (Saint-Jacques): Mr. Speaker, what I am saying is that the Minister cannot say that he wants to keep inflation in check and impose taxes over taxes which fuel inflation. Why is the Minister saying to Canadians: "Listen to what I am saying, but don't watch what I am doing"?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think you observed that the Hon. Member started his question on a far better footing than he finished.

The Hon. Member, I think, has to realize that we are trying to follow economic policy in the broadest sense. Part of it results in increases in taxes. Part of it results in decreases in prices. As a result of the increase in the value of the Canadian dollar, we see that the cost of imports to Canadian consumers comes down. That, hopefully, will be reflected in the Consumer Price Index and the broader cost of living.

If we are able to achieve that objective, then, as I have said before, hopefully we will be able to do this soon and get interest rates down. In the meantime we are following a balanced economic policy, to one part of which the Hon. Member has referred, but there are many, many other parts as well.

[*Translation*]

IMPOSITION OF INDIRECT TAXES—MINISTER'S POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I want to ask the Minister why is he trying to squeeze the taxpayers in a vice. First he forces them to pay high interest rates because he claims he has to keep inflation under control, but then he continues to levy hundreds of millions of dollars in indirect taxes—we will be getting more of these this week, on April 1—and there again they have to pay.

What is the Minister trying to achieve by squeezing taxpayers from both sides at the same time?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, again I think the Hon. Member is being far too focused in his questions. He should look at the broader impacts of government policy and the broader objectives of government policy. Clearly, the broader objective, as I have stated on many occasions, as has the Governor of the Bank of Canada, is to improve the health of the Canadian economy and improve the ability of the Canadian economy to create economic growth and jobs.

That is happening. We have been right up at the top of the list in job creation. We have been right up at the top of the list in economic growth. We are trying to ensure that we continue that excellent performance, a performance that is widely recognized—

Mr. Speaker: I regret to interrupt the Hon. Minister. There will be one final question.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—
INTRODUCTION OF RATIFICATION LEGISLATION

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Deputy Prime Minister. Many Canadians, myself included, believe that we should not be implementing the Canada-U.S. Free Trade Agreement until after we have had a national election. However, all of that is going to be academic unless the United States Congress ratifies the agreement. Will the Deputy Prime Minister assure the House that legislation intended to implement the agreement will not be introduced until after the United States Congress ratifies the agreement itself?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the preparation of the legislation is proceeding. When it will be introduced is somewhat uncertain at this time. However, I have indicated it will be sometime after April 11, so that gives me a little latitude. It will depend on a number of things that will have to be taken into consideration. I will certainly take the Hon. Member's suggestion as a representation.

Point of Order

[*Translation*]

POINTS OF ORDER

ALLEGATION OF FILIBUSTER ON BILL C-72

Mr. Jean-Robert Gauthier (Ottawa—Vanier): On a point of order, Mr. Speaker, I want to urge the House to consider the facts as they are and not as the Deputy Prime Minister sees them with respect to the matter of the debate on Bill C-72.

I want to get back to it because I think some Members have been suggesting that the whole exercise has turned into a filibuster.

[*English*]

The Deputy Prime Minister has repeated for days and weeks this filibuster obsession of his. After having had the bells ring for two solid weeks, he would know what a filibuster is. I want to remind him that Bill C-72 at second reading was here for three days only, February 8, February 9, and March 7. There was a month's delay when the Government had to deal with its own back-bench reaction, at which time we all heard and read about its hesitation in facing this Bill. There was an official time of nine hours and 37 minutes of debate. That is hardly a filibuster.

I want to remind the Minister and the House that on second reading on February 8 we had a total of three hours and 19 minutes debate, on February 9, a total of six hours and 49 minutes debate and a cumulative total on March 7 of nine hours—

[*Translation*]

Mr. Speaker: I think that, obviously, it is not a filibuster.

When the Hon. Member rises on a point of order, naturally . . .

Mr. Gauthier: Mr. Speaker, my point of order is that it is neither acceptable nor proper in this House to impute motives to a Member or a group of Members regarding a debate or a division. The Deputy Prime Minister keeps repeating . . .

[*English*]

He is imputing motives. He is breaking the rules of this House. I ask him to stop that kind of harassment—how is that for a word?

Some Hon. Members: Oh, oh!

An Hon. Member: Poor baby!

Mr. Benjamin: Point of order.

Mr. Speaker: I suppose, in the interests of fairness, I should hear the Hon. Member for Regina West (Mr. Benjamin) and then I will hear the Deputy Prime Minister (Mr. Mazankowski). But I want to indicate that I will not hear Members for too long because it does not seem to me to be much of a point of order.

Mr. Benjamin: Mr. Speaker, my point of order is a different one, if the Hon. Deputy Prime Minister is replying to the first one.

Mr. Speaker: If the Hon. Member's point of order is a different one, I will hear from him in due course.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council, and President of the Treasury Board): Mr. Speaker, in reply to my good friend, I think he knows that I never contravene the rules of this House intentionally, nor do I harass intentionally. What I was referring to is one day during the course of Question Period when both opposition Parties challenged me to bring on the Bill and they would pass it immediately. I took up that challenge. They decided not to pass it immediately. They decided to speak a little longer. That is the filibuster to which I was referring.

Mr. Speaker: I suppose the role the Chair at a point like this is to be satisfied that both sides have had their say.

REQUEST THAT MINISTER TABLE DOCUMENT

Mr. Les Benjamin (Regina West): Mr. Speaker, I have been looking at Beauchesne's Fifth Edition, Citation 327. I would ask the Chair's guidance about my point of order, or that he give consideration to it.

There is a fine line between "read or quote from a dispatch or other state paper not before the House". In response to a question by the Hon. Member for St. John's East (Mr. Harris), the Minister of Transport (Mr. Crosbie) used information from the rationalization studies of the Canadian National Railways to the effect that the rationalization studies of the CNR showed how much money it could save regarding the Moncton shops. I admit at the outset that that is not a direct quote or citing of the document. Surely the hon. gentleman, the Minister of Transport is going to extra lengths to skirt the rule.

• (1510)

I am asking, Sir, that you check the "blues" and consider my point of order as to whether or not the Minister of Transport should table forthwith rationalization studies of Canadian National Railway regarding the Moncton shops.

Mr. Speaker: I have heard the Hon. Member. Perhaps the Parliamentary Secretary wishes to respond.

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I listened with interest to the Hon. Member for Regina West (Mr. Benjamin). We will check the "blues" and I will bring the matter to the attention of the Minister of Transport (Mr. Crosbie) and report as quickly as possible.

Mr. Speaker: I will give this matter my consideration since the Hon. Member for Regina West (Mr. Benjamin) is a very senior Member in this place. I note, however, that the Hon.

Member has indicated that it is not a direct quote. I have the point the Hon. Member is making and I will give it consideration.

GOVERNMENT ORDERS

[*English*]

ANIMAL PEDIGREE ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-67, an Act respecting animal pedigree associations, as reported (with amendments) from a legislative committee.

The Acting Speaker (Mr. Paproski): There is presently on the Order Paper one motion to amend Bill C-67, an Act respecting animal pedigree associations, standing in the name of the Hon. Member for Algoma (Mr. Foster).

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, there have been discussions among the Parties and there is general agreement that consent be given with respect to the following. The Hon. Member for Algoma in whose name the motion stands has been detained in his riding, unfortunately, because of weather. He has asked me if the House would give its consent to have the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) move the motion in his stead. I understand that the Government is favourable to this idea, as are members of the New Democratic Party.

The Acting Speaker (Mr. Paproski): Is it so agreed?

Some Hon. Members: Agreed.

Mr. Don Boudria (for Mr. Foster) moved:

That Bill C-67, be amended in Clause 59 by deleting lines 42 to 44 at page 28 and lines 1 to 13 at page 29 and substituting the following therefor:

"59.(1) The registration or identification of animals of a distinct breed or evolving breed in respect of which an association is incorporated may be performed only by the association, or by the Corporation on behalf of the association, and may not be performed by any other association notwithstanding any contract or arrangement to the contrary.

(2) Nothing in subsection (1) shall preclude any association from entering into any contract or arrangement for the normal conduct of its business and affairs."

He said: Mr. Speaker, I stand on behalf of my colleague, the Hon. Member for Algoma (Mr. Foster) who was the representative of our Party on the legislative committee dealing with Bill C-67. When one is asked to substitute for a person who was on a committee and who is detained one has to pinch-hit, as we sometimes say. Notwithstanding that fact, as the deputy agriculture critic for our Party I am pleased to act on behalf of my colleague in proposing this amendment to the House.

The amendment which I am proposing is a brief one. I wish to refresh the memory of the House as to the contents of the amendment in question. Basically what we want to do is to amend Clause 59 of the Bill. In the first draft of the Bill Clause 59 was known as Clause 54. The current Clause 59—the one amended at committee—was amended by a member of the Conservative Party. I have the Hon. Member's name here but I know that we are to recognize a Member by his constituency. I believe it is the Hon. Member for Perth (Mr. Brightwell), if my memory serves me well in terms of the appropriate name of the constituency of the Hon. Member in question.

The Hon. Member for Perth introduced an amendment to the Bill thereby deleting Clause 59 and replacing it with something entirely different. That clause, removed by the amendment of the Hon. Member for Perth, states:

> 54.(1) The registration or identification of animals of a distinct breed or evolving breed in respect of which an association is incorporated may be performed only by the association, or by the Corporation on behalf of the association, and may not be performed by any other association notwithstanding any contract or arrangement to the contrary.
>
> (2) Nothing in subsection (1) shall preclude any association from entering into any contract or arrangement for the normal conduct of its business and affairs.

That is also the amendment I propose on behalf of the Hon. Member for Algoma. Everything that is in the amendment was in the government Bill before it was changed as a result of an amendment moved by the Hon. Member for Perth.

There are a number of things that disturb me about the way in which this whole matter was dealt with by members of the Conservative caucus. Principally, I am worried about the fact that the Canadian Livestock Records Corporation, or the corporation, according to this Bill, is mainly federally funded. Because of the fact that this funding goes to this organization the absence of the clause, its removal, means that the Government now wants to privatize that particular function. I am echoing here the sentiments of the Hon. Member for Algoma which he stated at committee.

I see that the Parliamentary Secretary is with us today. I hope that in the unlikely event that he is willing to consider our amendment, he is at least willing to place on record in the House that there is no attempt in any way, shape or form by the Government to privatize the function that I previously described.

The other concern that we have is the following. It is that if the Canadian Livestock Record Corporation loses its authority it will eventually lose the registration business of the larger associations, hence making it more costly to maintain the records of the small associations. It is somewhat like the argument that Canada Post brings to our attention at times. In other words, if someone else is allowed to do part of the more lucrative business the corporation will be left with the more difficult or less lucrative business. This means that it will be more costly to operate that part of the business because of the fact that the good business will be gone. This is a concern that was raised at committee by some groups.

Another concern that I have is with respect to the manner in which the amendment was brought forward. First, in view of the fact that the content was there in the original Bill, the contents of the amendment to which I am referring today, it must have been government policy. It must have been the policy of the Minister.

The Minister brought in a number of amendments to this Bill. Given that a package of amendments was brought in and in that package there was no mention of the particular amendment that was moved by the Hon. Member for Perth, I ask this: Was it the policy of the Government to have that amendment there, or was it simply an idea that came from the Hon. Member for Perth? Presumably it was a policy initiative which he was able to convey successfully to the Minister whereby the Minister's own policy should be amended to reflect the view of the Hon. Member for Perth. Or is it simply that the Government wanted to do this, but that the Minister felt that it would be politically more difficult for him or his Parliamentary Secretary to move the amendment, so he thought he would have someone else do it in order to take the heat off the Government for moving the amendment in question?

• (1520)

We have received a number of letters on this issue. I believe that we are permitted only 10 minutes to move our amendment, therefore, I cannot read all of the letters that we have received. The Parliamentary Secretary will know that we have received letters objecting to this change in Clause 59 of the Bill, or Clause 54, as the people were commenting on the first draft. There are people who would like that clause to remain.

In the true spirit of parliamentary co-operation to which we are accustomed from the opposition side, I would ask that the Government be as objective as we are on this side of the House and consider an opposition amendment to this Bill in order to restore it to what it was initially.

Mr. Lee Clark (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, before addressing the remarks offered by the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) on behalf of the Hon. Member for Algoma (Mr. Foster) who, unfortunately, cannot be present due to the weather. I wish to inform you, Mr. Speaker, and the House that there have been consultations among representatives of the Parties of the House with respect to another minor amendment which we are advised would further the purpose of the Bill. I am referring to the following amendment:

The Acting Speaker (Mr. Paproski): I must interrupt the Parliamentary Secretary. We must first dispose of the Government's amendment before we go on with this amendment. If there is no further discussion, I will put the question.

Mr. Clark (Brandon—Souris): I wish to speak to the amendment before the House.

The Acting Speaker (Mr. Paproski): the Hon. Parliamentary Secretary to the Minister of Agriculture.

Mr. Clark (Brandon—Souris): First, I want to address two or three of the remarks made by the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) when he raised questions as to the method by which the Bill was amended as it was during the committee stage. Perhaps I should begin by explaining that this Bill has been amended on several different occasions during the course of the hearings by the legislative committee. Quite frankly, I think that that process demonstrates the importance of the legislative committee function. The committee met on numerous occasions and there were many amendments. There is only a question about the one which is now before the House.

In my opinion, the wording in Clause 59, as it is presently reported to the House, having been amended by the legislative committee, should in fact stand. The implications of the amendment were very carefully considered. It was introduced only after considerable discussion and considerable notice. In fact, I believe there was some reference to this as early as December in our proceedings.

The amended Clause 59 as reported to the House was introduced at the request of several breed associations, including the Appaloosa Horse Club of Canada, the Canadian Charolais Association, the Canadian Beef Breeds Council, the Canadian Gelbvieh Association, and the Canadian Pinzgauer Association.

I would like to remind the House that Clause 59, as proposed by the legislative committee, will provide more choice to Canadian industry in processing its registrations. That is the reason why the amendment was adopted at the committee stage. We believe that this amendment as it now stands will promote an environment of free enterprise and competition in the area of maintaining records.

Under the current Livestock Pedigree Act, breed associations have the right to either register animals themselves, or have the Canadian national livestock records register those animals on their behalf. We felt that this policy was too restrictive. Since the wording under the legislation currently in force has made the policy too difficult to enforce, some associations are already using the services of another association to register their animals.

The Canadian Gelbvieh Association and the Canadian Pinzgauer Association are using the services of the Canadian Charolais Association to register and keep records of their animals. This working relationship between two or more breed associations has been very positive in terms of reducing the cost of record keeping and registration services.

Clause 59, as it now stands, will allow the expertise, staff, and equipment of one breed association to be made available to other associations for registration and record keeping purposes. Such arrangements will help reduce the need for so many breed associations to have their own record keeping

systems and staff. It will also allow a choice of record keeping and registration services other than that provided by the new Canadian Livestock Records Corporation. This proposed amendment to the Bill as reported to the House in no way reflects upon the ability of the new Canadian Livestock Records Corporation to provide a service.

For some associations, it will mean a cost saving which will allow them to concentrate their efforts and finances on such other important activities as promoting, improving, testing, and showing breeds. The amendment of the Hon. Member for Algoma, as presented by the Hon. Member for Glengarry—Prescott—Russell, could result in a reduction of the resources needed to support those positive activities.

I appreciate that the Members who supported this proposed amendment want assurances that the new legislation is in the best interests of Canadian industry. I am pleased to assure all Members that Clause 59 of the new Animal Pedigree Act, as it now stands, will ensure the continuing credibility and integrity of the Canadian livestock pedigree record system.

I remind all Members of the House that, under the current Clause 59, arrangements between associations for the registration of animals will have to be approved by the Minister of Agriculture (Mr. Wise). This will ensure that quality and integrity of record keeping services are demonstrated.

If the Minister of Agriculture is not fully satisfied that a breed association can fulfil the requirements for registering and keeping records of animals on behalf of another association, the Minister will not approve the arrangement. It is as simple as that.

As a further guarantee of the integrity of the new system, the Minister of Agriculture can terminate any previously approved arrangements between breed associations, if there is evidence that an association is not living up to its responsibilities regarding the record keeping and registration of animals.

Throughout its long history, the Canadian National Livestock Records Corporation has maintained a high standard and a record of service to breed associations and thereby to Canadian agriculture. Under Clause 59, the Government is convinced that the new Canadian National Livestock Records Corporation can continue to provide the services of its predecessor while also standing up to the challenge of competition from other breed associations.

In conclusion, Clause 59, as amended in the legislative committee, should stand. It is a good amendment. It provides for competition where there might otherwise be an unjustified monopoly. The majority of breed associations do not oppose Clause 59 because it offers the industry both flexibility and the protection of built-in safeguards. Most important, it also offers them a choice in record keeping and registration services.

I would ask that the Hon. Member who has moved the amendment, having considered the arguments presented on this side, might consider whether he wishes to withdraw it and allow the legislation to proceed without any further delay.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it. I declare the amendment lost.

Amendment (Mr. Foster) negatived.

The Acting Speaker (Mr. Paproski): I will entertain the amendment of the Hon. Member for Brandon—Souris.

Mr. Lee Clark (Parliamentary Secretary to Minister of Agriculture) moved:

That Bill C-67, an Act respecting animal pedigree associations, be amended in Clause 21 by striking out line 44 at page 11 and substituting the following therefor:

"Members have responded in writing to the consulta-".

• (1530)

He said: Mr. Speaker, for the sake of the record I should like to indicate that we have consulted and indeed we recognize that this was simply a technical omission.

I very much appreciate the co-operation of the two opposition Parties in agreeing to the amendment at this time.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I just want to confirm for my part that indeed consultation took place. The amendment in question is purely technical in nature. Therefore, the Official Opposition is always glad to co-operate, as usual, with the Government in further improving legislation for the benefit of Canadian agriculture.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I concur with the proposed change. It simply clarifies the meaning of the Bill. I do not think it changes the meaning in any way and leaves no doubt as to what the meaning was intended to be.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I do not want to delay the debate, but I should like to take this opportunity to thank members of the committee. As chairman of the committee it was a real pleasure to work with the two members of the Opposition and Members on this side of the House. They were clearly objective. There were representations from a great number of organizations, and I think that

we reached a conclusion which will be very satisfactory to the people of the nation.

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

Some Hon. Members: Agreed.

Amendment (Mr. Clark, Brandon—Souris) agreed to.

Hon. Harvie Andre (for the Minister of Agriculture) moved that Bill C-67, an Act respecting animal pedigree associations, as amended, be concurred in.

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

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Andre (for the Minister of Agriculture) moved that the Bill be read the third time and passed.

Mr. Lee Clark (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I simply want to add my words of thanks to those already expressed by the chairman of the committee, the Hon. Member for Bow River (Mr. Taylor), and to repeat what I said a few moments ago.

Sometimes in the country at large, and perhaps even among the membership of the House, there is some skepticism about the role of the parliamentary process and, quite frankly, the role of so-called back-benchers in that process. Those who have had occasion to follow Bill C-67 through the hearings of the legislative committee would have been reassured to discover that, as is nearly always the case, there was very little partisanship. I appreciated that very much, because it was a clear indication that all Members of the House have real concern for the well-being of agriculture. This is demonstrated almost consistently in any agricultural issue which comes before the House, particularly at committee stage.

The manner in which the amendments were brought forward, studied, and acted upon certainly demonstrates the role of public hearings. It also demonstrates the role of receiving submissions and, quite frankly, the importance of the committee process.

I appreciate that the Bill perhaps required more clarification than we would have wished, but so be it. I think the committee accepted its responsibility in a very commendable fashion.

When I say that, I refer to all members of the committee irrespective of Party. On behalf of the Government I should like to express words of appreciation for the process as it proceeded.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my comments will be brief. I wish to echo those of the Parliamentary Secretary to the Minister and the Chairman of the Legislative Committee concerning Bill C-67 and thank all my colleagues of the House for their full co-operation in putting together a substantially improved Bill for the farm community.

This new legislation respecting animal pedigree associations which I believe will be given third reading in a few minutes contains amendments which have been long in coming and about which the least I can say is that they will bring about a much more up-to-date legislation.

[*English*]

The Bill before us which would regulate the activities of breed associations will be far better than previous legislation. We know that previous legislation was crying for renewal in that it had been in place for many years. As a matter of fact, we were told that it had not been amended since 1952. Obviously it was in need of amendment.

Many of the breeds and many of the issues involved in breeding animals today did not even exist at the time the last round of amendments occurred. Obviously the previous Act was due for rejuvenation much in the same way as our Official Languages Act needs to be brought up to snuff from time to time.

It is my opinion that the amendment proposed today makes the Bill better. However, notwithstanding, I know that there were groups which wanted a particular clause removed in the way the Parliamentary Secretary suggested that it was. As usual, the House will not be able to please all groups, particularly when two groups have opposing points of view on the same issue. The proposed Bill with its amendments is substantially better than what we had before, and I am sure that the House will want to give it quick passage this afternoon.

It is my hope that the Bill will become law very shortly, that it will receive Royal Assent and proclamation as soon as the other House can deal with it in what I hope will be an expeditious manner.

The industry has asked for the new Act. We have had co-operation of not only all Hon. Members of the House, as the very able chairman and I indicated previously, but we have had good co-operation from the Parliamentary Secretary, the department, and several groups of individuals representing breed associations before the committee.

As I indicated previously, I was not a member of the committee, although I think I attended three of its meetings, replacing the Hon. Member for Algoma (Mr. Foster) when he could not be there. I believe we were both at an initial meeting just to show our interest in the issue and to show our interest in agriculture, of course.

Having made those few remarks, I indicate my support for the Bill at third reading, as well as the support of my colleagues in the Liberal caucus.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, in closing the debate on Bill C-67, I should like to point out

that the Act will now clarify some of the procedures which breed associations will use to become official associations. The rules have been clarified on how they go about providing registration for their particular breed, how they establish criteria for a breed, and how they maintain those standards throughout the existence of the breed. In the past, we depended heavily on the Canadian Livestock Records Corporation to maintain the records for most official breeds. This Bill will permit, with Ministerial approval, some variations from that. That was a concern to the associations using the Canadian Livestock Records Corporation.

• (1540)

I believe that this change was permitted on the basis of it being an experiment which we would hope the Minister would monitor very closely. I point out that the proposed law does not allow any breed association to leave the Canadian Livestock Records Corporation willy-nilly. Associations must do so with the permission of the Minister and will require a reason. I presume the Minister will take great care in deciding on these issues so that he does not in fact undermine the credibility of the Canadian Livestock Records Corporation.

Under this Bill, as under its predecessor, it is possible for breeds to evolve and for new breeds to be created. Today, March 28, is a good day to commend the breeders at Agriculture Canada for the 20-year project that has just recently come to fruition. The creation of three new breeds of sheep was announced over the weekend, and the creation of a new breed is not something that happens very often in Canada.

The Lacombe hog was developed nearly 20 years ago through the efforts of Agriculture Canada at Lacombe, Alberta. The Hays Converter, an evolving breed rather than a new breed, was initiated by the elder Senator Hays and has been registered as a breed for 15 or 20 years. There are now three new distinct breeds of Canadian sheep.

The Canadian Arcott was developed for use as a provider of sires. It has a superior growth rate and a lean meat yield. Twenty-eight per cent of its genetic makeup comes from the Ile de France breed and the rest originates from existing breeds which are basically British breeds. The Outaouais Arcott and the Rideau Arcott are two sister breeds, but they are distinct breeds. They are intended to be used as prolific dams. They have an average litter size of 2.5 to 2.6 lambs per birthing. This is a highly prolific breed. The Outaouais Arcott is made up of about 49 per cent Finnish Landrace. Sheep breeders will know that they are a very prolific breed. The Rideau Arcott contains 40 per cent Finnish Landrace and 14 per cent East Friesian.

I think it is suitable, when talking about the Animal Pedigree Act, to give some recognition to these three new breeds of sheep. It is a fine coincidence that the announcement of these new breeds should come at the same time the new Bill goes through the House. This will continue the fine work and reputation Canada has always maintained as a consistent place to register new breeds and set up monitoring agencies such as the Canadian Livestock Records Corporation. This will ensure that genetics and registration procedures do meet international requirements so that we will be able to engage in international trade with the breeding stock we produce on Canadian farms.

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

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PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Broadview—Greenwood (Ms. McDonald)—Environmental Affairs—Presence of dioxins in Miramichi River—Government position/Request for assurance adequate measures will be taken; the Hon. Member for Fundy—Royal (Mr. Corbett)—Canada Post Corporation—Closure of rural post offices—Provision of alternate services; the Hon. Member for Regina East (Mr. de Jong)—National Revenue—Principal Group bankruptcy—Payment of taxes by investors/Request that demands for payment of taxes be stopped.

* * *

[*Translation*]

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson: That Bill C-117, an Act to amend the Excise Tax Act and the Excise Act, be read the second time and referred to the Standing Committee on Finance and Economic Affairs.

Mr. John Parry (Kenora—Rainy River): When the House recessed for lunch at 1 p.m., Mr. Speaker, I was criticizing the Government for its policies and their impact especially on remote areas of Canada. So I will continue with my comments on the transportation costs situation, in view of the fact that any tax increase on gas will be reflected by higher costs.

[*English*]

A sort of geared relationship occurs when this happens because the price of everything bought in a northern or remote area is influenced by transportation costs. Therefore, when fuel goes up, everything goes up. That is an effect which has never been fully investigated or quantified by the Government.

There are other items of a technical nature in this Bill as there always are in a measure that deals with excise tax. I think it is worth while instancing some of the effects these will have on Canadians. Of course, the shift of the tax on motor

fuels to the manufacturing level is supposed to address compliance and administration problems, but we have also seen a shift to the wholesale level for snack foods, pet food and kitty litter, candy and confectionery goods and some electronic equipment.

I hold no particular grief for candy or snack foods, though I am probably a heavy consumer of them. I would, however, point out the situation of those who must, for their health and full functioning in society, purchase pet foods including, of course, those who have seeing-eye dogs. Monkeys are being trained to assist people who are mobility handicapped and have difficulty with the most fundamental and basic manipulations of their limbs. As well, dogs and cats are trained to alert people who are deaf to events within their homes that might be threatening to them. It seems to me that these people should at least be able to claim the cost of pet food as a medical expenses deduction. It is essential, of course, to the continued health and effective functioning of these highly trained companions who are trained at considerable expense that they be well fed. I believe it would be appropriate for the Government to make that humane adjustment of that particular tax.

There are other measures in the Bill, including the refund provisions for public institutions, the amendment of the fair price provisions and revision of the compliance provisions on on-site inspection because of the reduction in on-site surveillance, introduced wisely or otherwise by the Government. These are of a minor technical nature and I will not comment on them further.

There are some relieving measures in the Bill, including the exemption on the price of original prints as pointed out by my colleague, the Hon. Member for Regina East (Mr. de Jong). There is an increase in the tax threshold, a necessary corrective counterbalance to the increased bureaucratic provisions this imposes. Of course, for the benefit of primary producers, there is a continuation of previous exemptions that I think were very wisely granted.

One thing that is not in this legislation but should be is some form of incentive through the excise tax system for producers, marketers and distributors of fuel alcohol. I believe the Government is letting slip a great opportunity to obtain answers concerning blending of fuel alcohol produced from surplus biomass and unsaleable or surplus agricultural commodities. It could make a great contribution to the economy, particularly in areas such as the Prairies where the economy is depressed because of the lack of demand in the primary markets for those commodities. I think the Government is being pressured by the international petrochemical companies in this respect. Certainly it is an opportunity that an NDP Government would be swift to take advantage of.

• (1550)

Turning to some of the effects of the Act, it is worth remarking that the estimate that 42 per cent of federal tax revenues were collected on intermediate and capital goods means that manufacturers end up paying a hidden sales tax on those goods used in their operation, and therefore we have a tax on tax. I believe most Governments, under modern tax theory, have tried to avoid that. Certainly our Government should be trying to avoid it.

Then we have discrimination against exports. These hidden taxes are passed through to the export price, reducing the competitiveness of Canadian goods. Conversely, they confer an advantage on imports because they are not included in the cost base for the calculation of federal sales tax on imports.

One thing that I was of course concerned about was that the Government would attempt to tell the people of Canada that the federal sales tax credit, as it is known in the income tax form, is sufficient to offset the many increases passed through by way of the federal excise and sales taxes. Clearly, that would be a hypothesis which the Government could not justify by reference to the facts and figures.

While the Government has raised $1 billion or $2 billion per year in every year of its mandate through increases and a broadening of the base for the federal sales and excise taxes, it has seen fit to bring in only a very nominal, minimal sales tax credit which would cover the additional sales tax costs of the average consumer if they were purchasing only a limited range of items. I say to the Government it should come clean with Canadians. It should be frank and open as to what its objectives are in rolling into one single Bill all these changes and increases in the federal sales and excise taxes. The objective is not fairness for Canadians. It is to raise revenue, which is the way the Government believes in making its major thrust to tackle the problem, as it sees it, of the deficit.

The Acting Speaker (Mr. Paproski): Questions or comments.

Mr. Blenkarn: Mr. Speaker, I was wondering if the Hon. Member would confirm that the NDP would be interested in the multi-stage sales tax presently being negotiated between the federal and provincial Governments? It would get rid of this horrendously anti-Canadian sales tax we presently have and possibly combine provincial sales taxes with the federal tax. In that respect, would the NDP be in favour of a multi-stage tax with the broadest base possible, including even necessities so that the rate could be as low as possible?

Mr. Parry: Mr. Speaker, I am very glad to have the opportunity to be the first speaker to comment on a question from another Member of the House today.

The Hon. Member is of course the Chairman of the Standing Committee on Finance and Economic Affairs. He, as an expert in all matters of taxation, including federal excise and sales taxes, knows that a multi-stage federal and provincial tax is not completely without problems either in its conceptualization or application.

What I would say is that any measure, be it by legislation or negotiation, which enables the people of Canada to more fully

perceive the impact of taxes, to more clearly see the tax content of any merchandise they are purchasing, to be more certain of the areas to which their tax contributions are going, would be a good one. If we could come up with a transparent tax, shall we say, or one that was readily understandable by the vast majority of Canadian consumers, a tax where they could identify not only the amount they are paying on a particular item but also the sort of thing it is going to finance, then we would have taken a step forward. Perhaps the Hon. Member is picking up on the point I made about the monopolies in the times of King James I of England and the degree to which costs were hidden. That is of course paralleled by the situation we have in Canada today.

In the same vein I think it is a good idea that, for example, gasoline companies publicize on their pump an analysis or breakdown of the price of gasoline. That information is valuable and Canadians think it is worth while.

The idea of broadening the base of the multi-stage tax being negotiated between the federal and provincial Governments to cover necessities is not an idea that has attracted great popularity in Canada. It is not an idea that my Party is supportive of. Although one would acknowledge that many societies in this world have far less equal distributions of income than does Canada, we do have a society in which there are significant differences in the distribution of income. Therefore, we should try and identify those necessities that are most essential, shall we say, to the basic standard of living that we would like to see for everyone and those items should not be taxed.

The definition of necessity is of course one that will continue to provoke discussion and argument, as well it should. Obviously if we are to say some necessities will not be taxed, we want to define them broadly enough so that those which are essential to everyday living are included but narrowly enough so that we do not overly erode the tax base and force the loading of the tax on to a limited number of items as is the case at present.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I should like to comment briefly and perhaps direct a question to my hon. friend. As everybody knows, indirect taxes are regressive because low-income taxpayers spend a greater part of their income on consumer's goods. I need not explain to my hon. friend that a sales tax is a regressive tax. To suggest today that the Government should get together with the provinces and agree on a federal-provincial sales tax . . .

• (1600)

[*English*]

A multi-stage type of sales tax sounds to me like an idea which the Government should have proposed when it brought in fiscal reform. In addition to proposing it, it should have implemented it at the same time. That is the point I am trying to make.

Does the Member not think that the Government should have had the courage of its convictions? If it was going to change the tax laws and reform the issue of fiscal operations, should it not have at the same time given Canadians the same type of change in terms of the sales tax?

Does the Hon. Member not believe that the actual floor or ceiling, depending on how you look at it, of $16,000, at which Canadians may have a tax credit of $70 per adult and $35 per child, must be revamped and rethought in an effort to eliminate this regressive approach to sales taxes? Does the Member agree with the Member who just suggested that we should go to the multi-stage tax system?

Mr. Parry: Mr. Speaker, the New Democratic Party has sometimes been accused of having addiction to democratic centralism. It would appear that the first part of that phrase is somewhat less regarded in the Liberal Party.

It seems to me that a multi-stage tax cannot be introduced except by consultation with the provinces. For the Hon. Member for Ottawa Vanier (Mr. Gauthier) to suggest that it is simply a matter of the Government grasping its courage in its hands is indeed to confuse the floor of consultation with the ceiling of autocracy.

On the point of regressivity the Hon. Member and myself are, of course, completely in agreement. On the point of the very nominal sales tax credit, I am sure that the Member is equally as concerned with the low income earners of his riding as I am with those in mine in saying that this measure is little more than window dressing and certainly should be revised, enriched, and made more gradual and should extend farther up the scale of income.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I am pleased to take part today in this debate on Bill C-117, an Act to amend the Excise Tax Act and the Excise Act. First of all, the purpose of this Bill is to implement many sales tax and excise tax increases which the Government had annonced through its February 18, 1987 Budget, its June 18, 1987 tax reform, measures to come into force on December 16, 1987, as well as its February 10, 1988 Budget. Most of these tax increases are already in force or will be very shortly.

The purpose of this Bill is also to make technical changes to the sales tax. For instance, the Government is amending the provisions dealing with fair prices to apply tax on fair market values when non-arm's length sales are made and shifts the sales tax from the manufacturer to the wholesale level for snack foods and other products. I should like to list, however, the different taxes which will be affected by this Bill, the dates of their coming into force as well as their dollar impact which will definitely affect the budget of all canadians families.

First, the Budget of February, 1987, announced a 12 per cent tax on snacks, candy and ice-cream, which came into effect on July 1, 1987, which will allow the Government to

relieve taxpayers of $60 million in 1987-88 and $80 million in 1988-89.

Then, there was a 4 per cent tax increase for cigarettes and tobacco which came into effect on February 19, 1987, and which will pour into the Government coffers $70 million in 1987-88 and another $70 million in 1988-89.

There was also a $4 ticket increase of the tax on air transport to be implemented in two stages, the first on May 1, 1987, and the second on August 1, 1987, which will result in Canadian taxpayers paying $45 million more in 1987-88 and $50 million more in 1988-89.

Mr. Speaker, in the same Budget of February, 1987, we find an increase in the sales tax on leaded gasoline to bring it up to the level of unleaded gasoline, which increase came into effect on April 1, 1987, and brought revenue of $30 million in 1987-88 and of another $30 million in 1988-89.

Mr. Speaker, the Minister of Finance (Mr. Wilson) announced his tax reform project on June 18. After consultation, on December 7, 1987, he implemented some of the measures announced on June 18, but some of them came into effect the very same day they were announced, on June 18.

For instance, as of January 1, 1988, there has been a new 10 per cent tax on long distance telephone calls. I mention this as an example as people might not think about it, but at one end of Montreal Island, around Rivière-des-Prairies, in the Mercier riding, residents of Montreal have to pay long distance charges if they make a telephone call to a neighbouring city such as Laval. This new tax is unacceptable for these people. I wanted to give a very specific example because rural residents are not the only ones involved—and this is vital because everybody makes long distance phone calls—but so are people who live downtown, for this so-called talk tax will apply to all long distance calls dialed by Canadians.

Mr. Speaker, the measure also contains a tax increase on cable TV. These two measures, effective January 1, will prove to be just another way to replenish Government coffers: $870 million in fiscal year 1988-89, $945 million in fiscal year 1989-90, and $1 billion in fiscal year 1990-91.

Again as a result of this tax reform, Mr. Speaker, there has been a 4 per cent tax increase on paint and wallpaper, up from 8 to 12 per cent effective January 8, and this will cost Canadians some $60 million a year.

Mr. Speaker, of course we said over and over again in the House that the Minister of Finance and the Conservative Government were juggling with figures when they kept talking about deficit reduction. They resorted to a creative accounting process. And now, Mr. Speaker, the tax reform includes accelerating the remittance of sales and excise taxes as of April 1, 1988, the day when Canadian companies will have to begin speeding up tax remittances. This stroke of the pen, this creative accounting, Mr. Speaker, will raise $1.6 billion for the Treasury.

• (1610)

Add to that the accelerated remittance of source deductions, introduced the year before, which will raise approximately $2.6 billion. In terms of reducing the deficit, one could say both measures made it possible for the Minister of Finance to tell Canadians he had reduced the deficit. However, he did not really do so because this was a one-time revenue raising measure so that next year comparisons will be skewed.

There is another very important item. Ninety-six per cent of Canadian businesses have a turnover of less than $2 million. We have 86 per cent of Canadian businesses that are small businesses. Every day, Members on both sides of the House keep repeating that 86 per cent of these businesses create most of our jobs. And 96 per cent of those businesses will be subject to the kind of creative accounting the Minister of Finance has just expanded.

When they say they want to provide incentives for small businesses to develop, and that these businesses are important to the economy of this country, that is perfectly true, Mr. Speaker. These businesses have created 75 per cent of our jobs. But when it comes down to concrete action no measures are forthcoming, and in fact everyone agrees small businesses have problems with capitalization. And now with this measure, instead of helping these businesses increase their operating capital, the Government is forcing them to reduce that capital.

In the same Budget or tax reform of December 1987, the Minister announced another increase in the tax on alcohol and tobacco, a 3 per cent increase from 15 per cent to 18 per cent, effective as of January 1, 1988, which will raise another $175 million annually at the expense of Canadian taxpayers.

Mr. Speaker, there was of course the February Budget, referred to by many Canadians as the one cent tax budget. In a few days, Mr. Speaker, on April Fool's Day, but this is no joke, Canadians will have to pay one cent per litre more for gasoline because of an increase in the excise tax.

That, Mr. Speaker, was briefly what the impact will be of Bill C-117.

The Government is asking the House to adopt tax increases, most of which are already in effect. Some have been in effect for over a year. I think it would be appropriate, Mr. Speaker, to recall that the Minister of Finance and the Prime Minister both promised they would not raise taxes.

For instance, in a debate in this House on March 6, 1984, when the Minister of Finance was the Conservative finance critic, he said, and I quote: "We would cut spending. We would not raise taxes. Tax levels in Canada are already too high". However, in three and a half years that same Minister, the same Member who is now Minister of Finance, has increased taxes by about $22 billion since September 1984. What was on his mind? What was he thinking on March 6, 1984, when he said he just wanted to reduce expenditure, that he would be careful not to raise taxes? But after he was

appointed Minister of Finance, he did exactly the opposite of what he had been preaching when he was in opposition.

Also, Mr. Speaker, on November 29, 1984, a couple of months after the Prime Minister came into office, he told the newspaper *Le Devoir*, and I quote:

"Canadians pay an awful lot of money for government services."

We pay more than enough. If the Prime Minister believed Canadians were paying too much for services, Mr. Speaker, how come he let his Minister of Finance put up taxes by about $22 billion since November 29, 1984?

Of course, revenues from indirect sales and excise taxes have also expanded much more rapidly than those from direct taxes since the Conservative Government was elected. The revenues from sales and excise taxes jumped 77 per cent between 1984-85 and 1988-89, while personal income taxes grew by 55 per cent and corporate taxes by 28 per cent.

Personal tax increase should be noted. All income, sales and excise tax hikes considered, corporations have been subjected to the greatest rises, Mr. Speaker.

But let me get back briefly to the tax reform. In that tax reform, Mr. Speaker, the Minister of Finance reduced the general corporate tax rate while maintaining the special low tax rate for large manufacturing companies. But in reducing the general tax rate for small businesses, he did not maintain the low rate for small manufacturers.

In 1987, these small manufacturing companies paid 10 per cent federal taxes. Now, with tax reform, they have to pay 12 per cent. That is the social justice, the tax justice that this Government promised Canadians in 1984. Today, the small business sector which creates most of our jobs, that dynamic and constantly advancing sector is disappointed not only because the tax reform did not bring to our system the simplicity we had hoped for, but also because this vital job-creating sector is facing a 2 per cent tax increase. That is how the Conservative Government supports Canadians who want to start a business, Mr. Speaker!

I should mention here, Mr. Speaker, that when we speak about a 77 per cent increase in excise tax, we are referring to the fact that in 1984-85, the Government collected $13.7 billion in sales and excise taxes and in 1988-89, it will collect $24.3 billion, which represents $10.6 billion or 77 per cent more in revenues.

However, we know, Mr. Speaker, that indirect taxation is regressive because the middle-income taxpayers spend the largest part of their income on consumer goods. Of course, the Government became aware of that fact and in 1986, after a major increase in tax, it felt a little guilt, and decided to create a refundable sales tax credit.

However, those funds are still clearly inadequate, Mr. Speaker. They are now amounting to $70 per adult and $35 per child, and the revenue threshold triggering a decrease in them, that is $16,000, is far from the poverty level. Therefore, Mr. Speaker, after all those incredible and unacceptable increases, how can we tell Canadians: "We will offer you some relief". And we offer them a scanty amount of $70 per adult and $35 per child, provided though that the family income is less than $16,000. That is unacceptable!

Finally, let me remind you, Mr. Speaker, that the indirect taxes are hidden since they are included in the price of goods and the consumer is not aware of them when he buys goods. Politically speaking, thoses taxes are easier to increase. I have outlined those increases when I pointed out that the Government made ample use of those hidden taxes, as with what they call creative accounting, since it brought forward two new measures providing for the accelerated remittal of the sales tax and the speedy recovery, in one single move, of more than three billion dollars of personal and corporate income taxes, Mr. Speaker . . .

So, technical changes to the sales tax became necessary because the Government did not want to engage in a one-stage tax reform. It could have avoided those technical and complex changes had it had the courage to proceed with the sales tax changes and with the personal and corporate income tax reform at the same time.

Mr. Speaker, I had the opportunity to attend a few meetings of the Standing Committee on Finance and Economic Affairs. All the groups appearing before it stated one after the other that the Government should have brought out an overall reform rather than proceeding through stages. This has considerably reduced the impact of the exercise. With the first stage of its reform, the Government agreed to give some goodies, but we are well aware that if it wins the next election, it will implement its second stage.

An Hon. Member: And we are going to win.

Mr. Gagliano: The Tory Member has just said that the Government is going to win. Of course, this remains to be seen. But if Canadians should decide to rely again on the Government, I am sure they will regret it after the election, because we know what this second stage of its famous tax reform has in store for us.

Mr. Speaker, you are signaling that my time is over. I should like to add that the Government, over the past three and a half years, has introduced no policy of direct assistance to small and medium size businesses. Where are the financing programs? Where are the export assistance programs for small businesses? Where are the tax assistance programs, Mr. Speaker? They have increased. The only area with a tax increase in the tax reform is that of the small business which must pay 10 per cent in 1987 and 12 per cent in 1988. This is unacceptable, and Canadians are going to pass judgment on this Government as soon as the Prime Minister has the courage to call an election.

• (1620)

[*English*]

Mr. Hovdebo: Mr. Speaker, I have one short question which I want to direct to the Hon. Member. I wonder if he can give us some indication of what he thinks the effect of this Act will be on individuals, say, the middle class individual who pays a considerable amount of this tax? Can he give us any indication or an estimate of the amount it would cost either an individual or a small business? How much would their taxes be increased?

Mr. Gagliano: Mr. Speaker, I want to thank the Hon. Member for the question. Unfortunately, I do not have the figures for an individual or for a small business. However, I can give the Hon. Member a list of billions of dollars in taxes which are the total tax increases since September 1984 when the Conservative Government came into power. For example, in the fall of 1984, there was an increase of 1 per cent in sales tax. There was a second increase of 1 per cent in sales tax in 1986, and there was a third increase of 1 per cent in sales tax in 1986.

There was a first increase of two cents a litre on gas in 1985, a second increase of 1 cent a litre on gas in 1987 and a third increase of 1 cent a litre on gas again in 1987. There was the equalization of sales tax on unleaded gasoline in 1987 which cost the taxpayers $30 million. There was the extension of sales tax on candies, soft drinks and pet food in 1985 which cost the taxpayers $400 million. There was the extension of sales tax on snack foods in 1987 which cost $60 million.

There was the first increase in cigarette and tobacco taxes in 1985 which costs the taxpayers $320 million. There was a second increase in tobacco and alcohol taxes in 1986 which cost the taxpayer $150 million. There was a third increase of 4 per cent in tobacco taxes in 1987 which cost the taxpayers $70 million.

There was the elimination of the Registered Home Ownership Savings Program in 1985 worth $105 million. There was the deindexation of the tax system in 1986 which was worth $635 million. There was the elimination of the federal tax reduction in 1986 which was worth $650 million. There were the changes to marital exemptions in 1986 which was worth $20 million. There was a general 3 per cent surtax in 1986 which was worth $1.2 billion.

There was the temporary 5 per cent and 10 per cent surtaxes in 1986 which were worth $500 million. There was the increase on air transport tax in 1987 which was worth $45 million. There is the 10 per cent tax on long-distance calls and cable service in 1988 which is worth $945 million. I can go on, Mr. Speaker. This list totals over $22 billion in just three and a half years.

In March 1984 the Minister of Finance (Mr. Wilson) said we have to reduce government spending, that Canadians cannot afford any further tax increases. I wonder what the Minister was thinking about then. There has been $22 billion in tax increases. I wonder what would have happened if he had said in 1984 that a small increase in taxes was needed.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am pleased to have the opportunity to say a few words on Bill C-117, a Bill to amend the Excise Tax Act. This Bill is a catch-up Bill. It is an attempt by the Government to catch up on a number of measures the Minister of Finance (Mr. Wilson) announced to the House over the three years he has been Minister of Finance. It includes part of his Budget of February 18, 1987, his White Paper on February 10, 1988, his White Paper on Tax Reform on June 18, 1987 and his White Paper on Tax Reform of December 16, 1987. All together, these make up the requirements of this particular Bill. It is an attempt to bring together all the suggestions he made at those times, suggestions that most Canadians have been paying for since early in 1987.

In light of the fact the Minister of Finance has given many indications of how he intends to bring in major tax reform, it appears he has missed the major opportunity for tax reform. The tax reform proposal was supposed to be in two parts. The first part was a change in the income tax structure and the second part, which will probably have to wait until after the election to be put in place, is the tax structure on value added tax or a general sales tax.

• (1630)

What we have here is an attempt on the part of the Government to increase taxes to some extent so that when it brings in the value added tax or the across the board sales tax, it will not be felt quite as much as it has been or it would have been had things been left as they were. It makes one wonder what would have happened. Are the increases in taxation since 1987 an indication of the type of tax reform we can expect after the next election? One wonders what we are in for.

The previous speaker gave us an indication of the total amount that had been collected from a variety of taxes that are in place today, ones which have been in place for the last three years. He gave a fairly detailed recitation of those increases in taxation. If those were the increases in taxation, then what are we looking forward to after this large tax comes in after the next election?

What the Government is doing here is putting in place some taxes which are an attempt to eliminate the deficit as much as possible. However, the measure is still aimed at getting as much money as possible out of that central group of people who are the main taxpayers in Canada.

By delaying the second stage of tax reform the Government is keeping in place a tax structure which is severely flawed, unfair and inequitable. That is how I would describe the federal sales tax and excise tax at the present moment.

Since 1984 the Conservative sales and excise taxes have escalated greatly. The previous speaker mentioned that $22 billion had been collected in three years. The Government

seems to be relying more on this type of regressive tax, which is a tax on an individual who is spending his money in many cases for necessities which he must have. The Government is depending upon these regressive taxes, these sales and excise taxes, to cover federal expenditures. The more the Government does this now and in the future, the more difficult it will be to revise the situation after the next election when the Government says that it will have this value added across the board sales tax.

As we have indicated in the House on many occasions before, the taxes which the Government has placed on the people of Canada in the past have amounted to approximately $1,400 per individual. In the Budget which the Minister of Finance brought down recently, he took a great deal of pleasure in telling us that the Government was returning $400 in income tax to the people of Canada on an individual basis. He neglected to tell the people of Canada that he had already collected $1,400 more, thus making the net result somewhere around $1,000 of increased taxes per individual since 1983.

I wish to go through a few of the main revenue raising items in this Bill. The first and probably the most discriminatory is the 10 per cent tax on telecommunications services such as telephone and telex services. This particular tax discriminates against the northern and the rural resident.

Mr. Speaker, as a resident of the City of Edmonton, you will know that surrounding the City of Edmonton there are hundreds of small telephone exchanges. In my home town, if I wish to call to the town 17 miles away, I have to make a long distance call. There are people in my community who send their children to school in a town which can only be reached by a long distance call. They live 40 miles from the city, but in order to reach that city they have to make a long distance call. If these people wish to conduct business, call their church, their doctor or their dentist, they have to make long distance calls. These are every day expenditures for people living in rural areas. They have lived with this situation for a considerable length of time. The Government has now chosen to place a 10 per cent tax on telecommunications services.

Every time a rural resident calls his doctor, his dentist or the school which his children attend, or even when he calls the grocery store to order groceries, he must pay a 10 per cent tax on that charge. You, Mr. Speaker, live in a fairly large city. When you call your dentist you do not have to call long distance. The same is true with respect to your children's school. Therefore this tax is a tax which discriminates against people living in rural areas.

However, people living in rural areas are not the most badly off when it comes to this type of tax. Those living in remote northern areas in particular are much more affected by the tax since a larger amount of money is involved. Since it is a percentage of the total, it asks that much more be paid into the coffers of the Government. It is not so surprising that the Minister of Finance has a tendency not to accept the recommendations sent to him by the Finance Committee. The Finance Committee recognized that there was a certain amount of discrimination in this particular suggestion. It recommended to the Minister that he at least put a cap on the tax. The cap suggested by the committee was a $3 cap. That would mean that the rural subscriber would pay only $3 each time he paid his phone bill instead of such higher amounts as might be collected now. This tax is probably causing the most concern among people across rural Canada.

A second increase in taxation is an increase with respect to the telecommunication programming services tax which has been raised from 8 per cent to 10 per cent. This measure was in the June, 1987 White Paper. This is a tax which is also paid across the board and which is regressive. If one only has a few hundred dollars coming in, such as an old age pensioner has, then one is paying a considerably larger portion of one's income to be able to watch TV or to have the cable come into one's house as compared to one who is earning money in some other way. Consequently, it is a regressive tax. People who are forced to pay it often do not have much extra cash to put out.

• (1640)

Again, in June, 1987, there was an increase on paint and wallpaper products from 8 to 12 per cent. This may have been an attempt to increase the amount of money received from construction across the country, but in small communities such as mine, it had the effect of increasing the price of repairs, maintenance, and construction of buildings.

We assume that every person in Canada has the right to hope at some time during his or her lifetime to own a home. In the West, particularly in the Prairie regions, that is the accepted aim of every family. Every time a tax is put on to parts of the construction for building a home it decreases the possibility of a family ever owning a home, and it also decreases the amount of times that they will be able to take maintenance action to keep the home up.

There has also been an increase in federal sales tax on beer, spirits, wine, and tobacco products from 15 per cent to 18 per cent, an increase of 3 per cent. Those products seem to get it every time. There has been an increase of 4 per cent in the specific excise tax and duty rates on tobacco products.

There has been an increase in air transportation tax levied of $4 per ticket. As I understand, that tax is aimed at trying to recover the greater proportion of the air transport program costs, the cost of running airports by the federal Government. It does run a few airports and it is attempting to get them off its hands as quickly as possible. Again, this has turned out to be a regressive tax to a certain extent. Because of seat sales, many people have been able to take advantage of air travel a little more than perhaps they have in the past. Each time they make one of those trips they are required to pay that extra $4. Sometimes that is enough to make them wonder whether it is worthwhile to do so.

Last, but not least in this particular list, is an increase in the excise tax on gasoline and aviation gasoline of one cent per

litre. If this had been the only increase in tax on gasoline, perhaps it would not have been too difficult to accept. But this is approximately the fifth increase of tax on gasoline.

This is very regressive tax. Because of its size and the type of lifestyle we live, many people in this country are forced to drive to work. Because of those increases, they are required to pay that much more to get to work. One cent a litre does not seem like very much. But where it cost eight cents a mile to travel before, it has now increased a little. If one is travelling several miles a day to get to and from work, it is a major increase in the amount of money one has to spend to go to work. That is not the type of tax that is fair. It is a regressive tax. It has no relationship to the amount of money that is made. If a person is receiving the minimum wage of $4 an hour, or whatever it happens to be in a particular area, and that person has to drive 20 miles, he or she is paying the same for gasoline as the fellow who receives $50 an hour and drives the same distance. That type of taxation is unfair to those people who are the least able to pay.

That particular type of tax is the symbol of this particular Government. I remember back in 1979 the then Minister of Finance brought in a Budget which suggested an 18 cent increase per gallon on gasoline. The people of the country rejected it at that time. I guess that the Party learned something from that procedure, because this time instead of putting it all on at once, it put it on on five different occasions. If one adds all those increases up, that 18 cents is back on, and more besides.

This type of regressive taxation has become the symbol of how this particular Party, which is presently the Government of Canada, has a method to reduce the deficit and to carry out the administration of the Government. Rather than progressive taxes, which are levied on those people who can most afford to pay, to the greatest extent possible the Government uses regressive taxes. Those taxes are universal, are quite often on those items which are necessities, and consequently one cannot manage without buying. For example, if someone is driving to work, he or she cannot get along without buying gasoline.

The theory of federal sales tax is quite straightforward. The idea is that those sales taxes are supposed to be applied only once during the progress of a product from the manufacturer, or if it is a primary product, from the farm or forest through to the consumer. That is the theory. However, because of the structure that has developed over the years in the tax system in Canada, quite often we find ourselves paying taxes not only on the value of the product, but also on other taxes.

Although it is the intended aim of the tax suggested for after the election, sales tax or value added tax, it does not work in that manner at all times. For instance, at the present time if one buys a washing machine which might have been worth $200 at the manufacturing level, by the time it is taken out of the appliance store, it is $400 or even $500. Although some of that cost is due to mark-up, a good portion of that increase is customs, excise, and sales tax. In most provinces the consumer also pays an extra sales tax.

• (1650)

The whole taxation approach is regressive. If the Minister had wanted to reform the taxation system, he would have done it on a global basis rather than on a piecemeal basis.

[*Translation*]

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, it is not with a light heart that I take part in this debate, but simply because I think it is important for Canadian taxpayers to know to what extent this Government has decided to increase radically several indirect taxes which sometimes can hurt more than direct taxes. It is also important for them to know that the Government has introduced this Bill somewhat belatedly. Most of the tax measures in Bill C-117 are already in force or will be in force within the next few days, while some others have been in force for over a year. We need only have a look at the measures which were announced in the February 1987 Budget which provided for a 12 per cent tax on candies, snack foods and ice cream, effective July 1, 1987, which have already generated $60 million in revenues during 1987-88.

There was also a 4 per cent tax increase on cigarettes and tobacco products which has been in force since February 19, 1987, and has generated for 1987-88 some $70 million in revenues. There was also an increase in air transportation tax of $4 per ticket which came into force on May 1, 1987, and August 1, 1987, which has generated, again for 1987-88, some $45 million in additional revenues. Finally, there is the usual sales tax on leaded gasoline compared with no lead gasoline which came into force on April 1, 1987 and has generated for 1987-88 $30 million in revenues.

Mr. Speaker, when we look at these new taxes, at how much Canadian taxpayers are being asked to pay in direct or indirect taxes, we have to wonder whether the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney) were serious when they said certain things in this House. For instance, on March 6, 1984, the Minister of Finance said that, if the Conservative Party was elected, it would reduce expenditures and not increase taxes as they were already too high. After the Conservative Government was elected, on November 29, 1984, the Prime Minister stated that Canadians were already pouring a lot of money into Government services and felt that they were paying enough as it was. Yet, since the election of the Conservative Government, between 1984-85 and 1988-89, revenue from sales and excise taxes have increased by 77 per cent, personal income tax by 55 per cent and corporate taxes by 28 per cent. It is important to note that it is the taxes paid by individuals, that is personal income tax, as well as sales and excise taxes, which have increased the most, not corporate taxes.

As new tax measures were to be implemented, I would personally have preferred that, if the Government had decided not to reduce the national debt, it would at least implement

programs which might have helped to solve a few problems, such as those facing young Canadians.

One needs only to consider what illiteracy is costing the country to realize that if these new tax increases had been applied to programs geared to eradicate or diminish illiteracy, we might have looked at them more favourably. But, unfortunately, while illiteracy is costing us nearly $10 billion a year, the Government contributed practically nothing to counter that problem, and nothing indicates that the increases announced in Bill C-117 would go towards programs that could be established to fight illiteracy problems facing young people as well as any other Canadians.

Mr. Speaker, we see the same problem again with the homeless; the Year of shelter for the homeless has just ended and, unfortunately, there were not very many actions taken by this governement to solve the problems of the homeless in Canada.

We hear a lot about employment, about numbers, about the job situation in Canada, and much bragging is going on concerning the creation of a great many new jobs. However, even though these jobs generate additional revenues and reduce the need for unemployment insurance benefits, there is a lack of programs to counter the problems young people experience, for instance in the employment area. It is abnormal that young Canadians should continue to have unemployment rates of 13 per cent and more, when we could very well put up some programs with the additional revenues produced by the new jobs created due to an excellent economic growth which has benefited the Government. I am baffled by the fact that Canada's debt is not decreasing despite our very strong job-creating economic growth. I am deeply concerned over what would happen if Canada had to face a recession or even a period of economic stability.

I would have liked to see the Government maintain services offered by job placement officers on Canadian university and college campuses so that graduates could receive job offers from employers without leaving their schools . . . The Government must maintain services it used to offer. Last year, however, there was a decrease of some 30 to 40 per cent in ongoing services provided on university and college campuses, and a so-called revitalization of services was announced this year while the active involvement of job placement officers on university and college campuses is still being reduced.

Of course, I listened to my hon. colleague from Chambly (Mr. Grisé) and I would like him to explain, when he will have the floor, the Government's position on that issue. Unfortunately, I see that the time allocated to me has expired and I hope to have the opportunity to pursue the matter further with my colleague.

[*English*]

The Acting Speaker (Mr. Paproski): The Hon. Member has 11 minutes remaining, plus 10 minutes for questions and comments.

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

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

THE CONSTITUTION

SUGGESTED AMENDMENT FOR SENATE REFORM

Mr. Paul Gagnon (Calgary North) moved:

That, in the opinion of this House, the government should consider the advisability of amending the Constitution as it relates to the composition of the Senate and to provide for the reform of the Senate through the gradual introduction of the following measures:

1. Sitting Senators would retain their seats until their retirement, resignation or death, provided that any appointment to fill a vacancy would not continue beyond the date set for the ensuing general election in the Province or Territory for which the appointment is made;

2. Senators appointed on an interim basis would step down at the time a general election is called in the Province or Territory which they represent, the vacancy to be filled by direct election held concurrently with the provincial or territorial general election. Any Senator retiring in this manner would be eligible as a candidate for the vacancy thus created; and

3. Senators elected under this procedure would hold office for not longer than the duration of two legislatures of the Province or Territory which they represent, provided that they would be eligible as candidates for the Senate at ensuing elections.

He said: Mr. Speaker, this is a very simple, straightforward proposition which will right a past wrong. When Canada was created in 1867, the federal Government was bicameral: the upper House, the Senate and the lower House, the Commons. The Senate was to be appointed and the Commons elected. In 1867, that was legitimate. Time and social development have changed the situation. Appointment to political office is no longer legitimate. I would like to discuss a very venerable and integral institution of the Canadian Government, the Senate.

• (1700)

Motion M-81 proposes a solution which will effectively resolve any questions as to the Senate's legitimacy. In political terms, legitimacy has a synonym and that is election. Legitimacy is achieved through election.

In a representative democracy, the Members of any legislature must be held responsible to the electorate by means of periodic elections. Without this periodic endorsement by the people, any claim to reflective representation lacks both credibility and legitimacy.

How can the upper House, the Senate, legitimately perform its duties as a chamber of sober second thought when it might be necessary to take action that runs contrary to the will of the people as expressed by the House of Commons? The answer is that the Senate cannot legitimately perform its required duties.

In a representative democracy, legitimacy stems from responsibility and responsibility can only be achieved through direct popular elections. Jim Grey, a well-known entrepreneur, said:

> That the Senate must be Elected is obvious. The present appointment of Senators destroys the body's legitimacy. It is a farce. Only democratically elected members are directly responsible to the people and, in the people's name, can demand regional equity.

The value of the Senate is not in question. Canada's upper House is charged with the task of representing all of Canada from a regional perspective. That is an extremely onerous task. Canada is a country of regions and should therefore have some effective means of reflecting this politically. The Senate is the appropriate forum for this.

I advocate a gradual phase-in of elected Senators in order to allow for a smooth transition. Timing Senate elections to coincide with provincial elections provides the electorate with an opportunity to express its will as consistent with prevalent provincial sentiment. A senatorial term of two legislatures provides a check upon radical or whimsical electoral actions.

Because a Senator represents constituents on a provincial basis, it makes sense to tie the Senate term to the legislative term. A term of two legislatures ensures consistency in Government and prevents Senate effectiveness from being undermined by the possibility of frequent elections. This approach is in keeping with the parliamentary tradition of flexible terms. To set a rigid term of a predetermined number of years would be a radical departure from the principle of parliamentary supremacy.

What are the costs? The cost of electing Senators would be negligible. All I am asking is that a second ballot for each voter be printed. The cost of enumeration would already be covered. The cost would certainly be minimal and is no obstacle to this approach.

I might point out that even the Liberals would like to see an elected Senate. A resolution presented and passed at their 1986 convention resolved that the Canadian Constitution be amended to replace the current appointed Senate with an elected upper Chamber.

This motion provides the opportunity to give the Senate the legitimacy it requires to fulfil its mandate. The regionally representative role of the Senate has been given consideration. So too has parliamentary tradition and consistency. This is a valid and appropriate solution to the unresolved problem of an appointed Senate.

I am asking that as a vacancy appears in the Senate, the normal procedure be followed. The Prime Minister (Mr. Mulroney) would appoint a Senator until the province or territory concerned has its next provincial or territorial election. At that time, the appointed Senator would step down and an election would be held in conjunction with the provincial or territorial election at which time the Senator would be elected for two terms of the legislature of the province or territory. It is a very straightforward, inexpensive, economical way to give legitimacy to an institution of Canada which sorely needs it. I look for Hon. Members to carry on and support this motion and this important endeavour.

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, in discussing the motion sponsored by the Hon. Member for Calgary North (Mr. Gagnon), I believe it would be useful to consider the role of other second Chambers. I am thinking particularly of Australia which has had an elected Senate since 1901.

As all Hon. Members know, Australia, a sister nation in the British Commonwealth, also combines a parliamentary system of Government with federalism. The fathers of the Australian Constitution provided for an upper House significantly different from our own. The Australian upper House was intended to ensure that state interests would be taken into account within the national Government.

Historically, the Australian Senate was key demand of the original six Crown colonies for agreement to the creation of the Commonwealth Government in 1901. I suppose in that sense, it was not too dissimilar to the meetings that took place prior to confederation in Canada. Sir John A. Macdonald said that agreement on the composition and powers of the Canadian Senate was absolutely essential to the agreement that produced the British North America Act. To that extent, the Australian and Canadian experiences with upper Houses are somewhat similar.

During the National Australian Convention of 1897-98, the less populated colonies wanted a Senate which would protect the rights of the new states and prevent any unfair distribution of revenue. Delegates of small colonies like Tasmania feared that the new federation would be dominated by the representatives of more heavily populated areas such as New South Wales and Victoria. To combat this possibility, they successfully secured equal representation in the Senate for each state, regardless of population.

The Australian Senate originally consisted of 36 Members, six from each state, but by the Representation Act of 1948, the membership was raised to 60. As a result of further amendments made in 1983, each of the six states returns 12 Senators and there is also provision that the territories of Australia return four Senators for a total of 76.

The Senate is a continuous body, each Senator sitting for six years, but the mandates of the Senators are staggered so that elections for half the seats are held on June 30 every third year. For election of the Senators, each state forms a single constituency. The term of territory Senators is tied to the life of the House of Representatives, which is normally three years. There is no rotation of the territory Senators as in the case of state Senators. Since 1949, Senators have been elected on the basis of the single transferable vote system through lists drawn up by Party executives. In contrast, the House of Representatives operates under the alternate vote method, known in

Australia as preferential voting, in single Member constituencies. Each adult citizen is a voter and any person eligible to sit in the House of Representatives can seek election to the Senate.

• (1710)

If the place of a Senator becomes vacant before the expiry of his term, the Houses of Parliament of the state concerned may in joint session elect a person to fill the vacancy for the remainder of the term. If the state Parliament is not in session, the State Governor may, with the consent of the state executive, appoint a person who can retain the place until the expiration of 14 days after the beginning of the next session of the Parliament of the state, or until the election of a successor, whichever first happens.

After the adoption of proportional representation in 1949, it became conventional practice that Senate vacancies be filled by Members of the same Party as their predecessor. A significant exception to this tradition occurred in 1975 when the New South Wales and Queensland anti-Labour Governments elected non-Labour representatives to fill Labour vacancies. Not such a bad idea. In any case, this turn of events contributed to the crisis of November 21, 1975. However, as the result of the 1977 amendment, the Constitution now requires the observance of the former practice.

Has the Australian Senate fulfilled initial expectations? As with any question such as this it depends on who you ask. There is considerable controversy there on the value of the Senate. The object was to allow the states to be represented for the purpose of protecting their constitutional rights against attempted federal invasions, and to give them every facility for the advocacy of their particular special interests. However, the democratic method of election of Senators has prevented state particularism from becoming all important at the time of election. Elections to the Senate have been fought on a Party basis and the national Parties have not adopted narrow state programs.

The national character of each Party has been evident in its election manifesto and actual working. The fact, however, that Senators are elected from state-wide electorates by the same voters as for the House, and that Senate candidates are selected from Party lists, give the respective Party machines significant control over the fortunes of individual Senate candidates. Members elected on Party tickets and Party discipline dominates the Chamber. Even though elected, therefore, the Australian Senate also suffers from the charge that it fails to be responsive to the public at large. Individual state Governments, rather than the Senate, now act as the principal advocates for their regions. To that extent, it is very similar to our experience. Our Senate was originally designed to protect the interests of individual provinces but in our system of federal-provincial co-operation we see that role being taken over by the provincial Premiers.

There are good reasons why we would not want to move toward the elected experience. I think it is the experience of many of us who have sat in Parliament that things already move too slow. This Parliament does not move quickly enough to solve some of the problems Canadians face. I can only suggest that an elected Senate would compound the problems we are facing. One has only to look at the situation in the U.S. and its different levels of Government. It takes years, and sometimes it is impossible, to move legislation through the three different levels of Government. Why? Because each part believes, being democratically elected, they have the right to have input on every piece of legislation. Regardless of the merits of the American system, it moves very slowly so I would have great difficulty with an elected Chamber.

The situation this Government faces is very clear. Whatever mandate the Senate has, it is very slim. There are many people in my constituency who believe if there is any reform, it should be very simple: Abolish the Senate. This is the democratically-elected Chamber here, this is where the decisions affecting all Canadians should be made, not down the hall in the Senate. When I go home to my constituents and they ask why we do not have a refugee law in place I tell them the truth. I say that the problem is down there with a bunch of individuals who are not elected and not responsible to anyone but themselves. They are the ones who are holding up a proper common sense approach to refugee determination.

Some Hon. Members: Hear, hear!

Mr. Nicholson (Niagara Falls): That is where the blame lies. I can only worry when we say we should give more power, more legitimacy to that Chamber. I can only reflect on the experience of the last three years and say this is something which I believe, with all due respect to the Hon. Member, should be rejected by this House.

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, while I wanted to get up and say that I would like to be able to agree with my friend from Calgary North, I cannot agree with him and also with my friend from Niagara Falls at the same time. My inclination is to agree with literally every word he said. It almost makes it unnecessary for me to speak at all.

Some Hon. Members: Go ahead.

Ms. Jewett: All right. I wanted to elaborate on a few points he made.

The experience in Australia is perhaps the most relevant. It is certainly true that the Australian Upper Chamber has not been primarily a place for regional interests to be heard. In fact, the Chamber is based on Party lines, as it should be in a democracy. It is within the political Parties themselves that we should find regional interests being expressed and dealt with. Indeed, in a two or more Party system it should primarily be through the Party system that we realize all our concerns, and certainly our regional concerns. If a Party fails to deal with the

most significant and substantive regional concerns, then it will itself fail. It will not be very long in the position of earning a majority in this country.

The panacea of an elected Senate is just that. It does not deal adequately with the problems it is supposed to deal with, namely those of regional concerns. One is therefore led to ask, as did my hon. friend from Niagara Falls: Why a Senate at all?

A very important development has taken place in the last two or three years so far as the House of Commons is concerned. That development is the committee system. A lot of the talk about having an elected second Chamber came about because it was found that the House of Commons did not sufficiently address the regional and other concerns of this country, and the committees of this House were simply pale reflections of the House itself. They did not have very much clout or very great concern for the issues being debated in the House. Therefore, it was thought that an elected second Chamber would do some of the work which the House of Commons is not doing. I think it was that more than the so-called sober second thought which gave some impetus, until the last two or three years, to the idea of having an elected Senate or having a second Chamber at all.

• (1720)

However, because we have seen significant improvement in the role of the committees of this Chamber in addressing major issues; in quite drastically, in some cases, changing government measures, often by all-Party agreement; in taking initiative in legislative and policy-making fields which committees had not taken until the reforms were implemented; in giving expression to regional concerns; and in getting more clout, we have, in fact, developed our chamber of sober second thought within the committee system of the House of Commons. It seems to me that that gives added argument to those of us who believe that a second chamber is obsolete and unnecessary, whether elected or appointed.

As I mentioned, it should be primarily the various political parties which address regional and other issues. It should be incumbent upon parties to recognize the diversity within Canada and to shape policies which will meet the gravest concerns in the regions of the country as far as federal jurisdiction is concerned. Next to the parties, it should be the role of Cabinet to bring regional problems to the attention of others in Cabinet. It is also the role of federal-provincial conferences to do so and also the role of the House and, in particular, committees of the House.

We do have, therefore, the vehicle—the Party system, the parliamentary system with a strong House of Commons, the growing strength of the committees of the House of Commons, the Cabinet, and federal-provincial conferences. We have a number of instruments nowadays to attempt to understand and meet the concerns of all the regions of the country. We do not need a second chamber to do that for us.

In British Columbia I find that there is not all that much excitement about having a second chamber. Indeed, there is very little. There is not a great interest in having an elected second chamber nor in having an appointed second chamber, although in some ways that is found to be preferable if we must have a second chamber at all. I have always found that British Columbia wants a strong voice in Cabinet, a strong voice in committees, a strong voice at federal-provincial conferences, and a strong voice in the bureaucracy and the boards and commissions of the country.

We often find that a board or commission such as the CRTC or the Canadian Transport Commission will go for years at a time without any voice from British Columbia. A lot of important decisions are made there. This goes back to W.A.C. Bennett's arguments of many years ago in which I think there is a lot of merit. B.C. has been overlooked often simply because it does not have a voice in the various boards and commissions which have become so important in our central government.

Neither does British Columbia have an adequate voice in the bureaucracy. People come from British Columbia and serve in the public service, but Ottawa has a terrible tendency to socialize people into an Ottawa perspective. We must have changes made in the bureaucracy itself and have more flow from the centre to the regions and back. That would be an answer to some of our regional discontent.

To conclude, Mr. Speaker, there are ways which exist now in Cabinet, in Parties, and in the committee system of the House to address regional interests. There can be new ways to address regional consent. We can strengthen their representation on boards and commissions, make the bureaucracy itself more sensitive to the regions, and inform the decision-makers and those just below them of what is happening in the country. If I may speak for a lot of British Columbians, those answers are far more desirable than the motion before us today or any other motion suggesting that an elected Senate is somehow going to meet the real problems of the regions of the country.

[*Translation*]

Mr. Claude Lanthier (LaSalle): Thank you, Mr. Speaker, for giving me the opportunity to rise on such an important subject.

As my colleague mentioned her regional concerns, it is my pleasure today to express our regional concerns in Quebec by informing you of a resolution that was passed unanimously yesterday at an important meeting of the Progressive Conservative Party of Quebec where it was proposed that the abolition of the Senate—

Mr. Boudria: Shame!

Mr. Lanthier: Shouts of "shame" are now coming from the Liberal side, where "red" protectors are watching... The destiny of the Liberal Party is being looked after way ahead of time.

Mr. Speaker, we voted in Montreal in favour of putting the abolition of the Senate on the agenda of the next Meech Lake round of talks with the provinces. You may be assured, Mr. Speaker, that not only the issue of an elective or non elective Senate, but the very existence of that institution, is the subject of discussions in the province of Quebec.

The Senate reform has thus become more and more a matter of concern with Canadians in general and Quebecers in particular, and also with an increased number of Parliamentarians considering the number of resolutions tabled under our Standing Order 36. And there is nothing wrong with that, Mr. Speaker. Since in the name of democracy, we, in the House of Commons, an elected body, should neither be directed, nor impeded, or even delayed by, as our Prime Minister put it, a group of non elected Senators who feel nostalgia for power.

Mr. Speaker, in fact, there is every indication that Canadians will increasingly hear about the reform of our upper Chamber and that they will have to make decisions about that in the years to come.

Our colleague, the Hon. Member for Calgary-North (Mr. Gagnon), is proposing today that we decide on the advisability of amending our Constitution as it relates to the selection process of members of the Senate so that it becomes an elected Chamber. We can say right away, Mr. Speaker, that it would be a clear improvement. According to him, the senatorial elections would take place together with the provincial elections, and the Senators would sit during no longer than two legislatures in their respective provinces and not until they reach the maximum age of 75 years old as some who have sat for 40 years, completely cut off from the realities of life and knowing nothing outside the Parliament and the Senate here, in Ottawa.

For example, Mr. Speaker, I have myself had the opportunity to invite a Senator, the Senator of my region, to attend a symposium in my riding. And the Senator for the region whom I contacted admitted very candidly that he did not remember being Senator for my region. Nevertheless, he had been Senator for that region for five years.

Therefore, Mr. Speaker, you can be sure that all Senators should be in closer touch with their constituency; they should at least have the decency to keep in touch with their constituents, even if they are appointed rather than elected.

In joining those who favour an elected Senate, the Hon. Member for Calgary North (Mr. Gagnon) is siding with an increasing number of Canadians, and probably with the majority of Albertans. He is therefore not the first, as you may well imagine, to define a specific proposal aimed at implementing the principle of an elected Senate.

Let us now look at some of the proposals which have been made over the years.

In 1981, the Canada West Foundation recommended that senatorial elections take place at the same time as every election of the House of Commons and that elected Senators be allowed to hold office during two legislatures. To support this recommendation, here is what the Canada West Foundation stated, and I quote:

• (1730)

[*English*]

> The reasons for considering direct election flow, not from any alleged tidal wave of democratization to which we must automatically yield, but from the practical and immediate implications of election. An individual who holds his position because he has been elected to that position has a clear and unambiguous mandate to represent those people who elected him . . . Election for a limited term implies a clear and direct accountability to those voters at the end of that term. The result of the combination of these two factors is legitimacy.
>
> An elected Senator would possess a clear mandate for speaking out on behalf of his region, and a leverage for achieving concessions that would not rest on personality, fortuitous circumstances, or political convenience.

[*Translation*]

Mr. Speaker, this 1981 proposal also recommended that provinces get equal representation in the Senate. This, I believe, is the oldest proposal which people talk a lot about today. In another background study released in March 1987, the Canada West Foundation reiterated its proposal for a triple E Senate.

In 1983, the P.E.I. Government, then lead by a good Progressive Conservative Government, also proposed to elect the same number of senators from each province through a process similar to that used for members in the House of Commons.

Mr. Speaker, many people want an elected Senate and as many want the Senate simply abolished but everybody agrees that this old institution hinders the smooth running of the Government. I think this motion should be rejected.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, thank you for putting an end to this speech.

I would also like to participate this afternoon in this debate on motion M-81 introduced by the Hon. Member for Calgary North (Mr. Gagnon).

[*English*]

I carefully read the proposal of the Hon. Member for Calgary North (Mr. Gagnon) in his motion. I must say that there are a number of measures which I can wholeheartedly support.

As a matter of fact, I would draw your attention to a speech that I made in the House on May 17, 1985. At that time we were talking about constitutional reform. Let me quote what I said at that time, as it appears at page 4890 of *Hansard*:

> In order to reflect the principle that our Senate must represent provincial interests, I believe that Senators should be elected at provincial elections. While that may be a somewhat unusual way of proceeding, what better occasion is there to assess the provincial mood of an area than during the provincial election campaign? Why not elect one-half of the Senators at every provincial election, assuming that we had the same number of seats in the Senate that we have now in each province? I recognize that there has to be reform there. However, for the purpose of debate, let's assume that we have

the same number of seats that we have in each province. The greatest number of Senators that could be changed at any one time would be 12.

I went on to say:

With only one half elected in every provincial election, a maximum of 12 would change at any one time, if all Senators were defeated within that province, which is somewhat unlikely. There would be insured continuity.

That is what I said on May 17, 1985. To that extent, I agree with my hon. friend from Calgary North. As a private Member, who is not stating a Party position, I agree with some of the proposals made by the Hon. Member for Calgary North.

I do not know where he got his idea and if I happened to contribute to it, I am pleased to have done so. If we have similar ideas, that is even better. Perhaps we can start a movement.

The only difficulty I have with the proposal in the Hon. Member's motion is that for a short period of time there would be three and possibly four different kinds of Senators. There would be elected Senators, those appointed to finish the term until the next provincial election, the existing Senators and the so-called lifers, of which there are some six left.

However, like everything else, if we are going to reform the institution and want it to progress, perhaps that phasing in process would help to achieve Senate reform.

[*Translation*]

Mr. Speaker, it was with amazement, to say the least, that I listened to the speech made by the Hon. Member for LaSalle (Mr. Lanthier) in the House, that is the speech he has read, for it was prepared by God knows who. Yet, Mr. Speaker, that speech, delivered by the Member for LaSalle, but prepared by God knows who, was lacking something. First, the Hon. Member for LaSalle seems to have forgotten about his own party. We should remember that in 1979, the Conservative Party was elected in this country. Unfortunately, that government suffered from a specific deficiency; one could say that it suffered from several deficiencies because it has not survived for very long, but it suffered from a specific deficiency at that time, and that is the lack of representation from Quebec in the House of Commons.

Because of this particular problem, the Prime Minister found it difficult to fill Ministers positions in his Cabinet, due to the fact that there were only two Quebec Conservative Members. One of the two founding nations of this country was represented in the Cabinet by only two people or a maximum of two assuming that both would be appointed to the Cabinet. I think there was a serious deficiency there. To solve this problem, the Prime Minister decided to find in the Senate some high calibre Quebecers, who could represent Quebec well in the Cabinet, and he went and picked for example, the Hon. Member for Berthier—Maskinongé—Lanaudière (Mr. de Cotret) who was then a Senator. He picked a few others including Senator Asselin, and in that way the Prime Minister managed to give Quebec some representation, I would not say a fair representation because they were not in sufficient number, but at least he managed to a certain extent to make up for this deficiency.

A little later, in 1980, the Liberal Government too had similar problems elsewhere in this country in the sense that Western Canada did not elect Liberal Members. So the then Prime Minister appointed Senators from the West to sit in the Cabinet.

This, I think, Mr. Speaker, clearly demonstrates the need for a Senate in Canada. But obvioulsy, we must reform the present procedure for choosing Senators. There is definitely a need for improvement. Personnally, I am sure that if Canadians had to decide right now how Senators should be chosen the Senate would be completely different from the one we have, in the sense that Senators would not be appointed for life. And I say this whether they are Liberal, Conservative or independent. The fact is that we need a higher Chamber in our Parliament.

• (1740)

[*English*]

Every single country in the western world that I know of has a bicameral national legislature. There is this chamber of sober second thought, be it in the United States of America, France, Great Britain or most other jurisdictions. There is a necessity for having that for two reasons; first, to ensure a continuity in one of the two legislative Chambers, and second, to give that sober second thought. I think, in spite of the disagreement of some of our New Democratic colleagues, that has a value. It does not mean that there has to be life permanence in order to have sober second thought. One could achieve that with less frequent elections, phased elections, and so on, in the way I have described and in the way the Hon. Member for Calgary North has suggested to us.

However, we cannot pretend we do not need it at all and have the kind of ridiculous proposition we saw over the weekend where the Quebec wing of the Conservative Party, for instance, decided we would abolish the Senate and the Minister of Employment and Immigration (Mr. Bouchard) had to intervene in the debate and say: "Boys and girls, we cannot do this at the present time because that would contravene the Meech Lake Accord". So everyone said: "We cannot do that, but let us pretend we are going to do it at the next round of constitutional amendments". Their position was then revised. They would do it next time, not this time, and suddenly that made the project, in the view of certain Quebec Conservatives, a little more palatable.

Whether one wants to breach the Meech Lake Constitutional Accord or not in order to achieve this is, as far as I am concerned, not the right way to go about it. I think the idea proposed to us by the Hon. Member for Calgary North is a good one. Undoubtedly, it needs some work. Most ideas do, for that matter. But I think he has a far better idea than what was proposed to us by the Hon. Member for LaSalle (Mr. Lanthier).

[*Translation*]

Mr. Charles Hamelin (Charlevoix): Mr. Speaker, this motion introduced by the Hon. Member for Calgary-North (Mr. Gagnon) has obviously some merit but it should lead to a quick solution. The Senate reform issue has been under discussion for a long time and our First Ministers agreed to discuss it thoroughly at the next meeting on the Constitution.

Looking at the issue of the Senate in 1988, one has to ask a number of questions. In the distant past, we were commoners, just lowly people elected to the Commons and there was another Chamber, the very select Senate, whose members were a little more educated and in a position to correct mistakes made by humble commoners. Things have changed quite a bit since then. In the old days, regional concerns were the main factor defined in Canada. Senators had to protect the interests of the provinces, of minorities and they were supposed to voice regional concerns. The big question that should be asked of Canadians, the only truly significant one, a question that would be really difficult for anybody to answer is this one: Can most Canadians tell me the name of their Senator, Mr. Speaker? Not too many people would be able to tell us the designation of a senator who has just been summoned.

Mrs. Bourgault: I couldn't.

Mr. Hamelin: And I would be very much surprised to find someone who knows the name of his or her Senator. Some of the senators do not even know the name of their "diocese", and that is a fact.

Then of course the Parliament of Canada now has a greater number of Members. We have all kinds of information media, we have lobbies, we have new laws which make it possible for women's groups and minorities to have their say, so these days you simply cannot hoodwink Canadians right and left! First thing you know they tell their Members in the House what they should do.

So my colleague was saying: What a wonderful idea, a Senate! A potential reservoir of Ministers, a place to find election candidates, indeed a place where there would not be any real national Party with Members elected in all provinces.

Mr. Speaker, I would point out that the situation would be corrected if we had an electoral system based on proportional representation where we would be sure to have elected representatives from all regions. I would suggest that it is a very weak argument to claim that the Senate ought to be a retirement home in recognition of services rendered, because that is exactly what the Senate has become, a retirement home for people who have served faithfully.

Not so long ago every legislative assembly—including Quebec's—had its very own small Senate, its very own small upper chamber.

Mr. Speaker, nobody shed tears of blood or cried in desperation when we got rid of this perfectly useless Upper Chamber which was supposed to represent the aspirations of Quebec's various regions. Nobody cried when we did away with this non-elected Senate.

But let us admit that we preserve this institution and go along with the arguments of the Western and Eastern provinces which are in favour of the so-called "Triple E" Senate. I foresee already that the Premiers will have problems at the next Constitutional Conference. An elected Senate means a Senate with powers. But, for Heaven sake, which one? What will be the real problems of this elected Senate? Do you not feel already the confrontation which will oppose the two Houses? Will we have to deal with suspensive vetos, effective vetos in such and such areas, and this and that?

Let us talk now of a Senate with equal representation, say ten Senators representing Prince Edward Island and ten Senators representing Ontario. This creates problems.

Let us talk now about an efficient Senate. This stretches the imagination, Mr. Speaker! An efficient Senate! If the past foretells the future, we are faced with disaster. The notion of an efficient Senate truly boggles the mind!

I suggest, therefore, that this proposal which comes within the framework of the system has merit. But I suggest also that we should have a substantial debate, the only one we should have now to prepare the forthcoming Constitutional Conference and, as the Quebec wing said during the weekend, we should ponder at least once the need to maintain this "pensioners' House for services rendered".

[*English*]

Mr. Gordon Taylor (Bow River): Mr. Speaker, I want to congratulate the Hon. Member for Calgary North (Mr. Gagnon) for bringing in this motion. A Triple E Senate is strongly supported by the people in my riding. My motion on a Triple E Senate was shredded of the equality from each province and the election from each province and then sent to the First Ministers for consideration. This motion reopens the matter.

I support this motion for a number of reasons; first, the House of Commons does not answer the regional requirements. The House of Commons is based on population. As long as we can foresee there will be a greater number of Members from Ontario and Quebec than from the rest of the provinces, there is no equal consideration of regional matters. If we are going to have a Senate at all, there should be an equal number of Members from each province and territory so they can consider matters on a regional basis equally.

• (1750)

Second, there is no accountability in the present Senate. The Senators hold up Bills that we returned to Parliament to pass. These are Bills that the people want with respect to immigration. The Senators are accountable to no one. They simply do what they like. They ignore the public. This is a democracy. We are supposed to be doing what the people want. The Senate is not doing that.

If Senators were elected and had to report back to the people who elected them then they would have to be accountable. I strongly support the accountability of people in the Senate. They must be elected. They should be elected. In this way they would have to go back to the people periodically to find out what they want and then be accountable to them.

If we do not have an elected Senate with equal representation from each province and if Senators are not accountable, then we are simply wasting public money. Today the Senate is wasting public money by ignoring the wishes of the people by refusing to pass legislation that has been passed by the House of Commons.

I support the motion.

Mr. Morrissey Johnson (Bonavista—Trinity—Conception): Mr. Speaker, I thank you for the opportunity to take part in this very timely debate this afternoon. It is appropriate that we should be discussing Senate reform given the historical constitutional events that have taken place during the past years.

As all Hon. Members of the House know, at Meech Lake last April 30 First Ministers took an important step in strengthening the federation by reaching unanimous agreement on bringing Quebec into the Constitution. On June 3 that agreement was formalized as a constitutional Accord.

As part of the Accord First Ministers also approved an entrenched second round of negotiations aimed at fostering further constitutional development. In particular, Section 50(1) requires that a constitutional conference composed of the Prime Minister of Canada and of First Ministers of the provinces shall be convened by the Prime Minister of Canada at least once each year commencing in 1988. Thus we already have action taken by the Government and by the provinces to bring about Senate reform.

Among the items on the agenda to be considered at these conferences will be, as I have already stated, Senate reform, including the role and function of the Senate, the power of the Senate, the method of selecting Senators and representation in the Senate. As other Members have said I believe, too, that it is important that there be representation from all across the country that will represent the different regions according to their populations. I am sure that should be one of the functions of the Senate.

Under the Constitution Act, 1867, which is to be amended under the terms of the Accord, Section 25 of that Act would provide that where a vacancy occurs in the Senate the Government of the province to which the vacancy relates may, in relation to that vacancy, submit to the Queen's Privy Council for Canada the names of persons who may be summoned to the Senate. We all realize that those nominees must be acceptable to the Queen's Privy Council for Canada.

For the first time this will give to the provinces some genuine say in appointments to the Senate. I do not think that there can be any doubt as to where the Prime Minister (Mr. Mulroney) stands on the seriousness of Senate reform. Last August 26 he said in the House that he would bring forward on behalf of the Government of Canada a comprehensive proposal to reform the Senate at the first constitutional conference. We can expect that to take place in 1988.

We must consider very carefully what should be the role and function of the second Chamber of Parliament. Before addressing specific matters such as the method of selecting Senators, the powers of Senators or the distribution of seats we must begin with a more basic question. What should be the principal functions of a reformed Senate in light of Canada's particular circumstances? I heard other Members say that we have sober talk and so on in the Senate.

In conclusion, since I know my time is running out, I feel confident that the Parliament of Canada will indeed play a major role as we begin to consider the proposals for Senate reform. In the meantime I suggest that we not get too far ahead of the process provided for in the Meech Lake Accord. I am sure that there will be broad debate and discussion on Senate reform as we approach the 1988 conference. I do not think that we should be premature. For the House to endorse today a particular proposal, whatever its merits, might be a wrong statement.

Mr. David Daubney (Ottawa West): Mr. Speaker, in the few minutes remaining, I am pleased to take part in this debate. May I first congratulate my colleague, the Hon. Member for Calgary North (Mr. Gagnon) for introducing this motion.

I know that the issue of Senate reform is one which is of significant importance to western Canadians. It is of great interest in particular to the Hon. Member's constituents and to the people of Alberta generally.

As a former member of the Special Joint Committee of the House and Senate on the Constitution Act, 1987 I took great pleasure in hearing a great deal of testimony, particularly from western Canadians, on how important the issue of Senate reform is to them. They view it as a method of rebalancing what some westerners consider to be the imbalance of power that exists in central Canada.

It is important when one considers the distribution of Senate seats at the moment that one sees that there is in fact a regime designed to provide for the type of regional representation for which western Canadians and many Canadians are looking. Of course, one of the main purposes of the Senate when it was established by our Fathers of Confederation was to ensure that there would be provincial representation here in Ottawa. We have a breakdown of Senators on the basis of 24 from each of the four regions of the country, plus now we have representation from the northern territories.

As a Member of Parliament from Ontario I have some concern with the notion of equal representation by province. Representation by population is a fundamental tenet of

democracy and one which I would be hesitant to see withdrawn in the case of the Upper House.

The Acting Speaker (Mr. Paproski): Order, please. The time provided for the consideration of Private Members' Business is now expired. Pursuant to Standing Order 42(1) the Order is dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

ENVIRONMENTAL AFFAIRS—PRESENCE OF DIOXINS IN MIRAMICHI RIVER—GOVERNMENT POSITION/REQUEST FOR ASSURANCE ADEQUATE MEASURES WILL BE TAKEN

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I am raising today an issue of very serious concern of environmental pollution in the Miramichi River area at the Domtar plant near Newcastle in New Brunswick, a situation I have raised in the House a couple of times without receiving any kind of a satisfactory answer.

We now know that the provincial Minister of the Environment for New Brunswick, the Hon. Vaughn Blaney, has decided not to allow the reopening of the plant in question, Domtar, which had requested permission to reopen in order to fulfil a contract given by the federal Government through the Canadian International Development Agency. This is a plant that had been known to be polluting in the area for a very long time.

• (1800)

There is a whole history that would take hours to read into the record. There were concerns of residents in the area regarding water, animals, and the long term cover-up on the part of environmental officials who were aware of the dangers created by toxins in the area, particularly pentachlorophenol, a substance used in the coating of wooden telephone poles. There is a very long history of this substance which is presently under review. It should not be used in any form in Canada. It is a substance which has been banned in other countries, notably in Sweden.

When I first raised the question, I received the answer from the Minister of the Environment (Mr. McMillan) that we were working with the company and that clean-up was going ahead. He then retracted that statement somewhat and said that the Government of Canada is riding herd on the company. We know that the Government has not been riding herd on the company. We know that previous Governments had not been riding herd on the company. Instead the files have accumulated showing disastrous results for residents and for workers in an area where workers in the same plant have died mysteriously early of diseases related to chemicals.

In 1969 the fisheries department wrote Domtar to say that the water was exceedingly toxic. In 1974 there was an internal memo at Environment Canada documenting the fact that the situation had been under review for five years, that the water was still toxic, and that the company was doing nothing.

In 1981 Environment Canada published a report that looked at dioxins around the plant and recommended that dioxin levels be determined in the water and sediments of the Miramichi River in the vicinity. This was never done. Terrestrial and aquatic plants growing in contaminated areas should be analysed to evaluate the dioxins. This was never done. A further recommendation that ground water be sampled to determine migration of dioxins was only done in 1987, and the results were only released last year. The testing was done by the company, a company obviously with an interest at stake. Environment Canada has done nothing here.

In 1984 Environment Canada performed more tests and found levels of two orders of magnitude higher of octa-dioxins, and background concentrations of dioxins were also found.

In 1988 Environment Canada held meetings with Domtar. Domtar informed Environment Canada of its studies into migrations of contaminants and plans for clean-up. However, requirements for the clean-up specifically have never been approved. Then we have the Government of Canada giving a contract to Domtar in order to go back into operation in an area in which they have not cleaned up the pollution in the first place.

Previous Governments—in the case of the federal Government, previous Liberal Governments; in the case of the provincial Government of New Brunswick, previous Conservative Governments—did not act at the time. We wonder if perhaps there had been action in time that jobs would not have been lost, residents would have been safe, the ground water question would have been looked at. We do not know if there were dioxins in the drinking water that people were drinking. The tests date back only to 1987. We do not know the quality of the water that people were drinking for all those years in the 1970s and early 1980s. If something had been done in time, it is possible that we would still have jobs there. The question, should we be sacrificing jobs for the environment and the environment for jobs, would not have come up.

Certainly, the right decision has now been made by the Minister of the Environment for New Brunswick. I congratulate him on making a tough decision. We cannot sacrifice the environment for immediate jobs. We know that the long term result of making that type of decision is loss of jobs, because it means even more serious problems. It means dioxins in fish, an impact on agriculture, and all of that means loss of jobs.

My point here, Mr. Speaker, is that we have Creosote Road and Chemical Creek, and an extremely cavalier attitude taken by Governments at both levels over a long period of time.

Environment Canada and the Government of Canada has had between 1969 and 1988 to act. It found dioxins in water. It ignored recommendations to test the levels around the brook leading from the plant. It waited seven years for the company to test ground water itself, and did not do its own tests. It did not use the powers of the Fisheries Act to clean up the plant site. Ten years of pollution could have been avoided. The power is there. We have Environment Canada. Fisheries is federal jurisdiction. The opportunity to have acted earlier was there.

• (1805)

I hope that this will be a lesson to the federal Government that we need early, prompt action for adequate protection of the health of people in the area and the environment.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the Domtar wood preservation plant, located near the Miramichi River at Newcastle, New Brunswick, has been in operation for over 60 years. The company began using pentachlorophenol in 1957 at this plant. Certain dioxins are known to be associated with pentachlorophenol, but the highly toxic 2,3,7,8-TCDD has not generally been believed to be one of them.

In 1981 Environment Canada undertook a study of the Domtar site to assess possible contamination. Dioxins were found in a ditch draining the site. A second study was conducted in 1984 which confirmed the presence of dioxins. Very low levels of 2,3,7,8-TCDD were identified. As expected, the predominant dioxin was octochlorinated dibenzo-p-dioxin.

The 1981 study report made several recommendations. Most of these have been carried out, including definition of the type of dioxin present in 1984 and installation of waste water treatment facilities in 1983-85. As a follow-up to this work, the New Brunswick Department of Municipal Affairs and Environment and Domtar undertook further site investigation in 1985 and in 1987. Additional sampling has confirmed that there is contamination of soil and ground water in the plant area.

The Department of Fisheries and Oceans determined the presence of dioxins in lobsters several kilometres downstream from the Domtar site. No trace of the more dangerous 2,3,7,8-TCDD dioxin was found in the lobsters. The results of this study were made available to Environment Canada in late 1987 and has underlined the necessity for a full evaluation of contamination from this site, as well as other possible sources of dioxin near the Miramichi River.

While we had recently been under the impression that a clean-up was imminent or under way, we have since been informed that only preparatory work with some excavation had been initiated at the site through last fall. The Domtar company is now in the process of re-examining all relevant information in order to develop a more acceptable proposal for the clean-up of the site. This proposal must be satisfactory to the Province of New Brunswick and to Environment Canada. Meetings to address this remedial work are under way. The environment department expects to see a company proposal for clean-up this month.

The presence of dioxin in the Miramichi River is a complicated issue. A pulp and paper mill just up river from the Domtar site uses a bleached-kraft process. This process has just recently been recognized as suspect in the generation of dioxins. In view of this complication, Environment Canada is undertaking a study of sources of dioxin in the Miramichi River. This study will be part of a national study set in motion by Environment Canada to define the seriousness of the problem, with a view to seeking clean-up action on the part of any identified polluter.

Recent reports now indicate that Domtar is not going to reopen the plant. Nevertheless, the clean-up will continue. Fortunately, due to the foresight of Environment Canada and the Department of Fisheries and Oceans, the Miramichi problem will probably be defined earlier than most.

CANADA POST CORPORATION—CLOSURE OF RURAL POST OFFICES— PROVISION OF ALTERNATE SERVICES

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, I appreciate having the opportunity to discuss further a question which I brought to the attention of the Minister responsible for Canada Post some number of weeks ago. It is with reference to the closure of post offices in rural Canada.

There is no question that all reasonable and responsible Canadians would support any measure which would make Canada Post more cost effective and cost efficient. Certainly I have stated in the House and in my constituency on numerous occasions that I will support any reasonable plan that will bring postal spending under control and will reduce the burden on the taxpayer.

• (1810)

In 1981, Bill C-42 came into effect, turning Canada Post into a Crown corporation. This took place for a number of reasons, not the least of which was the fact that in the Post Office, there were a number of people at the time and continue to be to this day who were concerned about labour. Labour unrest was profound and labour disputes were indeed many. It was also a fact that the Post Office had accumulated a tremendous debt load and it was a haven for political patronage.

These problems were well recognized prior to 1981. In the 1970s, the Hon. Eric Kierans was Postmaster General under former Prime Minister Trudeau's administration. He determined that indeed the fat should be trimmed from the Post Office. During that period of time, Mr. Kierans undertook to close down some 1,000 post offices in rural Canada without

any consultation whatsoever with the communities involved and with no explanation.

As a result of the postal plan, a substantial number of people from rural Canada are living in perpetual fear that their post offices will be the next to get the axe. Unfortunately, some of my constituents have felt this axe. Indeed, the little Village of Bloomfield is such a community. Bloomfield's service was taken away and has been replaced to date with supermail-boxes. Up until this time at least, the residents have had to travel some 30 kilometres round-trip to receive even the most basic of postal services.

I do not think any reasonable person could object to Canada Post's plan when a postal facility should be closed for economical reasons or other circumstances like a post office being taken away from Canada Post by the landlord. There should be no disagreement with this or major concerns on the part of the community when Canada Post agrees to provide alternate services such as counter services. Unfortunately, this has not always taken place.

Although Canada Post has often promised to provide better service, the fact is that many people in rural communities where post offices have been taken away feel as though they have been victimized by Canada Post. Better service has been promised but in fact this has not taken place. We feel that there is an obligation on the part of Canada Post to ensure that before the promised new services are implemented, the opportunities and agencies for implementing the services should indeed exist.

We find that Canada Post often refers to meaningful consultation, and this has taken on two meanings. Canada Post apparently believes that meaningful consultation is something that takes place when Canada Post officials explain to the residents of a community what services will be taken away from them. The residents believe that meaningful consultation means that they will have an opportunity to say no to the removal of those services. Clearly, meaningful consultation has not been defined, and that is something that Canada Post should undertake to do.

We feel that better service should be the criteria when postal facilities are taken away. When I say we, I mean Members from rural Canada. Many of us believe that the availability of retail services should be ensured when Canada Post takes existing services away. If alternate services cannot be assured, then indeed plans should be shelved and postponed until alternate services are indeed in place.

• (1815)

In summation, I would suggest that the Crown corporation and all rural Members of this House should ensure that rural Canada is treated fairly in all aspects and not left behind in our changing society. I would encourage Canada Post to undertake that very seriously.

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, first, I would like to take this opportunity to underline the many representations the Hon. Member for Fundy—Royal (Mr. Corbett) has made to the Canada Post Corporation.

My colleague referred to the service alternatives. Mr. Speaker, the Canada Post Corporation has assured all Canadians, and the Minister responsible for Canada Post can guarantee that this will continue to be the case, that the postal service is a guaranteed service and that every Canadian must be able to receive and post his mail.

I should remind the Hon. Member that we have made a commitment and that there can be no change in service before there has been consultation with the community, the citizens involved and the Members of Parliament.

Naturally, we are all somewhat reluctant to accept changes. However, the Canadian society is changing, and when we analyse what is going on in the Canada Post Corporation, we find that the way of life of many people has changed and the postal service no longer meets their needs.

When a post office must close, it is because the person who provides the service has informed Canada Post that he or she is resigning, retiring or wants to get out of the business.

This is what happened in Bloomfield Station, Mr. Speaker. There was an announcement that Canada Post was planning to look at alternative methods to serve the 50 families who had been deprived of the postal service for some time. Attempts have unfortunately been unsuccessful because, I think, quite a tight campaign led by the union prevented that type of service from being offered. Superboxes were installed. Naturally, they provide ideal service, twenty four hours a day. You can go and pick up or send your mail any time it pleases you.

Of course, not long ago, as my colleague is no doubt aware, the Corporation concluded an agreement with Bloomfield Varieties store to install a retail sales counter. I point out that there is a significant improvement of the service in Bloomfield Station.

I want my colleague to know that according to what I have been told there are only 9.1 kilometres between Blomfield Station and Norton and 12 kilometres between Bloomfield and Hampton. I was surprised to hear him say the distance was about 30 kilometres. I would like him to tell me if it is so.

In conclusion, Mr. Speaker, I want to assure all Hon. Members that the Minister responsible for Canada Post Corporation is doing everything he can to have acceptable and profitable postal services maintained for all Canadians.

Adjournment Debate

[*English*]

NATIONAL REVENUE—PRINCIPAL GROUP BANKRUPTCY—PAYMENT OF TAXES BY INVESTORS/REQUEST THAT DEMANDS FOR PAYMENT OF TAXES BE STOPPED

Mr. Simon de Jong (Regina East): Mr. Speaker, I rise today to elaborate further on a question I posed to the Minister of National Revenue (Mr. MacKay) last Tuesday. It concerned the actions of Revenue Canada in taxing those investors in the Principal Group, financial institutions which went into receivership last June.

• (1820)

The Government is attempting to collect taxes on interest which those investors and depositors would have earned but, in many cases, never actually saw. There were a variety of investments and types of deposits involved. Some were on an accrual basis and some had received their interest but it was left in deposits or rolled over into new investments.

It seems to me that there is unfairness here. Many of these depositors are older, retired people who had deposited all of their life savings in these institutions. Many of these people are without means. For the Government to ask them to pay taxes on money that they never saw is, I think, unfair.

I suppose that within the strict confines of the Income Tax Act bureaucrats would say, as the Deputy Minister of National Revenue is reported to have said, that the fact of the bankruptcy of an investment company is no excuse. That seems a little hard-hearted. I think it is basically wrong that the Government is attempting to collect taxes on money which people never received.

I recognize that there are some problems with this case and the Government will have some problems changing some of the rules and regulations, but it needs to be done in terms of fairness.

In the last few years we have seen various financial institutions go bankrupt. People have lost their money, especially those who are not fully covered by the Canada Deposit Insurance Corporation. I think there should be some special provisions in the Income Tax Act that taxes to be paid on interest earned before the institution went bankrupt be deferred until the company is properly wound down and the investors know how much they will recoup. If they recoup their interest as well as their original investment, the Government should tax at that time.

There are many instances of deferral of taxes in this country. The common estimate now is of some $20 billion in deferred taxes. It would certainly be fair if the Government did not proceed to attempt to collect taxes on interest earned which the investors never received.

For the Government to say that eventually the investors will get back the money they pay in taxes is beside the point. It will take at least two or three, and perhaps four or five years before the company is properly wound down and the investors know how much they owe or how much the Government will be able to pay them back. As I mentioned before, many of the investors and depositors are older, retired people on fixed incomes who cannot afford, in essence, to lend the Government money now which they will get back in three, four, or five years.

The responses which I have received from government Members and which my Leader received on Wednesday encourage us to hope that perhaps this week the Government will announce that it has found a way to ensure that these people will not have to pay these taxes. I hope that when the Government's spokesperson responds to my presentation this evening she will have some good news for us all.

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I wish to make a few comments regarding the fiscal implications of the Principal Group failure. It has been said, among other things, that taxpayers would have to pay tax on income from interest they never received.

Allow me, Mr. Speaker, to say that those individuals who elected to use the cash accounting method and did not receive interest payments, paid in cash or credited to their account before it was blocked, will not have to pay tax on accrued interests. However, those who did receive interest payments, paid in cash or credited to their account, will have to include that amount on their income tax return. They are required to do so by the existing Income Tax Act and the Minister of National Revenue, for his part, must enforce the Act.

On the other hand, people who have calculated their revenue according to the accrual method of accounting and whose investment contract with the Principal Group had not expired when it was frozen will be allowed, once the whole matter is settled, to deduct an amount not exceeding the interest already declared.

Present legislation provides a certain relief for taxpayers in that situation, depending on the circumstances.

We are nevertheless deeply concerned about the difficulties facing some investors. Some of them could indeed lose a big part of their capital and they realize that they have a tax obligation regarding the interest reinvested in the Principal Group.

So you will certainly understand that it is a very complex situation resulting from the collapse of a group of companies with a complex structure and widespread ramifications. Although the questions put in this House are straightforward, the problem is not. The officials of National Revenue-Taxation and of the Finance Departement are compiling facts and evaluating the implications of certain means of providing relief. Meanwhile, both departments are working together on that subject, examining which means might be appropriate in the circumstances. And I can assure the Hon. Member that a response is indeed forthcoming in that case.

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

The House adjourned at 6.27 p.m.

HOUSE OF COMMONS

Tuesday, March 29, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PUBLIC ACCOUNTS

GOVERNMENT RESPONSE TO ELEVENTH REPORT OF STANDING COMMITTEE

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, pursuant to Standing Order 99(2), I have the honour to lay upon the table copies in both official languages of the Government's response to recommendations 16, 18 and 29 of the Eleventh Report of the Standing Committee on Public Accounts.

* * *

BRETTON WOODS AND RELATED AGREEMENTS ACT

TABLING OF 1987 REPORT ON OPERATIONS

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, pursuant to Standing Order 67(2), I have the honour to lay upon the table copies in both official languages of the report on operations under the Bretton Woods and Related Agreements Act, 1987.

* * *

NORTHERN CANADA POWER COMMISSION (SHARE ISSUANCE AND SALE AUTHORIZATION) ACT

MEASURE TO ENACT

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development) moved for leave to introduce Bill C-125, an Act to enable the Northern Canada Power Commission to issue shares, to authorize the sale of those shares to the Government of the Northwest Territories, to repeal the Northern Canada Power Commission Act and to provide for related matters.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

PETITIONS

CREE-NASKAPI ACT—REQUEST FOR REFERENCE OF REPORT TO COMMITTEE

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I have a petition, duly certified, which deals with the implementation of the Cree-Naskapi Act. The Cree-Naskapi Act was a piece of legislation which flowed from the James Bay and Northern Quebec Agreement. Part XII of the Act created a commission and this commission is required to report to the Minister of Indian Affairs (Mr. McKnight) every two years on the implementation of the Act.

The first such report was tabled before Parliament March 12, 1986. The report contained a number of serious condemnations of the administration by the Department of Indian Affairs of the Cree community operations and maintenance subsidies.

Therefore, the petitioners call upon Parliament to have the said report referred to the Standing Committee on Public Accounts so that the committee may inquire into the situation and recommend ways to resolve it.

PROPOSED FREE TRADE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my pleasure to present a petition pursuant to Standing Order 106. The petitioners are very concerned that the trade deal agreed to between Canada and the United States would have a fundamental impact on Canada's economic, cultural and political independence.

• (1110)

They believe the agreement means a loss of jobs in many sectors of the economy and many regions of Canada. Therefore, they ask that Parliament dissolve in order to have a national debate on the alternatives available to Canada, and that the debate result in a national election prior to the signing of any such agreement.

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed from Monday, March 28, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-117, an Act to amend the Excise Tax Act and the Excise Act, be read the second time and referred to the Standing Committee on Finance and Economic Affairs.

Mr. Jack Harris (St. John's East): Mr. Speaker, I am pleased to speak on this Bill today because I think it contains the Government's hidden agenda. We have heard a lot about tax reform from the Government in the last couple of years. This Bill contains a number of what are generally known as regressive tax measures. These tax increases apply to commodities which are important to the growth and development of this country. The Bill contains taxes on items which Canadian families use to redecorate their homes, things such as paint and wallpaper products; there is a 50 per cent increase in the tax from 8 per cent to 12 per cent. These materials are used by Canadians all across the country in various ways.

We also have a tax on telecommunication services, which makes it difficult for Canadians to communicate with one another. It is a particularly regressive tax in a country like Canada with its vast distances and isolation of communities. Canadians, we are told, are among the heaviest users of long-distance telephone services in the world.

In my riding, which I suppose is the smallest of federal ridings in Newfoundland and Labrador, there are communities such as Bell Island which cannot communicate with St. John's, 15 miles away, without paying long-distance charges. The community is isolated because it is an island and because it is served by an inefficient ferry service. The necessity of doing business in St. John's is difficult for the people of that island because they have to pay long-distance charges. Now the Government goes further and taxes that service by 10 per cent.

The Government has also increased the excise tax on gasoline and aviation fuels by one cent a litre. This is only one in a series of increases since 1984. We have seen a 23 cent per gallon increase in the cost of gasoline since the Government came into office, a massive increase by any measure. The increase is in the taxes that ordinary Canadians are paying regardless of income. The Government has seen fit to collect almost 20 per cent of its federal sales tax revenue through this tax on automotive fuels. It is a regressive tax which does not consider the ability of the individual to pay. This most recent increase alone means that the average Canadian family will pay an extra $50 in taxes a year.

To go back to the 10 per cent tax on telecommunications, that tax is contrary to a recent ruling by the CRTC which told Bell Canada that Canadians were paying too much for telephone service. It was ordered to reduce its rates. The Government does not have the same sympathy for users of telephones and has added a 10 per cent tax to the cost of service.

The Government, since 1984, has attempted to reduce services and deindex pensions. We have seen a partial deindexation of the marginal tax brackets and partial deindexation of family allowances. There has been controversy over the capital gains tax exemption for wealthy Canadians. We have had a series of measures, including a reduction in over-all tax rates for high-income earners, which I see as being a part of the Government's agenda directed towards emphasizing hidden and regressive commodity taxes as a part of its method of reducing the deficit. However, the effect is to further shift the share of the tax burden from those who could afford to pay to those who need to keep a larger part of their income for their own use and the use of their families.

• (1120)

This is one of the hallmarks of the Government's activity. It does not act on behalf of the average Canadians who pay by far the largest share of income taxes. It shifts the burden of taxes increasingly to them from the high profit corporate sector, the banking industry, and other industries which are well protected by the Government.

This regime has increased the tax burden on the ordinary Canadian family since 1984 by over $1,000 a year. We started off with tax increases and, although there have been some decreases in the over-all taxation rate for the average family through tax reform, the end result is a tax burden on the average Canadian family in excess of $1,000 more than they were paying in 1984.

This Bill is a part of the Government's over-all plan to increase the tax burden on ordinary families who need to buy these goods and services and need to use telephone services in order to communicate with their families, relatives, and friends for the purposes of business or, in many cases in my riding, to find out about employment opportunities.

There is a great groundswell against the taxation policy which the Government has followed. People in my riding are very concerned that the taxation level, including that on long distance charges, unfairly affects those who have to rely on long distance telephone communications in order to maintain effective communication with communities around them. It is

an unfair tax. The only thing it does not affect is the residential monthly rate. This is a hidden tax which we do not support.

As a result of the changes in the manufacturers' sales tax we now have a very complex system of taxes, creating a very burdensome administrative responsibility for business people. We have special exemptions, notional values, rulings which must be made from time to time, and licensing requirements and documentation which businesses find extremely complex. This is not an appropriate way to raise revenue.

We have in short a series of measures which, although they will increase revenues, will result in a further shift of the burden of taxation to ordinary Canadians on consumer goods and services—who use their disposable income for these expenses and are already carrying an unfair share of the tax burden. As a result of pursuing this approach the Government is leaving behind those Canadians who are unfairly burdened with tax and an increasing number of Canadians who are already living below the poverty line as set by Statistics Canada and the Canadian Council on Social Development. These people are affected just as much by these taxes as is everyone else in the country. It is an unfair burden. These measures are inappropriate and we do not support them.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I rise today to speak to Bill C-117, an Act to amend the Excise Tax Act and the Excise Act, with a great deal of regret. I regret that we are here again in the House of Commons talking about tax increases, particularly hidden tax increases. That is a term with which Canadians have become all too familiar since the Conservative Government came to power three and one-half years ago. The Conservatives have imposed the longest continuous string of tax increases to be imposed on Canadians in recent memory. I do not know how many times we have talked about this Conservative tax record, or hidden tax record, which increases the burden on middle-income Canadians, families, and individuals.

There has been much anxiety experienced by seniors who are trying to ensure that they will be able to continue the quality of life for which they had planned. However, with the increases in the cost of living and the Government's plan for investment tax their anxiety is growing.

Those who are involved in the cultural industry and small business people are very concerned about being hit through reductions on office expenses in their homes and the use of their cars which is so important in the earning of their livelihood.

Today I am going to talk about hidden taxes and will then refer to the more overt taxes in the Income Tax Act. This Bill contains the necessary legislative amendments to implement the federal sales and excise tax and excise duty changes announced by the Minister of Finance (Mr. Wilson) in his Budgets of February 18, 1987 and February 10, 1988; his June 18, 1987 White Paper on tax reform; and his December 16, 1987 tax reform paper.

The Bill before us looks very big and ominous. In reading it one must use a dictionary, various other books and Bills to try to figure out who the Government is taxing, why it is taxing, and where it is taxing. It takes a fair amount of study to find out how the Government has hidden the excise tax. Let us attempt to determine what this enabling legislation covers as it gouges revenues and addresses technical issues in the law.

• (1130)

The measures to address some of the inequities in the sales tax and to prevent erosion of the sales tax base as announced in the February, 1988 Budget are contained in separate legislation. Generally, this Bill deals with a 10 per cent tax on telecommunication services such as telephone and telex services, but not including charges for local residential telephone lines. That is a result of the June, 1987, White Paper.

It also proposes an increase in the telecommunications programming service tax on cable and pay television services from 8 per cent to 10 per cent. That was also in the June, 1987 White Paper. Later I will discuss the amounts that these taxes will raise as the Government spreads out its huge tax net.

The Bill also deals with an increase in the sales tax rate on paint and wallpaper products from 8 per cent to 12 per cent. There is an acceleration in the federal excise tax remittance, which was also referred to in the June, 1987 White Paper.

There is an increase in the federal sales tax rate on beer, spirits, wine and tobacco products from 15 per cent to 18 per cent. That proposal appeared in the December, 1987, tax reform.

There is an increase in the specific excise tax and excise duty rates for tobacco products by 4 per cent.

There is an increase in the air transportation tax levy by $4 a ticket to recover a greater proportion of air transport program costs. That is a very interesting increase at a time when we are using more aircraft and travelling more often.

There is an increase in the excise tax on gasoline and aviation gasoline of one cent per litre, a most disgusting tax. The Bill also introduces several technical—

Mr. McDermid: You should have been here for the National Energy Program.

Mrs. Finestone: That was a different time in history. You do not care to remember history. I suggest that you read the world history and you will see where you fit into the world history picture.

The Bill also introduces several technical amendments to the Excise Tax Act and the Excise Act. These include a shift in the taxes on motive fuels to the manufacturing level to address

administration and compliance problems. That appeared in the February, 1987 Budget.

There is a shift of the sales tax to the wholesale level—how mean can one get—for snack foods, pet food, pet litter, candy and confectionery goods and certain electronic equipment. That appeared in the February, 1987 Budget.

An Hon. Member: We are just trying to pay off your debts.

Mrs. Finestone: Which we acquired for a good cause. You overspent for no cause.

Some Hon. Members: Oh, oh!

Mrs. Finestone: The tax on most of these products will be shifted back to the manufacturing level when the marketing and distribution cost measure, announced in the February, 1988 Budget, comes into effect on November 1, 1988.

There is a clarification of the refund provisions applicable to certified public institutions. That appeared in the June, 1987 Ways and Means motion.

There is an amendment to the fair price provisions to apply tax on fair market value when other than arm's length sales are made, or where it is difficult to determine the sale price. That appeared in the December, 1987 tax reform.

There is a revision to certain compliance provisions in the Excise Act to reflect reduced on site surveillance by Excise officers in relation to the production of alcohol and tobacco products. That was in the February, 1987 Budget.

There are three relieving measures in this Bill. Incredibly, there will not be as much work for lawyers and accountants in three areas. In these relieving measures of the Bill there is an increased in the existing fuel tax rebate available to primary producers for the excise tax on gasoline by one per cent per litre to compensate for the increase announced in the February, 1988 Budget. The Government is giving on the one hand and taking back with the other, for which we are expected to be thankful.

There is an increase in the tax threshold for periodic and seasonal filers in order to reduce the paper burden for small business.

Finally, there is an exemption for original prints from the application of federal sales tax. This appears in the February, 1988 Budget. This gives me a rare chance to congratulate the Minister of Minister. Finally the Government listened to one of our standing committee's recommendations in the report on taxation and the arts. It was the only area to which the Government cared to pay any attention.

Let me turn specifically to the telecommunications tax. It is one of the most pervasive tax increases in this legislation. It will mean a 10 per cent charge on long distance calls for every telephone subscriber in Canada. This means that elderly people on fixed incomes, who rely on long distance to communicate with their families, will suffer yet another tax bite by the Conservative tax watchdogs.

The voice of many Canadians is obviously not being heard as the Government continues its search for ways to introduce subtle, hard to see, hidden taxes that affect an incredibly wide number of Canadians.

What is worse is that the new tax cancels out the real savings millions of Canadians would have and should have realized as result of the lower long distance telephone charges in Ontario, Quebec and British Columbia that were ordered by the CRTC just a few weeks ago. The CRTC studied the matter and decided that the arm's length Bell Canada and B.C. Telephone are earning enough money and the consumer should have some saving in long distance calls. In the meantime, the Minister of Finance swoops up all those savings in an attempt to recover that 10 per cent reduction. I do not think that is very fair, or proper fiscal management.

For many rural Canadians there is no real difference between a local and a long distance call. It is true that the Government has chosen to tax calls by Canadians living in rural areas which, because of the arbitrary lines of division through area codes, include long distance calls to their doctors, dentists and their children. Such an unconscionable measure by the Government is unacceptable.

We know all too well at this point in the life of the Conservative Government how regressive so many of its new taxes have been. The tax on long distance calls is no different. It hits low and middle income Canadians with the exact same rate of 10 per cent as the $200,000 earner or the company president. There is no fairness in this tax.

The lesson that many Canadians have come to learn is that the Government will tax anything. At one time we thought there would be a tax on food, but at least it seems the perishables will not be taxed. However, now we are talking about a tax on talking.

Canada is an enormous and wonderful country. Most of us live along the southern border, but tens of thousands of Canadians live throughout its geographic expanse and, in some instances, live in isolation. We are among the world's most frequent users of telephones and, just as millions of Canadians are making more use of long distance calls because of the lower rates, the Government is using this as a new opportunity to grab more tax revenue so that it can supposedly lower the deficit.

If one looks at the over-all deficit, the Government has increased the deficit by 60 per cent in three and one-half years, from $7,000 to $12,000 per capita. Not only does the Government tax talking and walking, I suspect it will even tax the air we breath.

While Canadians were getting used to the idea of "reaching out and touching someone", little did they know that the Government was working on its own variation of that jingle:

"Reach out and tax someone". This new tax on talking will reap the Government close to another $1 billion a year. It is time for us to think about how we can support another $1 billion being taken out of the pockets of Canadians.

I am sure the Government will try to apply this money to the deficit. It will then say it has done an incredible job of good government management. Yet what it has really done is taken the easy way out. It has taxed Canadians in order to pursue the deficit battle.

• (1140)

Where is the creativity in the way the Government went about this? I would suggest it has not been creative, nor has it been a good manager. Perhaps it should have started in its own house and cut out some of those incredible salaries in Ministers' offices and in the PMO. That way the Government might well have given Canadians a better lesson.

What about the increase in the tax on cable and pay TV services? There are tax increases of 8 per cent and 10 per cent. That will bring in an additional $93 million in general government revenue. But these funds will not be put into a program fund to produce good Canadian quality films, which was the concept behind the original tax on cable. That was the argument we used when we told the cable people to pay part of the cost of Canadian services which we have the right to expect to receive on our television sets in our homes. The concept was good. We need that Canadian content in our films. There was the intent to have this as a dedicated tax and I would suggest the Government could have directed the funds in this way.

It is nice to find something about which I can congratulate the Government. That is the granting of an exemption on original prints from federal sales tax. I daresay artists are quite delighted with that. I would also suggest that we need a better definition of artistic works so we could broaden the base of those who should be exempted from this tax.

I looked at those areas of particular interest to me as the critic, but I would suggest that the general draining of money from the people will become the Conservative epitaph. The facts speak for themselves. Today individual Canadians pay a greater share of the total tax bill in this country than they did when the Conservatives came into office, while corporations pay an even smaller share of the bill. It is just that simple. One can certainly see where the sympathies of this Government lie. I would suggest that the Government should perhaps review and revise its thinking and direction.

I wish to address some of the issues of concern which exist in the real world, the challenges facing many Canadians. The Minister of Finance saw no need to address these challenges in his supposedly "stand pat—stay still" budget. I would suggest the Minister missed the boat and I am really sad to say that. I think he treated with cavalier indifference the real needs of the country.

Poverty is at the heart of most of our social problems in Canada such as ill health, crime, poor housing conditions and family violence, which affects the women and children of this land for the most part. I would say that the Government cannot continue to tell us the poverty gap will be closed as economic conditions improve. It was fortunate enough to be elected at a time when throughout the world the economy improved. Jobs were created around this world, not just by this Government. If it wants to measure its job creation record, let it go back and look at the time when the rest of the world was at the same point in economic development and growth.

I would suggest that the trickle-down theory of economic growth simply does not work in the country in which we live. We are geographically so widely spread and regionally so diverse that we must have economic growth on two levels. This Government has forgotten what Canadians expect from its Government as leaders and directors of our society. When there is the kind of differential between the rich and the poor that we have in this country, I suggest that the Government has an obligation to address the issues. When we speak of the poor, we are referring to the tens of thousands of children and of the tens of thousands of single parents, mostly women.

I think we also have to take into consideration the working poor because they form a part of that category. It remains a fact that well over half of Canada's poorer families do earn an income. Therefore, these taxes will hit them. That will make it even more difficult for them to move out into a more stable economic environment. One well knows that in an economic enriched environment, one can afford to buy those things that will enrich the home from which the children of the future are going to come. That means music, books, records and recreational time that is constructive. None of that happens in families of the working poor. Not much of that happens because there is exhaustion and the constant grind of trying to make ends meet.

In participating here today in this tax debate, I cannot help but wonder what Canadians are thinking about this Government, a Government that was swept into office in 1984 promising not to raise taxes. Yet it has overseen one of the largest tax grabs Canadians have ever known. I hope Canadians will remember what the present Minister of Finance said on behalf of his Party while sitting on this side of the House: "We will cut spending. We will not raise taxes. Tax levels in Canada are already too high". The Prime Minister (Mr. Mulroney) repeated this promise soon after the 1984 election.

In closing, I am sure Canadians are wondering where all this goodwill has gone. What has happened to these promises? Those promises are going to come back to haunt the Conservatives. Canadians will not soon forget that this is a Government that has failed to meet its commitment. It has not kept its word. I would suggest that there is unease and frustration about the Conservative Government's record, a record that will establish this Conservative Government in history for its failure to show strong credible leadership in the many challenges facing us as a nation.

This failure was never clearer to me than when the Minister of Finance stood in his place on February 10 and said in his budget speech that his Government's policies were working just fine, and that all he and his colleague had to do was stay the course. It is appalling that a modern Canadian Government, after three and one half years in office, after taxing Canadians more than they have ever been taxed before, fighting the deficit on the back of middle-income Canadians, can still come forward with this kind of non-action as it sees the growing gap between the rich and the poor. I would hope that during this vibrant and prosperous economy in which we live, it is not too late for the Government to start to review, revise and address the ongoing problems of the poor, the working poor and ordinary Canadians in our society.

Mr. Hockin: I have one brief question to direct to the Member. She is intelligent and I am sure she knows that 850,000 Canadians have been taken off the income tax rolls. I am sure she also knows that $200 billion of debt was inherited by this present Government and that very shortly this Government will be balancing the budget except for covering the debt, which we inherited. I know she is well aware of that.

Something that she may not be aware of, and it did not come through in her rather one-sided speech, is that federal sales taxes are very high, as high as 12 per cent. Is she aware that this tax was brought in by a previous Liberal Government and that the increasingly generous tax credit brought in by this Government was a Conservative measure in order to ensure that that tax does not bear as aggressively on low-income workers as it did under the previous Liberal Government?

• (1150)

Mrs. Finestone: Mr. Speaker, I respect the comments made by my colleague. I am pleased to see that he is paying some attention to the rates of the banks and to the concerns that Canadians are expressing with respect to them. I am pleased that my colleague the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) has raised the issue often enough to force the Minister to answer those questions.

With respect to the tax to which the Hon. Member was referring, I suggest to him that if he considered that the tax which we had levied was too high then he had a mandate, a massive mandate when his Government was elected, and he had a choice. He was supposed to govern—

[*Translation*]

to the best of his ability and in keeping with his Government's commitments.

[*English*]

He said that he was not going to increase taxes. Did the Minister listen to what he said? No, he blocked his ears. He was like the monkeys—hear, see, and speak not. He should not come back to say that we imposed because you imposed. The fact is that the Government has been in place for three and a half years now. It has had every opportunity to meet its commitments. If the Minister wanted to block his ears and to increase the taxes which he says we put on in the first place then that is his problem, not mine.

With respect to the number of taxpayers who have been taken off the tax rolls, may I suggest that many of them got put on by the Government's spread-out net. It trapped many more people at the lower-income level. The Minister must realize that his Government has taxed us out of our minds, to the tune of $22 billion, and the Government is giving us back $5 billion. Fewer people are now being taxed. Am I supposed to say thank you for being outrageously wrong in the first place? I am sorry, Mr. Speaker, no thank you to that.

Mr. Riis: Mr. Speaker, I listened with interest to the Hon. Member for Mount Royal (Mrs. Finestone). It seems to me that she was very concerned about a whole set of tax increases that the Government has now foisted on the backs of Canadians as a result of the last Budget. This is getting to be a repeat performance. It seems to be that every three or four months we have another debate on the whole set of new taxes levied on the innocent taxpayers. I think we have almost reached a breaking limit. I do not think Canadians will sit much longer and accept continual tax increases, not only by the federal Government but also by provincial Governments and local Governments.

My question for the Hon. Member is this. In her explanation of the concerns that she had for each and every of these tax increases that are now coming on stream, does she not feel that the Government should decide to impose a minimum tax on the 60,000 profitable corporations which are not paying any taxes at all? Those corporations include some of the major trust companies and banks, as well as Argus Corporation and Cadillac Fairview. They make hundreds of millions of dollars in profits, and they do not pay a single penny in income tax.

Does the Hon. Member not feel that perhaps a more appropriate approach, a fair approach, would be for the Government to expect these profitable corporations, which now number in excess of 60,000, to pay their fair share? If they pay their fair share would not all these other nickel and dime tax increases be unnecessary? In other words, this would build not only more fairness into the system but it would stop the tax on telephone costs and watching television, and the continued increases in the taxes on beer, cigarettes and so on. Would she not agree that that might be a more appropriate approach?

Mrs. Finestone: Mr. Speaker, I certainly think that fairness is not this Government's long suit especially when looking at taxation on all sides. I suggest to the Hon. Member that it is very important that business have a fair tax. Business is a good part of the motor of the economy of the country. It is important that businesses enable the country to grow and develop. However, I am sure that businesses as well as everyone else want to carry their fair share. If the Government does not see it in that light, who will stand up to volunteer to take money out of their pockets unless it is part of government philosophy?

I was intrigued by the fact that on the flow-through mining shares the Minister decided to change his mind and do a bit of a restudy and a readaptation. I would be very pleased if the Minister would do the same thing with respect to cultural industries. Is he also backing off because of his fear of American reprisals?

Some Hon. Members: Oh, oh!

Mrs. Finestone: Don't laugh. Believe me, Jack Valenti got into his ear very nicely.

I suggest to the Hon. Member that there are many areas in which there is not fair taxation. I think it would be in the interests of the Government to look at where it is taxing corporations and how it is taxing them.

Mr. McDermid: Mr. speaker, I listened with great interest to the Hon. Member's speech.

Mrs. Finestone: You did not, you commented throughout.

Mr. McDermid: At one point she said that it was about time the Government rethought its taxation policies. I believe that is what tax reform is all about. We are talking about corporations and their taxation. A great many of the write-offs which have allowed them to avoid taxes are now disappearing with tax reform. A large number of profitable corporations which before did not pay taxes will now pay taxes.

The Hon. Member talked about sales taxes. Sales taxes under the new tax system will be greatly reduced. The manufacturing end has been paying a very unfair burden of tax. This has made our exports in many instances not competitive. That is what tax reform is all about.

After listening to the Hon. Member's speech this morning I am now convinced that she has not taken the time to sit down to look at the proposals in tax reform. Nor has she made any constructive comments on them.

Mrs. Finestone: Mr. Speaker, it is too bad that the Hon. Member is too busy talking when I am speaking that he cannot hear what I have to say. I suggest that he read *Hansard* to find out what was my answer. If that is not clear enough for him then he should read the minutes of the finance committee where I have participated a number of times. He will see quite clearly where my Party and I stand.

Mr. Boudria: Mr. Speaker, I want to ask a brief question of my colleague. I wish to congratulate her, not only for her excellent speech, the kind of excellent speech she always provides for the benefit of the Members of this House, but particularly for her most appropriate remarks to the Hon. Member for Brampton—Georgetown (Mr. McDermid). They were certainly very appropriate.

I want to ask the Hon. Member for Mount Royal (Mrs. Finestone), who is an expert in the area of communications, as we all know, and in culture, what she thinks of this proposition of the Government to tax long distance telephone calls. What effect does she think this will have on rural Canadians who must pay long distance phone bills to do such basic things as telephone the doctor, the hospital and the local store to get necessary goods and so on? Would she not agree with me that this tax is unfair for any Canadian, but that it is particularly unfair for all the people of rural Canada who are now paying this increase in taxes in order to subsidize the free trade deal of the Prime Minister (Mr. Mulroney)?

Mrs. Finestone: Mr. Speaker, I said at the very outset that I thought this was an iniquitous Bill imposing regressive tax. I have not changed my mind. Certainly, the qualities of Scrooge, which the Minister of Finance would like to have attributed to him, which would indicate that he is managing well, have not shown themselves. What has shown itself is mean-spiritedness on the part of the Government which was prepared to tax anybody, anywhere. In particular a tax on talking for isolated Canadians is totally unacceptable. I thank the Hon. Member for raising the issue.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I am pleased to have a chance to participate in today's debate. It is important that the truth be put on the record. In listening to some of the government speakers as to what is going on in the country it seems to me that at least some of them—and I do not want to cast them all in the same mold—have lost their grip on what is going on in our country.

• (1200)

I recall many occasions when Members of Parliament, particularly from British Columbia, have asked what the Government plans to do in terms of taking some special initiatives to assist the economic situation in British Columbia, only to have the Prime Minister (Mr. Mulroney) laugh and jeer and state that it has never been better in this country, things are wonderful, unemployment is down, the economy of western Canada is booming, and what are we complaining about. I do not that think we can say it too often. I hope that Members from British Columbia, from all political Parties, will stand in their places during the rest of this debate and attempt to explain to the Government how serious is the situation.

I speak for parts of the central interior of British Columbia where, sometime back, Statistics Canada, through Labour Canada interviews, indicated that it felt the unemployment rate was as high as 28 per cent. This resulted in quite a reaction from a number of leaders in various communities who stated that that was obviously not the case, there had been an error in terms of the statistical analysis, that that could not be the case. Yet some of us thought that finally there is some consistency in describing how serious is the situation, and indeed 28 per cent unemployment is a reality.

Those of us who spend a lot of time on the streets of the communities realize that it is not uncommon for the person in every fourth house who usually brings in the money to keep the family is unemployed, or more often they are underemployed.

Someone might be working for 20 hours a week at one of the local shops earning the minimum wage and bringing in an income that could only be described as totally inadequate, inappropriate, and unacceptable.

When the unemployment figures came out at 28 per cent there was some shock in the communities. Some informal, some casual, and some very sophisticated surveys were conducted which confirmed the results, that indeed the unemployment levels in regions of the Province of British Columbia are in fact 27 per cent unemployed, and that says nothing about all those people who are underemployed.

Under the Statistics Canada review if a person receives a phone call to work for one day in a previous month, that person is considered in that month to be fully employed. Even when one says that the unemployment level is 27 per cent, that says nothing of the underemployed people who ought to be working full time, but who are working for a few hours a week at a very low wage. The situation is indeed extremely serious.

As we see it in western Canada, one of the problems is that we do not get our fair share of support from the federal Government. In spite of a number of government Members, both in Cabinet and in the Government, when one looks at regional development programs, and I have the results in front of me for 1986 and 1987, looking at all of the support from the federal Government through business initiatives, British Columbia received less than 9 per cent of the total. It has much more than that in terms of population. If there is a case to be made for a special economic affirmative action program, it could probably be made without hesitation for a province like British Columbia. It probably ought to get more than its traditional fair share. When it comes to the over-all support for enterprises in British Columbia, we fall short. It receives less than 9 per cent of the total for all of Canada.

In looking at government procurement programs where the federal Government purchases goods and supplies from companies across Canada, the amount that comes from British Columbia is abysmally low. It represents a few percentage points of the total. The federal Government should be taking much more aggressive action in buying more goods and more of its services from suppliers, not only in western Canada but specifically from British Columbia.

When one looks at CIDA contracts for services or goods, again British Columbia is almost at the bottom of the pile in terms of getting its fair share. When one looks at supplies and service contracts that the agency takes out, untendered and tendered, British Columbia is abysmally low. It is almost not even in the picture when it comes to supply and services.

I have a long list here. Challenge '88, the program that supports young people attempting to raise money for their education, has not had an increase in funding for two years. Taking into account a factor for inflation, that means there has been approximately a 10 per cent decrease in funding for summer student programs.

This is felt most heartily and harshly in places like British Columbia where the private sector cannot be expected to provide summer jobs, such as can be expected in cities like Toronto where the economy is much more prosperous, where the economy is relatively booming and as a result the opportunity for young people to find summer employment is that much greater.

We are pleased about that situation in Ontario, or parts of Ontario, but with the sluggish economy in British Columbia, it is extremely difficult to find a summer job. If a student does find a summer job, it is inevitably at a modest wage which makes it very difficult for young people in British Columbia to access post-secondary education—because of this difficulty in raising funds through summer employment.

Does the Government provide additional assistance to help young people provide for their post-secondary education financing? No. The Government makes it more difficult. Last year it made it more difficult than the year before, and this year it will make it more difficult than ever.

Another major area where we have seen significant and very tragic cuts is in job training at colleges in British Columbia. The number of seats traditionally purchased by the federal Government to assist young people in upgrading their skills and in becoming prepared for the knowledge based economy of the future, are not being added to, they are not being maintained, they are being cut time and time again.

One has to wonder at the logic of this approach. In what other western industrialized nation would one find the federal Government cutting support to encourage young people? Not only young people, Mr. Speaker, but people generally need to be upgraded and retrained in terms of preparing themselves for the realities of a very competitive market. Although I have a long list, I will not go through the entire list. I wish to make the point that British Columbia is not getting its fair share.

As you will know, Mr. Speaker, Premier Vander Zalm of British Columbia has over the last number of years, come out with all sorts of pronouncements, some peculiar, some perhaps not so peculiar. I have only agreed with one, and that is his statement the other day that B.C. is not getting its fair share of federal government programming. British Columbia is one province that is getting the short end of the stick. I have to agree with him. The evidence certainly supports that.

One would have to look long and hard to find a single government program, and I have not found one yet, that indicates that British Columbia is even getting its fair share. We are not asking for more, although I think we could even make the case for more than our fair share, we are simply asking for our fair share along with the other provinces.

We are concerned when looking at various federal Government programs that almost inevitably the overwhelming lion's share goes to central Canada. That is fine in terms of supporting central Canada. But when more than a fair allotment goes to that same area, time and time again, those of us from the

regions, the East, the West, and the North, become extremely frustrated. There has been support given to the oil companies, and support to the grain farmers. That is fine. But those of us from the far west, the Pacific west, often are simply lumped into western Canada. That area in B.C. on the other side of Rocky Mountain Range is another part of the country that tends to be forgotten. That is one of the points I wish to make today.

This is a plea to my friends on the government benches, and a plea to the Minister in the Cabinet who is here, to give us consideration. Again, we are not asking for more than what is justly ours, but only that we get a fair break when it comes to support from the federal Government. I know that Members will say that we have the Western Development Fund. That is not broken out on a provincial basis—it is simply "The West" again. I wish to make the point that there are two wests: there is the traditional plains west, and then there is the other that is called the Pacific west. We could probably link up British Columbia and the Yukon in that particular band, and I simply wish to make a case for consideration in those areas.

Today we are debating a Bill by which the Government plans to impose a whole regime of new taxes on Canadians. Canadians have had the biscuit when it comes to increased taxes. For the last four years, as one of the many spokespersons for the New Democratic Party I have stood in my place on regular occasions and have outlined why we oppose these continuous increases in taxes.

• (1210)

Personal taxes keep going up and new hidden taxes are continuously imposed upon new products. We see that products such as dog food, cat food, kitty litter, snack foods, and so on are to be taxed. I suppose that one cannot make a case for not taxing kitty litter if products such as bird seed and so on are to be taxed. However, is it necessary for the Government to tax canary seed, cat food, dog food, kitty litter, snack food, pop, and so on?

Some Hon. Members: Why not?

Mr. Riis: I hear some Hon. Members yelling, "Why not?" I will tell them why not. It is because I think we are nickel and diming people to death. We are now saying to the kids who eat snack foods and have pets that we will tax their special food and their pet food when there is no need to do so.

The reason I say that there is no need is that the Government has conveniently overlooked a whole range of revenue opportunities. Once again I ask the question, and beg for someone on the government benches to stand up and explain, why the Government feels that it is a necessary and a good thing to allow 60,000 profitable corporations not to pay even a penny in income tax. Some 60,000 profitable corporations do not even pay a penny in income tax. They are not the Mom and Pop shops, the hair salons, or the welding shops. They are Cadillac Fairview, the Bank in Montreal in some years, Shell Canada, and General Motors, the giants with hundreds of millions of dollars in profit that do not pay even a single penny in income tax. This does not say anything about the number of companies which pay $20 or $200 in income tax. There are tens of thousands of companies in that category, and other profitable companies which pay $50 per year.

It is tragic that the Government of Canada in some years says that a young man or women who is a teller in the Royal Bank of Canada will pay more income tax than the entire Royal Bank of Canada. Is that fair? It is also tragic when it says that a young man who pumps gas for Shell Canada will pay more income tax in some years than the entire Shell Canada. Is that fair? People are asking whether it is fair.

Why does the Government allow it to happen? Even Ronald Reagan in the United States said that it was unfair. He said that it was not right to have large, powerful multinational corporations paying no income tax when they make all kinds of profits. He said that they should pay a fair, basic tax and brought in a minimum corporate tax. He said to the corporations that if they used up all the loopholes and ended up paying no tax at all it was unfair and that they had to pay at least 20 per cent.

If we had the same system in Canada—and it is not an uncommon event; most countries have a minimum corporate tax—we would be collecting billions of dollars of taxes that we do not even begin to collect now. I remind the House of the situation back in the 1950s.

When we looked at the revenue obtained by the federal Government from the people of Canada in personal taxes and special taxes like those on gasoline and so on—the hidden sales taxes—and when we looked at the taxes collected from corporations, we found that it was about 50-50. About 50 per cent of the taxes came from corporations and 50 per cent came from the people. Over the years of successive Conservative and Liberal Governments, the breakdown has been shifted so that 82 per cent of the taxes collected by the federal Government comes from people and only 18 per cent comes from corporations.

What is bad about it is that so much of it is hidden. People do not even know they are paying the taxes. I refer to something as simple as filling up a car with gasoline. Now that some companies show the tax breakdown, we realize how much of the cost is simply a reflection of the hidden taxes put on by federal and provincial Governments.

Let us look at the revenues collected by Canada from hidden sales taxes. They account for about 35 per cent of all revenues. Most western industrialized nations average out to about 29 per cent. In other words, Canada is at the top of the list in terms of gouging citizens through hidden national sales taxes.

What is the Government's plan? Is it to cut back on taxes and to introduce a fairer and more just corporate tax system? No. It will levy a national sales tax on every Canadian, presumably after the next election campaign. For the first time in Canada it would impose a national sales tax on goods and

services. When we go to the movies we will pay sales tax. When we pick up our laundry we will pay more sales tax. When we go bowling we will pay sales tax. When we buy some foods we will pay tax. Although the Government says that some foods may be exempt, of course many foods will not be exempt. It is not clear. We will be paying a national sales tax for writing up a will.

Where will it end? It is not unfair that taxes go up. I think most people accept that as a reality. What is unfair is that other areas are not being taxed whatsoever.

Let us look at the list of taxes today. There will be a 10 per cent tax on telecommunication services such as telephone and telex. The Government is to put a 10 per cent tax on these services. This means that all parents who are telephoning their kids across Canada will be charged an extra 10 per cent on that particular service.

It is discriminatory in certain regions of the country. Those of us from western Canada are particularly sensitive to these kinds of charges because of the nature of our expansive territory and the fact that people live some distances from one another and most often have to telephone long distance. When I phone from some parts of my constituency to my office it requires long distance charges. Now those of us in western Canada will have to pay an extra 10 per cent, in addition to the long distance charges, whereas in central Canada with its denser population a lesser charge will be imposed on individuals. It is probably an unintentional tax against those of us living in the regions of the country.

There will also be an increase in the telecommunications programming services tax on cable television from 8 per cent to 10 per cent. Virtually every Canadian household now has cable television, with a few exceptions, and there will be an increased tax on that viewing.

There will also be an increase in the sales tax on such things as paint and wallpaper, from 8 per cent to 12 per cent. People who want to work hard, to upgrade their homes or to make them nicer places in which to live will have to pay increased taxes. That will be more costly as a result of nickel and dime taxation.

Also there will be an increase in the federal sales tax on beer, spirits, wine, tobacco, and so on. This seems to be a fair target area for provincial and federal Governments; they just keep adding taxes to these products.

There will also be an increase in air transportation tax of 4 per cent per ticket. I think it is inadvertent, but again it is discrimination against those of us living in the regions who, by definition, spend much more time flying from one small community to another. To get around parts of my constituency I must take an aircraft, whereas Members of Parliament from Toronto and Montreal can probably drive around their constituencies quite easily. Those of us who must fly will pay an additional tax of $4 per ticket on our travel charges.

I do not think it is a plot against western Canada. I do not see a bogyman around every corner. However, inadvertently, those of us living in the regions will be paying more than ever.

Oh, shucks, I do not want to go on, Mr. Speaker; it is too depressing. I have page after page of increased taxes here. However, I think it must be said that there are many places in the country—and Kamloops is no exception—which are typical communities outside central Canada where the situation is difficult economically and unemployment rates are high. I am sure you are aware of such communities, Mr. Speaker. We are struggling to do the best we can, but one of our handicaps is that not enough business or economic activity is being generated in our communities. That is the case for a whole set of reasons, one being that the federal Government keeps grabbing money out of our pockets and taking it to Ottawa. We are getting really fed up with that.

• (1220)

Adding up all the tax increases the federal Government has imposed since this Government took office back in September of 1984, a typical family in a place like Kamloops is paying nearly $1,400 more per year. Today we will impose another few dollars of tax on these people. The one tax increase that I did not mention earlier, the increase in gasoline taxes, will cost the average family an extra $50 per year. The provincial Government has now imposed another set of taxes on gasoline and on a whole number of other things.

Let us just round the figure off and say that as a result of this federal Government, the average family in Kamloops pays an extra $1,500 per year in federal taxes of one kind or another. That is $1,500 per family that is not circulating in a city like Kamloops between the various businesses, providing employment and activities, enabling people to buy goods and services.

When every family has to reach into its pocket, pull out $1,500 and send it down to Ottawa, that is $1,500 that will not be used to buy a particular service or purchase particular goods in a city like Kamloops. That handicaps the business community. It makes it difficult to do business. It is difficult for the manufacturers, the wholesalers, the retailers and the shopkeepers. Therefore, it is one of the reasons unemployment levels are so high.

One of the things the federal Government could do to assist British Columbia would be to give us a fair deal in program expenditures. Whether these expenditures provide help to business, large or small, or help to local manufacturers, let us give them their fair share.

Second, why not stop raising taxes for once and start imposing a fair tax system on the large, profitable corporations which pay nothing year after year? This is not a condemnation of the corporations. I want to make that clear. I am not saying that General Motors, the banks, the trust companies or the insurance companies are doing something wrong. It is just that successive Liberal and Conservative Governments have

provided all of these tax loopholes that the companies naturally take advantage of legally. For example, the insurance companies, banks and trust companies together pay an average tax rate of less than 2 per cent. An average working Canadian pays much more than that.

In closing, I want to say that the best thing we could do would be to ask government Members to vote against this Bill and give the consumers of Canada a break from the nickel and dime tax increases that have occurred year after year.

Mr. Hockin: Mr. Speaker, I would like to ask my friend a question. I will not ask him about the 850,000 Canadians who have been removed from the tax rolls as a result of tax reform because he is aware of that. He is also aware that those who earn $30,000 per year or less will pay a smaller portion of federal Government revenues than those who make more than $30,000 per year as compared with before tax reform. He is also aware that tax reform will lower the federal sales tax, broaden the base and then give back a generous credit, all of which he did not mention. All of these actions make the system fairer.

I did want to ask the Hon. Member if he was aware that the NDP Government of Manitoba increased sales taxes from 5 per cent to 7 per cent. Is he aware that the NDP Government of Manitoba brought in a payroll tax which is applied across the board? What concerns me particularly as a Minister involved in the finances of Canada is whether or not the Hon. Member is aware that if the NDP Government of Manitoba had just kept its spending to the annual growth of inflation, it would have today a $250-million surplus instead of the huge haemorrhaging of a deficit it has.

Mr. Riis: Mr. Speaker, my hon. friend has asked a number of questions and I will try to respond to all of them. First, I am aware that a number of the people who were drawn into the tax net two years ago, people who were then paying taxes for the first time in their lives, one of them being my father who is in his eighties and now has to pay taxes on his income and was not very happy about that, will now go off the rolls. In other words, many of those people who will be brought in through excessive taxes will be taken off the rolls because of tax reform. I do appreciate that fact, but those people who will be taken off were only there because they were drawn in previously.

Second, I think I did say at the outset, with all generosity, that part of the problem with hidden taxes as well as taxes generally is that provincial and federal Governments are equally to blame. I do not make the distinction that certain Governments are better than others or more concerned. Generally when it comes to taxing beer or wine or increasing gasoline taxes, a great deal of the blame has to be placed at both the provincial and federal levels.

I accept the point the Hon. Minister is making in this respect. That does not justify it or even explain anything. One of the differences, of course, with the Province of Manitoba is that there is a much fairer system there. Many of the profitable corporations that had not been paying taxes in the past are now paying taxes as a result of tax changes made back in 1984. There has been some attempt at imposing fairness in the system, but the point the Minister makes is valid.

I would like to use this occasion to tell the Minister of State for Finance (Mr. Hockin) about two concerns that have been raised, both concerns which affect my constituents in British Columbia. First, tens of thousands of people affected by the Principal Group collapse have been asked to pay taxes on imputed income from their investments in the Principal Group. The Minister knows that these people do not have any investments now. Their investments are gone or frozen and no one knows what will happen. Yet the Government has imposed taxes on what it perceives to be money coming in.

Mr. Hockin: This is going to be looked after.

Mr. Riis: The Minister has said that this will be looked after, and I assume it will be. It is obviously so grossly unjust and unfair. We will be awaiting that announcement, and I am pleased that it has been Members of my Party who have raised this matter with the Minister in the House of Commons on a number of occasions.

The major corporations in Canada have over half a billion dollars in outstanding taxes, not deferred taxes. The matter of deferred taxes is a whole different question. There is $30 billion in deferred corporate taxes, and that is open for discussion. However, I am talking about the 121 profitable corporations that owe the federal Government over $500 million. These are taxes that the corporations agree they should pay, we agree that they should pay but they just do not pay.

A farmer, a rancher or a small business man who does not pay his taxes will have the tax man on his back. The tax man will squeeze that money out of him one way or the other. Let us take the same approach to all businesses, small and large, so that these 121 major corporations with $500 million in unpaid federal taxes will pay up what they agree they ought to pay. This then would enable us to move away from the nickel-and-dime approach, this continuous imposition of taxes on an innocent public that has really had it right up to here with the taxes they are required to pay.

Mr. Hovdebo: Mr. Speaker, I live on a farm in central Saskatchewan and I want to ask the Hon. Member a question about the effect of these taxes, and I will only mention a few, on people who live in rural areas.

In my community, if a parent wants to call his child at school, he has to call long distance. If he wants to call the hospital, he has to call long distance. If he wants to get welding rods for repair work, he has to call long distance. If he wants to order fuel, he has to call long distance. This appears to be very discriminatory. Then when he does go to pick up the welding rods or his child, he has to drive an extra 20 or 30 miles. I must add, however, that the tax on gasoline is

refunded when he drives to town to deliver grain. If he goes to town he uses gasoline and that gas has increased in price by approximately seven cents or eight cents a litre since 1984. All of these things discriminate against people who live in rural areas and I wonder if the Hon. Member would comment on that.

• (1230)

Mr. Riis: Mr. Speaker, it is a pleasure to comment on that point raised by my colleague. I do not want to cast aspersions on my friends in other political Parties because I do not think it is an outright plot against the regions. I think it occurs because of a lack of sensitivity, both in the bureaucracy and among some cabinet Ministers from large metropolitan areas. However, a lot of these policies do discriminate against Canadians living in the regions.

I notice my friend from Western Arctic is here. He would be particularly sensitive to these kinds of taxes. We have the tax on gasoline, and everyone has to travel over large distances in the regions. There is a tax on aviation fuel and airline tickets. Then we have the tax on long-distance charges. My hon. colleague mentioned about the parent calling his children at school from home, it being a long-distance call. He has to pay an extra 10 per cent if he wants to be in touch with his children or their teachers. We say these things are not fair and a lot more thought has to be given to the tax system to ensure that certain Canadians, particularly those who live in the regions, are not discriminated against.

Mr. Dorin: Mr. Speaker, what we have seen is a classic NDP speech arguing both sides of the issue. On the one hand they call for more to be done in virtually every single area of government programs, including things to be done by Government where it is not now involved. On the other hand, they decry the taxes collected to pay for these programs. They pretend that the money will come magically from somewhere other than the taxpayers of Canada. That is, of course, nonsense. First, what specific programs or spending would he eliminate to reduce the burden on taxpayers? Second, what specific loopholes or shelters would he eliminate in the tax system?

Perhaps he could start by talking about flow-through shares because a few days ago his Party moved a motion in this House condemning the Government for action it had taken in that area. As we all know, the Minister took that action to reduce the benefits to investors in tax shelters involving Canadian films, oil and gas exploration and mining. Those kinds of investments allow wealthy lawyers and doctors in Toronto to avoid paying taxes.

Does he agree with reducing the tax deduction available to $1 for each dollar spent, or does he think we should continue to allow more than $1 to be deducted for each dollar spent and allow these wealthy, $200,000 or $300,000 a year Canadians to eliminate their tax liability?

Could he answer those specific questions? What programs would he cut and what tax shelters does he agree with which the Minister of Finance (Mr. Wilson) has changed, and which would he suggest we eliminate?

Mr. Riis: Mr. Speaker, it is useful to occasionally remind ourselves that our job as parliamentarians is very straightforward. It is to collect taxes and invest that money in an appropriate way. I think we fail on both counts. We do not collect them properly or fairly. I hope I have demonstrated that clearly.

One thing I did not mention was the issue of capital gains. I do not want to take many pages out of the U.S. book to demonstrate what we should do in Canada, but not only does Ronald Reagan's Government tax profitable corporations with a minimum tax, which we do not do, it also taxes capital gains. In other words, they say a buck is a buck. If you make a dollar you should pay a fair tax. We say if you make a buck from certain sources you do not have to pay taxes at all. Is that fair? If you make a dollar speculating on the Hong Kong Stock Exchange why should you not pay some tax on that dollar as opposed to a person working in a mine, mill, factory or office in a typical Canadian town? Why not? We are simply saying, let us do what any sensible country would do and tax a buck as a buck and leave it at that.

I am also concerned about how the Government invests its money. My hon. friend is from Edmonton. He will know that the Ghermezian brothers of Edmonton's infamous Fantasyland went to the Government and said, "Look, we know we are one of the richest families in Canada and we have one of the major industrial and economic empires in Canada but we would sure like a $5 million hand-out so we can put some more fancy rides in Fantasyland". The Government fell over itself to give them $5 million just like that.

The Alberta Government did the same thing with Peter Pocklington a few days ago. He needed a nice big loan guarantee—no problem because he has good political connections. I cannot imagine what $5 million that the Ghermezian brothers got to assist in the development of Fantasyland would have done for small businesses all across western Canada. They do not want $5 million, they want $10,000 or $20,000 or $30,000.

That is why I say this Government lacks sense in determining how it invests the money. I would much rather invest $5 million to help hundreds of small businesses expand than help the Ghermezian brothers add a few rides to their entertainment park. It is absolutely silly and that is part of the problem.

To go to flow-through shares, let us make it very clear that not every tax incentive is wrong. There are a number of very good incentives where we get a good return. One of those programs was flow-through shares. It did not do much good for downtown Toronto or urban Canada, but it did a great deal of good in rural Québec, northern Ontario, in the West and in parts of eastern Canada. Yet the Government cut it out. It said

it was going to cut back on the program because we cannot afford it. A lot of our regions depend on that program and they are very angry about this change.

The Acting Speaker (Mr. Layton): The time for questions and comments is terminated. Debate.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I welcome this opportunity to take part in the debate on Bill C-117. However, I would have preferred to see a legislation that had something to offer Quebecers and Canadians, because the purpose of Bill C-117, which contains seventy-six pages and sixty-four sections, is simply to tax, tax and tax again. If we want to put a label on this Bill, you could say this is Brian the taxman's Bill. Since the election in 1984, this Conservative Government has brought down three Budgets, given us two economic messages, and managed to introduce twenty-seven new taxes and raise existing ones. Most Members in this House know that today, Canadians already have more than enough taxes on their plate, with all the tax increases I will now enumerate. First of all, on October 1, immediately after the election, we had a 1 per cent increase in sales tax, from 9 to 10 per cent, which raised the Government's revenue by $1 billion. Subsequently, on January 1, 1986, we had another increase of 1 per cent, this time from 10 to 11 per cent, which put an extra billion per year into the kitty.

When we talk about $1 billion in revenue for the Government, it means $1 billion less in taxpayers' pockets.

• (1240)

In 1986, the Minister of Finance (Mr. Wilson) decided to raise sales tax again, from 11 to 12 per cent, which meant another billion dollars less in purchasing power for the Canadian taxpayer. We must not forget that these are hidden taxes. When the consumer buys a product, the Conservative Government's tax increases are already included in the price of that product.

If we look at another area, another commodity that is essential to every Canadian, and I am referring to gasoline, this Government raised the excise tax four times, which has meant a 23-cent increase in the price per gallon. On September 3, 1985, two cents a litre and $900 billion taken out of taxpayers pockets. On January 1, 1987, another cent per litre: $450 million. On February 19, 1987, the second time in the same year, another increase of one cent per litre, which means another $450 million lost by taxpayers.

In April 1988, the price went up another cent per litre, which means that since 1984, we have had an increase of five cents per litre or 23 cents per gallon in taxes for Canadian consumers. When we consider the increase in the tax on gas, we must not forget this has an impact on all consumer goods, on food and clothing and furniture, all of which are being increasingly shipped by truck, and trucks run on gasoline. We have a situation where the poor cannot escape paying these increases because increased transportation costs are passed on directly to the consumer, which means that whether you are rich or poor, the extra 23 cents a gallon is passed on as an increase in the price of a pound of butter, a loaf of bread, and automatically, whatever a person's income happens to be, we cannot escape the impact of the tax increase which in the final instance reduces the purchasing power of the consumer.

The Government has also launched a ferocious attack on alcohol and tobacco, so that consumers will have to pay another $995 million. However, the Conservative Government went even further. After undermining the purchasing power and stealing the money of Canadian workers, it dug even deeper into their pockets, and I am referring to the fact that formerly, a number of products were considered essential and were therefore not taxed. This Government has decided to tax just about everything we have here in Canada. It started with candy and snacks. Then it was soft drinks, pet food and health care products. All health care products including aspirin, cough medicine, ointment, everything on the shelves used to be tax exempt, but now when you pay at the cash at your local drugstore, you are paying a "Mulroney" tax charged by the Government which you were not paying before, but the tax is hidden, so you don't notice it.

In addition we have all surgical and dental instruments. This means that when you go to the dentist with your child and you get a higher bill, you are once more hit by a Mulroney tax. Once this Government has hit something else, can you imagine that, such an important service as health for the young and the less young, it decided to tax all the instruments used. So, when you get a higher bill, you members of the public who are listening now, do not blame your dentist—remember it is a PC tax, a Conservative tax.

Something else again, insulation materials. Again they were tax exempt because they were necessary. But they also are hit by a PC tax. Wood stoves used to be tax exempt, now they are being subjected to another PC tax. Also hit are building materials that are used and made on the site. Now, when you pay for those materials a PC tax is added. People are not aware of a hidden tax, but that is a Conservative Party tax, a "Brian" tax.

And then you have videocassettes. The Government changed the taxing formula to get increased revenues. Here again, videocassettes users, you will be paying more but do not blame manufacturers. It is because of a PC tax.

Something else, the Government decided to tax wallpaper and paint products, to get more—once more, a PC tax. A tax you are not aware of—when you go and buy a gallon of paint or wallpaper at the hardware store to improve your home, suddenly you discover you have to pay much more than last year—this is quite simply because a PC tax was slapped on products that used to be tax exempt before this Conservative Government came to power.

Long distance calls were also exempt. Now the Government is imposing a 10 per cent tax on all long distance calls. All those living in rural areas, outside major centres, when you

have to make a long distance call to get the doctor—even urgent calls—now there is a PC tax on long distance calls. Also on cable service—you have the cable, you have to pay the 10 per cent PC tax on the cable.

All this adds up, Mr. Speaker, to 27 new taxes or tax increases since 1984. The Conservative Government decreased taxpayers' purchasing power by taking some of the money not from their pay cheques but through hidden indirect taxes and decided to increase taxation of all the consumer goods that you buy, thereby decreasing your purchasing power over and above what they deduct from your pay cheque. The Government would have us believe that they have reduced taxes. It is not true! What happened is they tried to de-index old age security pensions but they had to back down when senior citizens and the Liberal team put the pressure on. And today senior citizens throughout Canada who receive every three months fully indexed old age security payments can thank not the Conservative Party Members but themselves and the Liberal team that worked with them to make the Conservative Government back down. But it is important to remember that it was their intention and that if they came back to power they would do the same thing because their avowed intention at the beginning was to de-index old age security pensions.

In addition, contrary to commitments made by the Prime Minister in the Speech from the Throne, there was the de-indexation of family allowances. This means that the poor get poorer. As the price of goods increases, the inflation rate does the same. By eliminating automatically indexation for the first 3 per cent of inflation, the Government reduced the purchasing power of Canadians. There was also the de-indexation of the personal income tax table and of the spousal exemption, with the result that the purchasing power of Canadian taxpayers has been considerably reduced compared with what it was in 1984. If the Government had maintained full indexation, Canadians would have been able to keep up with the increase in the price of consumer goods and services, and also increase their purchasing power as there would have been an increase in incomes and wages. This means that each time that a worker has been able to obtain a wage increase to improve his purchasing power, either by negotiating a collective agreement through his union or by negotiating alone with his employer, the Conservative Government has reduced this purchasing power by imposing hidden indirect taxes on all goods and services and by de-indexing the income tax tables.

• (1250)

The Government also eliminated another important program which was useful to young couples. If there is one thing that young couples in Canada want, it is to get their own home. This was the purpose of the Registered Home Ownership Plan. Once more, the Government eliminated this program which was of great assistance to young couples who wanted to become homeowners.

The Government imposed a permanent 3 per cent surtax on all taxpayers as well as other taxes, while eliminating exemption programs.

At the same time as it was reducing substantially the purchasing power of taxpayers by imposing indirect taxes and by eliminating tax exemptions and programs which helped low and middle income Canadians, it also implemented measures to help the very wealthy. I would like to quote a few figures about this Government. The $500,000 capital gains tax exemption cost Canadian taxpayers $800 million in 1987.

Then, there was the $1.6 billion paid in financial assistance after the failure of the Western banks. Wealthy Canadians who had deposits of at least $60,000, as all those who have deposits of less than $60,000 in a bank are protected by federal legislation, were given additional assistance. These people were not senior citizens with old age security pensions and guaranteed income supplements. They were not fathers with five children to support on $5 an hour minimum salaries. These people who had over $60 000 in bank accounts were not single mothers who were paid the $4.50 minimum wage and who had to pay daycare centres enormous fees to look after their children. They were good friends of the Progressive Conservative Party.

There is also the $200 million transaction to help the Hong Kong Bank. Then the $41 million in wasted expenditures when the Government decided to transfer the prison to Port-Cartier. Everybody remembers the scandal the Prime Minister was involved in since he had decided to build a prison in Drummondville, Phase II.

The whole thing was a complex which included Phases I and II. Because he wanted to show his constituents that he was able to deliver the goods, the Prime Minister (Mr. Mulroney) simply stole the project which existed in another Tory riding to transfer it to his own. So Canadian taxpayers had to pay $41 million in additional costs. That is quite a lot of money, $41 million. With that much money, we could increase the guaranteed income supplement for senior citizens or do a great many other things. We could built in the province of Quebec a lot of social housing to meet the needs of some 15 000 people, including some 400 or 500 who are waiting for affordable housing in my own riding of Montréal—Sainte-Marie. With these $41 million, we could have built a lot of social housing in various Quebec ridings.

The investigation of the former Regional Industrial Expansion Minister cost $2.3 million. The Gulf Olympia transaction with the Reichmann brothers which resulted in the Tory Government's decision to close the Gulf refinery in Montreal East cost $1 billion. Changing the colour of the uniforms cost $2.7 million, and the whole thing had to be scrapped because the material was unacceptable. It had a sort of "PC" odor; in other words, it stank. Again, it costs $2.7 million.

Another example of huge waste is the Fantasyland Project in Edmonton West. The Department Officials were saying no. It was out of the question to give money to this project.

Conservative though it is, the Alberta Government said no. So that was another $5 million decision by the Tory administration. Of course Western Canada is home to very powerful and very strong Ministers, for we in Quebec cannot even get $5. Our Ministers cannot even get the space agency to locate in Montreal, which would be a significant plus for the city. While Western Canada Ministers get the money they ask for, ours keep hearing no: no from the Department, no from the provincial Government, yet in Quebec it is the other way around, all Parties unanimously say that the space agency ought to be in Montreal. But the Quebec Ministers are unable to land that one. Most people say they want $130 million in new money to develop Montreal's Vieux-Port. All the other provinces got money. But no such luck in Quebec, our Tory Ministers and Members cannot get anything.

Mr. Speaker, same thing when it comes to the development of the Vieux-Port in Montreal. Montreal East shipyard workers needed an early retirement program, but there again the Conservative Ministers from the Atlantic provinces were way ahead of their Quebec Cabinet colleagues who did not even manage to secure a contract. Just before the Christmas holiday and New Year's the Prime Minister made a solemn promise—he held his hand over his heart—and said that the shipyards were going full speed. The Vickers shipyards in Montreal had to shut down and lay off 250 workers because the Conservative Ministers from Quebec are yes-men, softies. They do not stand up in Cabinet for the legitimate interests of Quebecers.

We pay our share of all the taxes I enumerated but we get nothing in return. We cannot even get crumbs. Not only the West but Ontario and also the Atlantic provinces are beating us to the punch.

Mr. Speaker, my time is almost up. I do hope that the Quebec Ministers will do more than just running "shows" in conventions at Montreal, and that the Prime Minister, instead of his somersaults, his masquerades in Montreal, will announce that Montreal will get the Space Agency and to quote the mayor of the city not as an empty shell, but with contracts, as well as $130 million for the development of the Old Port and for the pre-retirement of people of Montreal East.

The Acting Speaker (Mr. Layton): Order, please! It being 1 p.m., I do now leave the Chair until 2 p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

OFFICIAL LANGUAGES

COMMISSIONER'S ANNUAL REPORT—SITUATION OF ANGLOPHONES IN PROVINCE OF QUÉBEC

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the Official Languages Commissioner has ruffled some feathers by describing difficulties faced by Quebec Anglophones. If it is Mr. Fortier's job to defend the rights of Canada's linguistic minorities, then why is he being criticized for doing just that? Perhaps his words were too strong. It was one sentence. I say, let us not quibble over words, let us understand the message.

We must respond to the real sense of frustration felt by many English Quebecers. Is it really so far fetched to point out that all is not perfect for Quebec Anglophones when bilingual signs are not permitted, or when access to first-run films in English may be restricted? Mr. Fortier's statement offers constructive criticism. That is no reason for him to resign.

I think his message was that a viable French language in Quebec depends on promoting it in a vigorous way, which is what English-speaking Canadians support, rather than humbling the English minority. Is that not what Canada is all about, encouraging all our minorities to remain true to themselves and in so doing contribute to Canada's rich diversity?

Let us not shoot the messenger. Instead, let us heed the message to encourage and support healthy minority and majority language rights across Canada. Let all of us examine this issue with an open mind.

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OFFICIAL LANGUAGES

PROTECTION OF ANGLOPHONES AND FRANCOPHONES

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, today I rise to call upon the Anglophone and Francophone communities in Quebec to cross some bridges over their solitudes. We in the Conservative Party of Canada do not take calculated risks with respect to the lives of any community, whether French or English, or abandon any of our constituents for the sake of political gain.

We on the government side are only too well aware of what is needed to protect Anglophones and Francophones in this country. That is why our Government has introduced Bill C-72. We are proud of our record, and have nothing to hide like some big-time Liberal from Plessisville who is so proud from time immemorial to have never talked or done business, for that matter, with Anglophones.

We only want fair treatment for all, and our Language Commissioner should do what the law says, mind the shop in

Ottawa. It is a big job in itself. To the Anglophones of Quebec, I say: "Don't ever again do the mistake of electing your worst enemies, Garneau, Ouellet, Bujold, who are cajoling you and promoting your destruction to better trap you later into oblivion—

Some Hon. Members: Oh, oh!

Mr. Kaplan: Come on!

Mr. Penner: Order!

Mr. Kaplan: Withdraw!

Mr. Speaker: Hon. Members will know that no matter how vigorous their statements, they ought not to be a personal attack on any other Hon. Member.

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CANADA POST CORPORATION

SALMON ARM, B.C.—POSTAL CODE CHANGES

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker,

Salmon Arm, British Columbia, was originally selected as one of the first three Canadian communities to receive supermailboxes. Now, after a frustrating experimental period, the residents of Salmon Arm are fed up and have written to the Minister responsible for Canada Post Corporation indicating they are unwilling to co-operate with postal authorities any longer.

The final straw was the decision to change the existing postal code for 2,700 residents without any explanation or official notification. Some people who have lived in the same residence have had their postal code changed five times in the past four years. The changing of postal codes has been inconvenient and the cost excessive, particularly to the small business community. Some local mail is sent to Vancouver for sorting and then returned to Salmon Arm for delivery. Postal box rates have been increased 400 per cent and 500 per cent during 1987. These concerns go on and on.

The situation with respect to the postal system and supermailboxes in Salmon Arm, British Columbia, has become intolerable for its residents. The chair of the newly formed postal committee has called upon the Minister to end this marked decline in postal service and give Canadians, including the residents of Salmon Arm, the postal service they deserve and the service for which they currently pay, and pay excessively.

[*Translation*]

THE HANDICAPPED

HANDICAPPED PERSONS' PARTICIPATION PROGRAM

Mr. Marcel R. Tremblay (Quebec East): Mr. Speaker, to assist handicapped people, the Secretary of State administers the Disabled Persons Participation Program which provides technical and financial assistance to concerned groups with a view to making possible for them through their activities to foster the mainstreaming of handicapped into Canadian society.

Between September 1984 and December 1987, the Progressive Conservative Government has invested, through this Program, more than $50,000 in several organizations for disabled persons in my riding of Quebec East. These grants from the federal Government allow those organizations to operate their activities with great success.

I commend them wholeheartedly for a work so well done and I encourage them to continue promoting even more the mainstreaming of handicapped people. I can assure them of the continuing cooperation of this government given the priority we attach to that matter.

That is, Mr. Speaker, a concrete commitment on the part of the Government in favour of the handicapped, a commitment which we will continue to keep for the coming years. Our party wanted, Mr. Speaker, to create a political climate in which all Canadian men and women would feel a greater sense of security. This is important for us all, is it not, Mr. Speaker!

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OFFICIAL LANGUAGES

COMMISSIONER OF OFFICIAL LANGUAGES' WORDS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the Commissioner of Official Languages' statements are producing a big stir, are causing much ink to flow and are bringing back in Quebec the so-called linguistic debate.

Mr. Speaker, I think I am considered to be a Quebec nationalist. I would urge French-speaking Quebecers of all political stripes and our English-speaking colleagues of Quebec and of other provinces to stay calm, to be cautious and to get off the sentimentalist wagon.

Mr. Speaker, I think Mr. D'Iberville Fortier has recognized he was wrong and has said that in the future he would go in Quebec and check both sides of the question before insulting anyone. But sometimes things must be said. We, French-speaking people, were very happy when any Commissioner of Official Languages was very harsh with English-speaking people of other provinces. And if bilingualism is to progress, we have to be able to strike sometimes and to take the beating some other times.

I would hope, Mr. Speaker, that this debate is over and that all tendencies, all political groups that must insure bilingualism across Canada—that they will mind their own business and make sure that French-speaking and English-speaking people across Canada have access to federal services in their own language. When it is perfect at the federal level, we can teach provincial governments what to do.

* * *

• (1405)

[*English*]

HOUSING

SHORTAGE OF AFFORDABLE ACCOMMODATION IN TORONTO

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, the affordable housing crisis in Toronto has become a serious concern for many middle and low-income Torontonians. Home ownership is fast becoming impossible for families without two incomes. Finding reasonable rental accommodation has become an endless and frustrating experience.

Single-income families, low-income earners, senior citizens, and others on fixed incomes, have been hard hit by the shortage of affordable housing. The higher rents demanded are often paid at the expense of other necessities such as food and clothing.

The situation in Toronto is fast becoming intolerable for those who cannot afford to pay the price demanded for basic accommodation.

I urge the Government of Canada to use every means at its disposal to impress upon the Government of Ontario and the Ontario Ministry of Housing the need to take immediate action to provide affordable housing in Toronto.

* * *

SPORTS

BEST EVER WINTER SPORTS PROGRAM—HIGH PERFORMANCE FUNDING

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, earlier today the Minister of State for Fitness and Amateur Sport (Mr. Jelinek) announced the Government's replacement for the Best Ever Winter Sports Program. I am relieved that the Minister has decided to continue the program. I am also happy that he is beginning to adopt the New Democrat approach of focusing on grass roots development. This has always been the mainstay of our sports policy.

However, at $32 million over five years the program has not seen a real increase in funds over the previous program. The difference simply accounts for inflation. If the Minister wants to change the focus and direct more funds toward increasing participation in winter sports, it means that there will have to be a corresponding decline in high performance funding.

Our recent experience with the Calgary Olympics has demonstrated not only that high performance funding is effective and necessary, but that we still have a long way to go before we are consistently competitive with the world's best. It also demonstrated the value that Canadians place on sports, and the pride they feel in the success of our athletes.

Because of the increasing emphasis on sport development, especially in the wake of the Calgary Olympics, I will be asking the Standing Committee on National Health and Welfare to undertake a complete review of all national sport and fitness funding programs. I would like to see the committee travel to the various regions of the country in order to allow those who are involved in the delivery of sport programs at a local level to participate in the review.

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CANADIAN PACIFIC RAILWAY

ABANDONMENT OF FREIGHT LINE SERVICE TO WESTERN NOVA SCOTIA

Mr. Gerald Comeau (South West Nova): Mr. Speaker, my constituents were shocked to learn this weekend that Canadian Pacific Railway had announced its intention to abandon freight line service to western Nova Scotia.

Rather than promoting service to customers, CPR has allowed the service to deteriorate in order to justify abandoning communities which it has served since 1868. This was the oldest section of railway in the CPR system.

Transportation is the economic lifeline of Atlantic Canada. We need transportation links to keep our businesses competitive and in order to attract new businesses to establish in our communities.

I strongly oppose this abandonment. This is why I will fight to retain our services.

* * *

CRIMINAL CODE

PORNOGRAPHY—REQUEST FOR WITHDRAWAL OF BILL C-54

Hon. Bob Kaplan (York Centre): Mr. Speaker, Bill C-54 is an amendment to the Criminal Code which would have the effect of making virtually any depiction of sexuality illegal under the Criminal Code. I urge the Government to withdraw the Bill. Many other Members have done so.

Recently the Government indicated that the Bill had a low priority. I would like the Government to make it clear that the Bill will not be reintroduced and will not be proceeded with.

In this request I am joined by the Metropolitan Toronto Library Association, the North York Library Association, the Canadian Museums Association, the Canadian Library Association, the Canadian Teachers' Federation, ACTRA, the Canadian Conference of the Arts, the Art Gallery of Ontario, the Canadian Arts Federation, the University of Alberta, the University of Calgary, the Association of Canadian Publishers, the League of Canadian Poets, the Toronto Arts Council, the Playwrights Union of Canada, the Canada Council—a federal agency which urges that the Bill be withdrawn—the Canadian Film and Television Association, the Canadian Book Development Association, the National Film Board of Canada—another federal agency—and the National Gallery.

With all those representations let the Government make it clear that this Bill has had it.

* * *

• (1410)

TRADE

SUPPORT FOR CANADA—UNITED STATES FREE TRADE AGREEMENT

Mr. John Oostrom (Willowdale): Mr. Speaker, the Ottawa based Conference Board of Canada, which is a non-partisan group, is the latest organization to endorse the Prime Minister's free trade agreement. The board found that the agreement will provide a major stimulus to the Canadian economy. It found that the real gross domestic product will increase by $9.3 billion, or 1.7 per cent by 1997; inflation will be .2 per cent lower, and employment will increase by 1 per cent.

Now that organizations and individuals have had time to study the agreement, the majority are voicing strong support for this initiative. It is ironic that the once shrill voices of the opposition Parties, and that of the Premier of Ontario, are no longer to be heard. Perhaps soon we will get their endorsement.

* * *

OFFICIAL LANGUAGES

COMMISSIONER'S ANNUAL REPORT—CONTROVERSY OVER WORDING

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, controversy over a phrase in the annual report of the Commissioner of Official Languages demonstrates again how sensitive questions relating to language are in Canada.

The first Commissioner of Official Languages, now a newspaper editor, has reminded us of the controversy that resulted 15 years ago from his repeating the phrase "Westmount Rhodesians". He reminds us of the lesson, "that, when handling linguistic dynamite, one should not simultaneously juggle colourful phrases".

[*Translation*]

The Commissioner initiated a hue and cry because he deplored the tendency to promote French not by "positively asserting its own cultural vigour, but by humbling the competition". However, he did deplore also that his report gave rise to that misunderstanding, most particularly the summary which does not reflect adequately his position, in terms of the controversial sentence about the attitude of the Quebec Government towards its minority.

Mr. Speaker, it is not always easy to defend minority rights without offending the majority. It is a most tedious task.

[*English*]

Canadians hope that the Commissioner will continue to work vigorously for official language minorities while being doubly mindful of the hazards of his task.

* * *

PENSIONS

MASSEY CORPORATION BANKRUPTCY—PENSIONERS' LOSS OF HEALTH AND WELFARE BENEFITS

Mr. John Nunziata (York South—Weston): Mr. Speaker, pensioners of the now defunct Massey Combines Corporation are being shafted, and they are as mad as hell.

The company went bankrupt and was put into receivership earlier this month. The receiver, Peat Marwick, has notified the 3,000 pensioners that their health and welfare benefits have been terminated, cut off, as of March 4, 1988. Those benefits included life insurance, dental, drug, and OHIP coverage. This is patently unfair. It is creating considerable hardship for the more than 3,000 pensioners who dedicated their lives to the company only to be put out in the cold in the middle of their retirement.

During the 1986 restructuring of Massey Ferguson Ltd. the federal Government allowed Massey Ferguson to transfer $207 million in long term debt to the combines operation. Guarantees should have been obtained in order that the pensioners' health and welfare benefits would be protected. The Government failed to do this. The overwhelming majority of the retirees never worked for Massey Combines. They were employees of Massey Ferguson. Their pensions and health care coverage should never have been transferred to Massey Combines, a corporation that was destined to fail. The Government should not have allowed the restructuring without first protecting the workers.

I call on the federal Government and the Government of Ontario to assume responsibility for this fiasco, and to ensure that the pensioners continue to receive health care benefits that they worked for and are entitled to receive.

ENVIRONMENTAL AFFAIRS

ACID RAIN—PRIME MINISTER'S SPEECH IN NEW YORK

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, all Canadians rejoice after hearing the Prime Minister's (Mr. Mulroney) comments on acid rain yesterday in New York City. We can be proud that we have a Prime Minister who is willing to take a strong stance on such a vital issue.

Previous governments were unable to achieve any progress in this fight. Now there is a renewed hope that the two nations will unify to control acid rain.

The fight on acid rain is taking place on many fronts. The Hon. Minister of the Environment (Mr. McMillan) and the Hon. Secretary of State for External Affairs (Mr. Clark) have taken this country's message to the United States on many occasions. Up until now, although acid precipitation from the United States contributed significantly to the problem, that country's administration has been unwilling to participate in an acid rain control program.

As a Member for a region that is greatly affected by acid precipitation, I look forward to the Prime Minister taking a strong message on acid rain directly to the President when they meet in Washington on April 27.

I would also like to congratulate the Prime Minister on the award he received last night from the Americas Society.

* * *

• (1415)

APARTHEID

SOUTH AFRICA—GOVERNMENT'S ATTEMPTS TO SILENCE ANTI-APARTHEID PROTESTS

Hon. André Ouellet (Papineau): Mr. Speaker, since its independence Botswana has shown that blacks and whites can live together and prosper in harmony. It has also emerged as one of the more successful democracies in the Third World.

Instead of learning from the example of Botswana, the South African Government has grown increasingly repressive in its attempts to silence the opponents of apartheid.

The South African Government, in keeping with its tradition of crushing any form of anti-apartheid protest, has used the South African Defence Force to initiate a number of border raids into neighbouring countries and has attempted to justify these raids by claiming them to be strikes against ANC insurgents.

Yesterday we witnessed the latest of these attacks on the city of Gaborone, the capital of Botswana, in which four people were killed, at least two of whom were citizens of Botswana.

I urge the Canadian Government to condemn this incursion into Botswana and to increase its pressure on the South African Government to end its menacing raids on neighbouring southern African countries which, unlike South Africa, are trying to develop along non-racist lines.

ORAL QUESTION PERIOD

[*English*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—PRIME MINISTER'S SPEECH IN NEW YORK

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, last night the Prime Minister spoke in New York. In March, 1985, the Prime Minister said, after his first summit with the President, that he had an agreement with President Reagan on research for acid rain.

In March, 1986, our Prime Minister again announced with much fanfare that he had obtained an agreement with President Reagan on research for acid raid.

In March, 1987, at the conclusion of another one of their annual summits, the Prime Minister said for the third time that he had an agreement with the President for research projects on acid rain.

Last night in New York the Prime Minister said that people who claim that the issue of acid rain needs more research are attempting, to use his own words, "to avoid action". Terrific! Finally the Prime Minister has recognized what most Canadians have already known—we do not need more research; we need some action on acid rain.

In the absence of the Prime Minister, I ask the Deputy Prime Minister: Does the Prime Minister really believe what he said last night and, if so, why has he wasted the last three and a half years?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, frankly I find that an incredible question coming from the Leader of a Party which had the opportunity for years to take initiatives on acid rain and did not.

The Prime Minister of Canada and all his Government take enormously seriously the threat to our environment, the threat to our way of life, the threat to our resources of acid rain.

Mr. Riis: What have you done?

Mr. Clark (Yellowhead): We are asked what we have done. What we have done is patiently, persistently, and vigorously pursued with the United States the possibility of achieving a practical step forward.

The Prime Minister took the occasion of his speech after receipt of a prominent award in New York yesterday to restate

before a major public American audience the determination of the Government to have action on acid rain.

[*Translation*]

REQUEST FOR SIGNING OF TREATY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister is not very good at arguing his case.

The Prime Minister's handling of the acid rain issue was a complete disaster. He wasted his time helping the United States get away with a few vague promises about research.

Now he is approaching the end of his term, as is President Reagan, the Prime Minister says he will be satisfied with no less than a definite reduction in the sources of acid rain in the United States.

If the Prime Minister is serious, and this applies to the Minister as well, will he insist that before their next meeting in Washington next month, the Canadian Government draft the text of a treaty designed to put an end to acid rain, to be signed by the Prime Minister and President Reagan at their meeting next month?

• (1420)

[*English*]

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I do not know whether the Leader of the Opposition has been asleep for the last two or three years, but certainly for the last several months I have made very clear here on the floor of the House of Commons, and elsewhere before Canadian audiences and American audiences alike, the fact that the Canadian Government has put on paper the makings of a treaty which our officials at the most senior level have been negotiating with American officials, both in Washington and in Ottawa.

The very thing that the Leader of the Opposition calls for with such forced grandiloquence is that which we have already done, a far cry from what the Liberal Party of Canada did when it was in office. The predecessor of the Right Hon. Leader of the Opposition would not raise the acid rain issue in Ottawa or anywhere else in Canada, let alone in Washington.

Mr. Turner (Vancouver Quadra): Mr. Speaker, after three and a half years that kind of answer does not wash any longer, particularly from a sleep-walking Minister of the Environment.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—UNITED STATES OMNIBUS TRADE BILL

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister has not only been out-negotiated on acid rain but he has been out-negotiated on trade. As the Prime Minister was praising his own trade deal last night in New York City, he failed to mention that a unanimous report of the House of Commons Committee on Trade, including every Conservative member of that committee, insisted that unless there were to be a specific exemption in the omnibus Trade Bill currently before the Congress of the United States in favour of Canada, the Prime Minister should scrap the deal.

At the very time the Prime Minister was speaking in New York last night, Sam Gibbons, the head of the House of Representatives' Trade Committee, said that Canada would not be given an exemption from the U.S. omnibus Trade Bill. My question then is directed to the Deputy Prime Minister or to the Secretary of State for External Affairs. Does the Government have information contrary to that demonstrated by Congressman Gibbons last night?

If Canada receives no exemption in the omnibus Trade Bill, is the Government prepared to withdraw from the trade arrangement with the United States?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I know that the Right Hon. Member would not knowingly mislead the House on this issue, but he knows that that is not what Sam Gibbons, the head of the House of Representatives' committee, said. He said that there was no need for an exemption because there was no threat to Canada in the Trade Bill.

Mr. Turner (Vancouver Quadra): No further questions!

CANADIAN AMBASSADOR'S LETTER TO U.S. CONGRESSMAN

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I address my question to the Minister who just responded. If the Minister is in fact now endorsing the comment made by Congressman Gibbons that there is no threat, I would ask if she is prepared to table a response which I presume was received to a letter Ambassador Gotlieb sent to Congressman Gibbons and others outlining 33 specific measures in the omnibus Trade Bill which Canada felt was objectionable. The Minister's answer clearly indicated that they have now been satisfied on all 33 of those measures. I would like the Minister to table that and to give us the assurance that all 33 major problems raised by the Canadian Ambassador with the Congressman have now been satisfied and will not be included in the omnibus Trade Bill.

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Hon. Member should be aware that the Trade Bill has not yet been presented in the United States and therefore we do not know what it contains. It is perfectly true that our Ambassador has been making representations to the Americans to ensure that there are not elements in the Trade Bill that would cause problems for us. I am happy to report to the House that we know that, so far during the process, many elements have been dropped from the Trade Bill.

• (1425)

We will continue to make representations on those items that we feel could impact on Canada but we could not possibly address the Hon. Member's request because we do not have a Bill before us. I urge him to wait and see what is in it before he attacks it.

MINISTER'S POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, it is a fact that we do not have a final version of the U.S. omnibus Trade Bill. Therefore, why was the Minister, in answer to the first question, prepared to back down completely from the recommendation made by the committee that if the U.S. Trade Bill contains those measures we should reject the Canada-U.S. trade deal? Why is the Minister, *ipso facto*, refraining from living up to that commitment and endorsing the notion that any omnibus Trade Bill which does not succeed in eliminating the measures contained in the Ambassador's letter will be rejected by Canada, and therefore we will reject the trade deal? Why is the Minister backing down?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I am certainly not backing down. I am pointing out in a very realistic fashion that we do not have the Bill so we do not know what is in it. We are sure it will be compatible with the free trade agreement negotiated between the two countries. I urge the Hon. Member to hold his temper and wait until the Bill is before us and we can see whether or not his concerns are justified.

* * *

CANADA ELECTIONS ACT

BILL C-79—DISTINCTION BETWEEN CAMPAIGN AND ELECTION EXPENSES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Deputy Prime Minister. Yesterday I asked a question about the loophole in the Election Expenses Act, discovered during the Masse inquiry, which permits campaign expenses to be exempted from election spending ceilings. At that time the Minister suggested this could be dealt with in committee when it dealt with Bill C-79. I said I thought the Minister's facts were wrong. I checked subsequently and my information is that he is indeed wrong.

On March 16 the Deputy Government House Leader, when it was proposed this matter be dealt with in committee, said in this House: "It is not within the scope of the Act." The Deputy Government House Leader has already ruled out consideration by the committee of what the Deputy Prime Minister said yesterday should be considered.

I want the Minister to clarify this very serious matter. If the Government is serious about closing this loophole will it now agree to immediately referring a new Bill to that committee for consideration which would close the loophole?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, my understanding of the discussions that were going on between the respective House Leaders was that, if there was a way in which unanimous agreement could be secured, perhaps this could be incorporated in the Bill. This is not the first time this has happened. We had Bill C-33, in which we hoped we could incorporate another measure which was beyond the scope of the Bill. However, with the consent of the other Parties my understanding is that that could have been done.

Mr. Broadbent: Mr. Speaker, that is exactly what I am asking the Minister to agree to now.

Mr. Mazankowski: That is what I said yesterday.

Mr. Broadbent: Is he now agreeing to have a special Bill referred to the committee that will deal with the problem? He is nodding. We take it there is agreement and the Government will proceed on matters agreed to by both opposition Parties.

[*Translation*]

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): I have another question about political party financing. On the weekend his Party's Quebec wing passed a resolution about party financing. However, although the Quebec wing adopted this policy yesterday, the Minister has refused to commit himself here in the House. I repeat my question today. Is the Government for or against action of this kind being taken before the next election?

• (1430)

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, with regard to the first part of the question, that is exactly what I tried to tell the Leader of the New Democratic Party yesterday. Perhaps I was not clear enough. However, my understanding is that we were disposed to consider that important matter, namely, the differentiation or segregation of election expenses from campaign expenses. We thought that we could use the forum of the committee established to study Bill C-79 to explore this very important issue.

With regard to the other matter, I am not aware of any discussions which have taken place between House Leaders with respect to the issue of limitations on corporate donations and fund raising activities. If that is a representation which the Hon. Leader of the New Democratic Party is presenting to the House, it is something which we might consider.

POLITICAL DONATIONS—LIMITATION QUERY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister says that he might consider it. Considering that the Quebec wing of his Party has unanimously adopted a resolution in that regard, and since he has had the co-operation of this Party for over a year to proceed immediately with that, will the Government cut out the propaganda on the subject and act on it?

The New Democratic Party had more individual contributors in the last year for which there is a record than the Liberals and the Conservatives together and I want to assure the Minister that we are prepared to act now.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Put up or shut up. Go ahead, let's hear it.

Some Hon. Members: Oh, oh!

An Hon. Member: Apologize.

Mr. Broadbent: We'll hear the answer.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, with regard to co-operation and respecting the honour of the hon. gentleman's word, we thought that we could expect that kind of co-operation when we undertook to deal with Bill C-79. Of course, there were some differences of opinion on that, but I can understand that perhaps the Leader of the New Democratic Party was not taking a specific interest in this issue at that particular time.

The Hon. Member talks about limitations on donations to political Parties. I have the list of contributions to the New Democratic Party which indicates some rather hefty contributions as well. It indicates $26,000 by the CAW, Canadian Council, and $26,000 from the Saskatchewan Federation of Labour.

Mr. Broadbent: And $7 million from corporations for you.

Mr. Mazankowski: Mr. Speaker, he may want to constrain the amount of money that those organizations give as well.

Mr. Broadbent: Give us the bank list now.

Mr. Riis: And the trust companies.

Mr. Broadbent: Bring in the Bill for your hypocrites from Québec. We'll campaign in Québec on it.

Some Hon. Members: Oh, oh!

Mr. Shields: Settle down or Shirley won't like you.

Mr. McKnight: Shirley will cut off your funding.

Mr. de Jong: You sure have a fixation on Shirley, don't you, Jack?

Mr. Riis: A Shirley fetish.

Mr. de Jong: Develop a new line, Jack. It's getting boring.

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EXTERNAL AFFAIRS

CENTRAL AMERICA—ECONOMIC DEVELOPMENT—PRIME MINISTER'S SPEECH IN NEW YORK

Hon. André Ouellet (Papineau): Mr. Speaker, my question is for the Secretary of State for External Affairs. Can the Minister explain why the Prime Minister, in his speech in New York yesterday, was very long in rhetoric but very short in concrete proposals for the economic development of Central America?

If the Prime Minister was serious yesterday, can the Minister tell us today what additional amount of aid the Canadian Government is ready to commit to these countries and, in particular, to Nicaragua?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as the House will know, yesterday the Prime Minister was the first Prime Minister in Canadian history to receive an award from a prestigious American organization.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): This was precisely because of the very active role which Canada has been taking in trying to bring a peaceful settlement and economic development to Central America, including Nicaragua.

The Hon. Member will also know that yesterday I had the opportunity, for the first time in history anywhere, to convene a meeting as one of the participants in the Economic Summit, which meeting was attended by five of the Foreign Ministers of the group of eight Latin American countries which have come together to encourage common approaches, not only in their region, but generally, to meeting the problems of peace and development in that region, including Central America.

The discussions yesterday were highly productive. The commitment of the Prime Minister and the Government is clear. We intend to do whatever we can in terms of economic development, in terms of peacekeeping, and in terms of encouraging the very important steps toward peace which have just been achieved in Nicaragua.

Mr. Ouellet: Mr. Speaker, a lot of people wondered whether the Prime Minister was there as the Prime Minister of Canada or as the Governor of an additional State of the United States.

Some Hon. Members: Oh, oh!

Mr. Ouellet: Mr. Speaker, the answer was not very specific.

[*Translation*]

PRESSURES EXERTED ON HAITIAN AUTHORITIES—REQUEST FOR DETAILS

Hon. André Ouellet (Papineau): I would like to ask the Minister whether he could be more specific about another statement the Prime Minister made yesterday, which was that his Government was putting pressure on the Haitian authorities to put in place truly democratic institutions. Could the Minister inform the House to what kind of secret pressure he was referring? It seems to me this statement is pretty far-fetched. I am sure it was not a reference to his Parliamentary Secretary's visit to Haiti, since he showed the Manigat Government every conceivable respect.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there are two aspects here. First of all, about Haiti. The Hon. Member knows perfectly well, since he was part of the group, that a group of parliamentarians, in fact a Committee of the House, as suggested if I am not mistaken by the New Democratic Party, has just held a series of meetings in Haiti. I am waiting for the report, because I believe it will help us develop specific policies we could pursue with respect to that country. The Prime Minister confirmed yesterday Canada's profound interest in what is happening in Haiti and also the issue of democratic government in the area.

As far as Central America in concerned, Canada is prepared to join groups of other countries for the purpose of supporting some kind of marshall plan. Once peace has been obtained, we hope this will encourage governments in the area to continue in their search for peace, and economic development could be the next step.

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[*English*]

AIR SAFETY

AIRLINE EMPLOYEES' ALLEGATIONS OF SAFETY PROCEDURE VIOLATIONS

Mr. Les Benjamin (Regina West): Mr. Speaker, I have a couple of questions for the Minister of Transport. First, I would like to thank the Minister for his quick response to my letter of March 24. I would also like to express my appreciation for his commitment to investigate the allegations which are made in seven affidavits which I forwarded to him today to protect the identity of employees who have made allegations about certain airlines.

In the affidavits which I forwarded to the Minister, employees of Wardair and Air Canada made allegations about violations of security procedures. As I said before, the Minister has promised to protect their identity.

An Hon. Member: Get on with it.

Mr. Epp (Provencher): Go for it, Les.

• (1440)

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

Mr. Benjamin: Will the Minister give the assurance that the investigation he said he will carry out will be conducted under the widest possible terms of reference, and that the RCMP or any other police force necessary will be involved so that the investigation will be seen by the public to be completely pure and above board?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I can give the hon. gentleman the assurance that the investigation based on these seven affidavits which the Hon. Member sent me at 12 o'clock today will certainly be proper and above board. I will not give any assurance that the RCMP will be involved. That will depend on whether our investigation shows that the facts are correct.

With respect to keeping the names of the persons who signed the affidavits confidential, let me point out to the House that when I replied to the Hon. Member I pointed out to him that we would certainly keep the names of those who supplied the affidavits confidential during the course of our investigation. However, if we find that we must prosecute and charge any airline companies with a violation of the security regulations, we should certainly have to use their names then because they will be required to give evidence. I can assure the House that if we find that any of the airline companies have violated our security regulations they will be prosecuted.

CHECKING OF BAGS—AIR CANADA INSTRUCTION

Mr. Les Benjamin (Regina West): Mr. Speaker, I appreciate the Minister's answer since employees and the public are worried about the cosy relationship that exists between the current Ministry and the airlines.

My supplementary question for the Minister concerns a letter that was sent to him on February 4 from the airline employees representatives. In the case of an Air Canada charter flight from Toronto to Winnipeg to Honolulu, employees of Air Canada in Winnipeg were instructed from Toronto that passengers with Fairway Tours would have boarding passes in their possession—

Mr. Speaker: The Chair recognizes that the issue is a serious one and is being treated seriously by both the Hon. Member and the Minister. However, I think the Chair must insist upon the Member putting his question. We must move on.

Mr. Benjamin: In light of the fact that the instructions said: "Just check bags, do not worry about security numbers", will the Minister explain why he has not answered the letter of February 4? Does he think that is an appropriate instruction from an airline office in Toronto to an airline office in Winnipeg? Will this result in an inquiry into this incident?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the relationship between myself and the airlines is no cosier than the relationship between myself and the Hon. Leader of the New Democratic Party.

Some Hon. Members: Oh, oh!

Mr. Crosbie: I have a decent regard for the fact that he is doing a sincere and honest job for his Party, and I have a decent regard for the fact that the President of Air Canada, and the Presidents of Canadian Airlines or Wardair are doing an honest and decent job for their airlines. Our relationship is no cosier than that. The same is true with the Hon. Leader of the Opposition.

Mr. Turner (Vancouver Quadra): Easy. You were doing just fine.

Mr. Crosbie: The relationship is no cosier than it ever was. In fact, in St. John's on Sunday they had given away my seat. That is how cosy the relationship is. Fifteen minutes before the flight left I got to the counter and they said that my seat had been given away. That is how cosy we are.

Some Hon. Members: Oh, oh!

Mr. Riis: A forerunner of things to come.

Mr. Turner (Vancouver Quadra): You needed a whole row.

Mr. Crosbie: My row was given away.

The question raised by the Hon. Member has been investigated. There was no security breach. This was a charter flight. I do not have the time to go into this now. My reply will go to the hon. gentleman as soon as I can get it to him, which will probably take another month.

* * *

[*Translation*]

LABOUR

REQUEST FOR NEW PROGRAM TO HELP OLDER WORKERS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Labour. Since November 1986, the Minister has been negotiating with the provincial governments with a view to introducing a new assistance program for older workers, but so far nothing has been done. However, since 1987, hundreds of workers who would have been eligible under the old program have been penalized because the Minister decided to terminate the old program before renewing the new program. Could the Minister inform the House what the situation is with respect to the provincial governments, and when older workers in Quebec, Ontario, the Maritimes and Western Canada will be eligible for the assistance program for older workers?

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, first of all, I want to repeat for the benefit of the Hon. Member and other Members that the old program was not terminated or cancelled by this Government. The former program set up by the previous Government was to be terminated under the previous Government, but we extended the program for a year and it was supposed to expire in 1985.

As for current negotiations, these have been going on for some time. In fact, I have just finished a new round of discussions with all my provincial counterparts on the new POWA program, and I am pleased to be able ot inform the Hon. Member that I shall be seeing my Quebec counterpart on Thursday.

REQUEST FOR COMMITMENT OF FUNDS FOR OLDER WORKERS

Mr. Jean-Claude Malépart (Montréal—Sainte-Marie: Mr. Speaker, since the Minister is unable to give a satisfactory answer to older workers and considering the slogan: Losing your job is tough but at fifty-five it is real tough . . . I agree that losing one's job is tough and that it is really tough at fifty-five. Since the Minister said he extended the early retirement program for a year, doesn't he think it would be more sensible to announce immediately that he will extend the former program for older workers and that as soon as we have a new program, he will terminate the old one? In any case, it is a situation which penalizes the workers. Instead of spending money on announcing a program that doesn't exist, spend it on helping older workers!

Hon. Pierre H. Cadieux (Minister of Labour): First of all, Mr. Speaker, I am greatful to my hon. friend for mentioning this advertising paid for by my colleague the Minister of Employment and Immigration and not the Department of Labour. In fact, if my hon. friend had had the honesty to quote the whole message, he would have recognized that workers who are 55 years of age can get assistance through our employment strategy programs to find new jobs, for this is one of the things we have been trying to do, creating new jobs for older workers. As a matter of fact, we have created over one million jobs since 1984 and we intend to continue to create new jobs for workers, especially older ones.

* * *

[*English*]

ENERGY

GEORGES BANK—PROVINCIAL OPPOSITION TO PROPOSED DRILLING FOR OIL

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Deputy Prime Minister. I am sure he is aware that Bill C-75, the Bill with respect to an agreement on the offshore between Canada and the Nova Scotia, is now being held up in a legislative committee while the

Government decides whether it will play its part in banning the drilling for gas and oil on Georges Bank.

Is the Deputy Prime Minister aware that the Government of Nova Scotia and the Government of New Brunswick have both taken a position opposed to drilling on Georges Bank, that the office of the Governor of Massachusetts, Michael Dukakis, has taken the same position, and that the Nova Scotia Legislature has unanimously passed a resolution calling for the banning of drilling on Georges Bank?

In light of that, is the Deputy Prime Minister prepared on behalf of the federal Government to amend Bill C-75 to ban drilling on George's Bank?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, my understanding is that discussions and consultations are still ongoing between the federal Government and the Province of Nova Scotia. I certainly take the Hon. Member's representation into consideration and will see that the Minister of Energy, Mines and Resources receives it.

GOVERNMENT DECISION—TIMING OF ANNOUNCEMENT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the Nova Scotia Legislature passed a unanimous resolution supported by all Parties opposing drilling in that region. Is the Deputy Prime Minister aware that the GOMAC report, the Gulf of Maine Advisory Committee report, has recommended no drilling in the area and that the report is in the possession of the Department of Fisheries and Oceans? Is he aware of that information and, if so, when can the people of Nova Scotia expect a decision from the Government of Canada in light of the fact that their own Legislature is unanimous on this issue?

• (1450)

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): I would hope very soon, Mr. Speaker, and again I will draw this matter to the attention of the Minister of Energy, Mines and Resources.

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FINANCE

CANADIAN EXPLORATION AND DEVELOPMENT INCENTIVE PROGRAM—REQUEST MADE BY SMALL COMPANIES

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Minister of Finance. The Minister will know that the small producers in the oil and gas sector are not enjoying the benefits the Minister, I am sure, would like them to have. They have requested that under the Canadian Exploration and Development Incentive Program, the Government, on October 1, instead of reducing the rate from one third to one sixth, reduce the amount on which the average is based from $10 million to $5 million, thereby ensuring that the small companies receive the benefit they received in the past.

Will the Minister of Finance, in the interests of safeguarding these companies and safeguarding jobs in the oil and gas sector, agree to the request of the small companies?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am glad the Hon. Member has raised this issue because I think he will agree with me it has been quite an effective incentive for the oil and gas industry, particularly for these smaller companies, members of the Small Explorers and Producers Association. We have received the representations of the association. I am always happy to receive these representations, and will be reviewing them in due course.

GOVERNMENT POSITION

Mr. Russell MacLellan (Cape Breton—The Sydneys): With all due respect to the Minister, the question is fairly straightforward and the timing is very important because they are now planning for the exploration and development they are going to be doing in the next few months. Why can the Minister not say now whether the Government is going to grant their request, in the interests of helping small companies in the energy sector?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not think my answer is any different. I appreciate the Hon. Member's concerns and I will take them under advisement.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF SECRETARY OF EXTERNAL RELATIONS OF MEXICO

Mr. Speaker: I wish to draw the attention of Members to the presence in the gallery of His Excellency Bernardo Sepulveda, Secretary of External Relations of Mexico.

Some Hon. Members: Hear, hear!

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AGRICULTURE

GRAIN—INITIAL PRICES FOR 1988-89 CROP YEAR

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Minister of State for Grains and Oilseeds. Western farmers are in the process of making crop decisions for 1988. They need some information in order to do that. Is the Minister prepared to make a statement now on the initial prices farmers can expect for the 1988-89 crop year?

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): Mr. Speaker, traditionally initial payments are

announced prior to spring seeding. In the last two or three years we have announced those payments towards the middle of April and we anticipate doing the same thing this coming year, that is, making an announcement on initial payments probably within the next two or three weeks.

EXCHANGE VALUE OF DOLLAR—EFFECT ON GRAIN PRICES

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the rising Canadian dollar is having an impact on the prices of grain. Can the Minister give us any indication of how that rising Canadian dollar will affect the initial prices he will be announcing?

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): Mr. Speaker, the Hon. Member knows very well that any of this kind of information is market sensitive and it is not appropriate or helpful for anyone in my position to speculate on what in fact the initial prices will be. The practice in the past has been to set initial prices as high as we possibly can, based on expectations in the market.

I can say that we will be looking to make an announcement of an interim payment under the Western Grains Stabilization Act, which we anticipate will be very helpful and will be a further indication of the kind of support this Government has provided to a part of the economy, namely, the grain and oilseed sector, which has been suffering very greatly. So I think that will be some very good news for the Hon. Member's neighbours when we announce it.

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FINANCIAL INSTITUTIONS

SERVICE CHARGES—ENFORCEMENT OF SECTION 201 OF BANK ACT

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of State for Finance. Since complaints about service charges by banks and other financial institutions, and the perceived lack of notification about new charges, have been raised in this House since November, 1987, has the Minister in that time instructed the Superintendent of Financial Institutions to enforce Section 201 of the Bank Act which requires such notification?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I am very happy to tell the Hon. Member that we have an interdepartmental committee examining that particular matter and it will be reporting shortly. We are also awaiting, of course, the report of the standing committee on a similar subject.

REQUEST FOR INTRODUCTION OF INFORMATION DISCLOSURE LEGISLATION

Miss Aideen Nicholson (Trinity): Mr. Speaker, now that the Standing Committee on Finance has decided to examine the administration of Section 201 of the Bank Act—and I still do not understand why the Minister needs an interdepartmental committee to enforce his own law—will the Minister tell the House when he proposes to introduce legislation which will require adequate disclosure from trust companies, caisses populaire, and other deposit-taking institutions?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I am pleased to inform the Hon. Member that action will be taken quickly, whether it has to be done by legislation or regulation has yet to be decided, but we will not delay very long with respect to this particular issue.

LEGAL INTERPRETATION OF SECTION 201 OF ACT

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the same Minister. It also concerns Section 201 of the Bank Act. Is it true that one of the Minister's officials has given a legal interpretation that the banks are not in contravention of Section 201? Has such a legal opinion been sought by the Government and has it been given?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, as I answered the previous question, yes, we are trying to anticipate the answer to the Hon. Member's question. If he asks me whether the report is in and whether or not I have accepted it, I can tell him that the report is not yet in and I have not seen it.

REQUEST FOR ENFORCEMENT OF SECTION 201

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is, has the Government received or obtained a legal ruling or legal interpretation of Section 201, and has the interpretation determined that the banks are not breaking the law? That is the question I am really asking. Was such a legal interpretation sought by the Government and has it been given?

My second question in terms of a supplementary is this. When is the Government prepared to enforce with legislation Section 201 of the Bank Act and ensure that bank charges are not levied on the basis on which they have been previously levied by the banks, without proper agreement between the customer and the banking institution?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, there is absolutely no doubt, if Section 201 is being violated, we will act and act immediately.

Mr. de Jong: Is it being violated is my question?

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ENVIRONMENTAL AFFAIRS

ACID RAIN—POSITION OF CANADA AND UNITED STATES

Mr. John Oostrom (Willowdale): Mr. Speaker, my question is directed to the Minister of the Environment. Last September

Canada led 46 nations in signing a treaty to reduce chlorofluorocarbons which destroy the ozone layer. Yesterday the Prime Minister said that an acid rain treaty must be a priority with the United States or it could cost our friendship. Could the Minister tell the House where Canada and the U.S. really stand on acid rain and how many nations have actually ratified the treaty?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member will know that Canada provided a great deal of leadership towards the Montreal Protocol on Ozone-depletion. It is an historic document inasmuch as it is a first global treaty on the atmosphere. We hoped it might be a central part of an international Law of the Air, of which another part might well be an international accord on acid rain, towards which objective we are working hand in glove with other countries, including those of the European Community. I am advised by my senior people today that negotiations are going well.

In the meantime we think it terribly important within Canada to provide an example to the Americans, and to others, by slashing acid rain-causing emissions at source, in the case of sulphur dioxide emissions, by 50 per cent by 1994, a very substantial achievement by this Government.

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GENERAL AGREEMENT ON TARIFFS AND TRADE

ARTICLE XI—CANADIAN POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister for International Trade. It concerns the General Agreement on Tariffs and Trade and the present negotiations. Last week, during a visit to Washington by the Agriculture Committee of the House of Commons, the Assistant Trade Representative for Agriculture, Suzanne Earley, stated to our committee that the United States administration's position was to abolish or at least to render useless Article XI of the GATT which permits border controls for supply managed agricultural commodities.

• (1500)

Given that this position is supported by the Cairns Group, of which Canada is a member, can the Minister inform the House why Canada is supporting a measure which could render useless or abolish supply management in Canada?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member knows that that is nothing more than utter and sheer nonsense. We have to respect the fact that the Americans will take certain positions at the multilateral trade negotiations, as will a number of the other 93 countries.

We have made our position very clear as a Canadian Government that we support the system of supply management. We support the right for Canadian farmers to determine what marketing system best suits their own needs. That is why we have written Section 710 into the Canada-U.S. trade arrangement, and made specific reference to Article XI in the GATT.

[*Translation*]

GOVERNMENT POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a supplementary question. It is clear that in this case, Canada is certainly being "harmonized" by the Americans.

My question is this: In view of the fact that this very day, the members of the Canadian Egg Marketing Board are holding in Ottawa their Fifteenth Annual Meeting, could the Minister or his colleague the Minister for International Trade explain to us how the Tory Government can support the position of the United States and that of the Cairns countries before the GATT, when they are seeking to abolish our supply management system in Canada? How could the Canadian Government justify their support of these organizations?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, we will not be taken in by any nonsense any more than we will be taken in by the position of the Hon. Member. In fact I have been advised, quite appropriately by my colleague the Minister of State for Grains and Oilseeds, who has been actively involved in the Cairns Group, that indeed the Hon. Member is misrepresenting the Cairns Group on Article XI of the GATT.

Mr. Speaker: This will be the last question in Question Period.

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CORRECTIONAL SERVICES

TORONTO HALF-WAY HOUSE—REQUEST FOR AUDIT

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, my question is for the Solicitor General. The Minister will know that although the Pepino inquiry concentrated on privately operated Toronto half-way houses there are allegations of serious violations of security and supervision at the government operated Keele Street Detention Centre. The Minister will also know that, although he has ordered an audit and the removal of violent offenders from Exodus Link and Montgomery House, no similar order has been issued regarding government operated half-way houses.

Will the Minister order an independent audit of all government operated half-way houses in Toronto, and the removal of violent offenders from the Keele Street Detention Centre?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I can advise the Hon. Member that the only federal government run half-way house in Toronto is the Keele Street

Centre, and that an audit is being conducted on Keele Street by my Inspector General as recommended by Recommendation 18 of the Pepino Report.

Mr. Speaker: The Hon. Member for Regina West rises on a question of privilege.

* * *

PRIVILEGE

CITING OF DOCUMENTS

Mr. Les Benjamin (Regina West): Mr. Speaker, I appreciate your recognition. I rise on a matter which I raised yesterday as a point of order.

First, I wish to say that I erred by omission in my point of order yesterday, an error I now wish to draw to the attention of the Chair.

Citation 327 of Beauchesne's Fifth Edition is entitled "Documents Cited". I said in my remarks on my point of order, "I admit at the outset that that is not a direct quote or citing of the document". My error was that I misquoted Beauchesne's. Beauchesne's states, "to read or quote". However, the citation is entitled "Documents Cited".

I went to some lengths this morning to look up the definition of the word "cite". The Winston Senior Dictionary states under "cite":

> —indirectly, to give in substance what he has written. To cite is to mention a passage or an author as a reference, argument or example—or illustrate something previously stated.

The Funk & Wagnalls Standard College Dictionary (Canadian Edition) states:

> To bring forward or refer to as proof or support . . . To mention or enumerate.

The Concise Oxford Dictionary states, "mention as example".

I contend that the Minister cited the CNR studies regarding the Moncton shops, because in his response to the Hon. Member for St. John's East (Mr. Harris), the Hon. Member who requested that the Minister provide the studies which supposedly show how the CNR can save money by closing down the operation, said, "CN's studies". The minute he said, "CN's studies" he mentioned, he referred and used as an example, pursuant to the definitions of "cite" to which I have referred. He said, "CN's studies show quite clearly that it will make considerable savings as a result of the decision to close these shops."

Everyone knows, including members of the Standing Committee on Transport, that that is what the CNR said. It said that it would have considerable savings, and the Government and the CNR refused to provide copies of those studies.

The fact is that the Minister cited the rationalization studies of the CNR regarding Moncton shops by the very fact that he cited the studies of the CNR. He then went on to mention, enumerate, what the CNR said in its studies. I contend that if that is not citing, I do not know what is. I respectfully suggest, Sir, that in light of the objective of the question of the Hon. Member for St. John's East, the purpose of it and the subject matter of it, and in light of the Minister's response, that he did in fact cite the CNR studies by quoting a contention of the CNR from both studies. It seems to me that it is that straightforward.

• (1510)

The Minister used information from the rationalization studies of Canadian National Railways to the effect that the rationalization studies of the CNR showed how much money it could save. The fact that the Minister used information that even the CNR has admitted is in its studies means purely and simply that he was citing those studies.

Therefore, Sir, I contend that the Chair should give serious and, I hope, favourable consideration to requiring the Minister to table those studies in the House. The employees are the first ones entitled to know what it is that their employers had in store for them. They cannot find out. They have tried under the Access to Information Act.

It is clear in the exchanges in the House yesterday, it is clear in the definitions contained in the four dictionaries I looked at, and it is clear in Beauchesne's Citation 327(1) which states, in part:

> . . . This restraint is similar to the rule of evidence in courts of law, which prevent counsel from citing documents which have not been produced in evidence.

Beauchesne's further states in Citation 327:

> (2) It has been admitted that a document which has been cited ought to be laid upon the Table of the House, if it can be done without injury to the public interest . . .

There has been nothing put forward by the Government or CNR which would have any injury to the public interest. Only the document cited by the Minister need be tabled. I submit that he cited the CNR studies about Moncton shops. He did it by name, the CNR studies, two direct words.

Citation 327 of Beauchesne's further states:

> (5) To be cited, a document must be quoted or specifically used to influence debate . . .

I wish to close my brief remarks by suggesting to you, Sir, that while this may be a departure, precedents have to be set to be followed by successive Speakers in Parliament, although I hope this Speaker is here for a lot longer than I have been.

I wish to close, Sir, by submitting to you that under the definition of "citing" in Beauchesne's, and in four different dictionaries the variety of definitions that are included under the word "cite", the Minister has in fact cited the CNR reports/studies, about the Moncton shops.

I request with all respect, Sir, that you require the Minister to table those studies in the House.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I did not know that the hon. gentleman was going to raise this point yesterday, so I was not here to respond yesterday. Quite obviously the submission that he is making is erroneous. If Your Honour ever found in favour of it you would certainly go down in the history books because you would have greatly changed parliamentary procedure.

I am not going to quote Beauchesne's or any other parliamentary authority. I appeal to your common sense, Mr. Speaker, and to your knowledge of the rules.

As reported in yesterday's *Hansard* at pages 14187 and 14188 I was asked a question by the Hon. Member for St. John's East (Mr. Harris) with regard to the CN shops at Moncton, and the decision of CN to shut the rail and shop operation at Moncton. Moncton would still be its main base of operations in Atlantic Canada, and the great majority of their employees in Atlantic Canada would be located at Moncton.

All that was stated in reply by myself was that, "CN's studies show quite clearly that it will make considerable savings . . . " I did not refer to any document. I had no study of CN's before me to which I was referring, a study with a capital "S" or any report with a capital "R", nor did I refer to a letter, nor did I quote from any study, letter, or document. How can I be requested to table a document when I have not got such a document and did not refer to or quote from such a document?

I notice that our former colleague, the Hon. Stanley Knowles is present. He would be shocked and dumbfounded. If the NDP were still being advised by our former colleague, Mr. Knowles, on this matter, this point would never have been brought up. It just shows the intolerable ignorance of the rules on behalf of the hon. gentleman.

I know that there was a major study done some years ago by CN in connection with its position with reference to those types of shops. I do not know how many other studies were done in addition to that. I have no such study. I did not quote from any such study. I have no letter that I quoted from. I have nothing that I could table. If Your Honour was so to direct me to table, what can I table?

I would like you to act, Mr. Speaker, in accordance with the rules and to dismiss this request.

Mr. Speaker: The Hon. Member for Regina West (Mr. Benjamin) has given me some additional argument following on his intervention yesterday, and the Hon. Minister has replied.

It is interesting to note that the Hon. Minister referred to the Hon. Stanley Knowles and his expertise in procedure. I only wish that I could refer this problem to the hon. gentleman and have him solve it, but I am afraid that I will have to take the matter under advisement and report back to the Chamber as soon as I can.

I thank both the Hon. Member and the Minister for their interventions.

* * *

PRIVILEGE

OFFICIAL LANGUAGES—REFERENCE TO MEMBER'S NAMES—WITHDRAWAL

Mr. Fernand Jourdenais (La Prairie): During the time reserved for Statements by Members you, Mr. Speaker, were apparently of the opinion that I made an improper use of Standing Order 21.

My only purpose was that no political Party should be allowed to promote the destruction of any community of Canada. My only purpose was to recommend to English-speaking Quebecers to stay away from the Parties that have those intentions.

I apologize to the House if, by mentioning the personal name of the Hon. Member for Laval-des-Rapides (Mr. Garneau), the Hon. Member for Papineau (Mr. Ouellet), and the chief organizer of the Liberal Party of Canada, I disrupted the proceedings of the House. Thank you, Mr. Speaker.

Mr. Speaker: I see some Hon. Members rising, but I think that under the circumstances there is probably no need for any further comment. That is a completely unequivocal withdrawal. Members will notice, as the Hon. Member for La Prairie (Mr. Jourdenais) has just stated, I did interrupt the Hon. Member in his statement, and for reasons which are well known by all Members of the House.

I would hope that Hon. Members could accept the clear and direct statement that the Hon. Member has made. As far as the Speaker is concerned, I think that that ends the matter.

Mr. Marcel Prud'homme (Saint-Denis): I have to be very attentive to Your Honour's comments. Did Your Honour say "as far as the Speaker is concerned" the incident is closed? You know, Mr. Speaker, I am respectful of the Chair.

Mr. Speaker: I am very respectful of the Hon. Member who is an experienced Member. If he thinks that I need to hear something further on the matter, I would defer to an experienced Member such as the Hon. Member for Saint-Denis (Mr. Prud'homme).

Before addressing the subject any further, I must say that my sense of things is that the Hon. Member for La Prairie has withdrawn. In any advice that the Hon. Member for Saint-Denis may have for me, I would not want this to turn into an exchange between Members concerning a matter which has been withdrawn.

• (1520)

Mr. Prud'homme: Mr. Speaker, I will be very helpful to you. I have been here too long not to catch the import of Your Honour's words.

I am respectful of the rules of the House, especially when the Speaker says that an incident is closed. I abide very willingly by Your Honour's decision and will not debate any further this unfortunate incident which took place earlier.

Mr. Speaker: I thank the Hon. Member, and I hope that other Hon. Members would co-operate with the Chair.

I might say to all Hon. Members that it is not the habit of the Chair to interfere often in Members' statements.

The real reason for having a rule, which has been commented upon by other Speakers, is that we do not engage in personal reflection upon the motivations, characters, or otherwise of Members. Of course when that happens it tends to lead to disorder, because other Members feel that it is unacceptable and then want to retort as well.

There is common sense to these rules. It is fundamental that we do not promote or accept in the Chamber that which creates disruption.

Again I say that I appreciate very much the comments and the grace with which the Hon. Member for Saint-Denis has supported the Chair. As I have said in front of all Hon. Members of the House, I take very seriously any intervention the Hon. Member makes.

Mr. Prud'homme: We have a very wise Speaker.

* * *

PRIVILEGE

ALLEGED IMPROPER RESPONSE TO A QUESTION ON THE ORDER PAPER

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I rise on a question of privilege regarding an incident which happened a little earlier. I indicate to the Chair that I am prepared to move the necessary motion to refer the matter to the appropriate parliamentary committee if Your Honour deems that I have a bona fide case of privilege.

On May 5, 1986 I put question No. 565 on the Notice Paper. This question, standing in my name, asked the Department of Agriculture for a number of reports regarding sanitary conditions at packing plants in southwestern Ontario. The question was never answered. I suppose that is not unusual. It could happen that Ministers, for whatever reason, decide not to respond to an Hon. Member's question.

However, I believe that it is against acceptable practices of the House—and I believe it can be found in Beauchesne's and Erskine May—when the question of an Hon. Member is not answered, as my question was not, and the Hon. Member finds out a year and a half later that in fact the information requested was given to a reporter, one Jim Rohman of the *Kitchener-Waterloo Record*, in the exact format of an answer to an Order Paper question. Indeed that should be considered an abuse of my parliamentary privileges.

I have in hand a document entitled "Inquiry of Ministry". This document is usually given in response to an Hon. Member's question on the Notice Paper. The answer to question No. 565 should have been destined to myself, yet it was not given to me but to the *Kitchener-Waterloo Record* last week. The document provides answers to very important questions regarding sanitary conditions at certain meat packing plants in Ontario.

Perhaps it is simply a mistake of the Minister of Agriculture (Mr. Wise) in providing this information to the news media but not providing it to an Hon. Member of the House when the question was on the Order Paper. In fact, a copy of a notice to me, to be tabled in the House, was given to the reporter, not to myself. If it was a mistake either by the Minister or an official of his office, I will accept that, having the highest of respect for the Minister of Agriculture. He knows that I am the associate agricultural critic for our party. I accept that that could happen.

However, the failure of the Minister to provide an adequate explanation would lead me to believe that information sought by the House through a Notice Paper question, duly inscribed on the Order Paper on May 5, 1986, when his officials prepared the answer for him, when the answer was available in his office, and when the answer was provided to someone else who was not a Member of the House, was deliberately withheld from the House of Commons. Unless there is a satisfactory explanation, I would submit that that would be an infringement of my privileges as a Member of the House.

I am prepared to table for the benefit of the Chair, if there is an appropriate way to do it, information provided to me earlier today by the *Kitchener-Waterloo Record* which indicates quite clearly that information destined to my office or to myself or, even more important, to be tabled in the House of Commons, was not provided to me but was instead provided to a reporter. I would hope that the Minister could provide such an explanation. In the absence of the failure of the Minister to do so, I would respectfully submit that I have a bona fide case of privilege which I should like to bring to the attention of the House.

Mr. Speaker: I thank the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) for his intervention which was extremely clear and helpful to the Chair. Perhaps the Hon. Minister would like to respond.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I welcome the opportunity to respond to the Hon. Member's questions and, shall I say, his new-found interest in question

No. 565 which, as he indicated, was placed on the Order Paper in May, 1986.

The Hon. Member should recall that on July 24 the House prorogued. The Hon. Member knows the rules. He has spent a longer period of time in the provincial legislature than here in the House of Commons—

Mr. Boudria: Not quite. It is about even now.

Mr. Wise: —but he knows the rules very well.

When the House prorogues, items or questions on the Order Paper cease to exist. Therefore, the Minister has no facility on behalf of the Department to make the information available to the Hon. Member.

However, we have not been prorogued since July 24. At no other time in the past has the Hon. Member had sufficient interest to raise the matter in the form of a question during Question Period, nor has he demonstrated sufficient interest to reinstate the question. Consequently, the Department has had no facility to respond.

In respect of the interest of the reporter for the *Kitchener-Waterloo Record*, it is quite true that he certainly has an interest in the subject and has sought identical information through the access to information legislation. In keeping with the spirit of the law, my department provided him with the information. In fact, the Hon. Member said "yesterday"; my note indicates that yesterday we released, under access to information, the same material.

I have in hand a signed copy of question No. 565 of May 5, 1986. I hope this explanation will satisfy the Hon. Member, and I will be happy to send a copy across the aisle to him.

Mr. Speaker: The Hon. Member for Glengarry—Prescott—Russell in reply.

Mr. Boudria: Mr. Speaker, I do not want to prolong debate. Obviously the point is that the question was tabled in the House on May 5, 1986. The question could have been answered in plenty of time before the House prorogued. Obviously a response was prepared before the House prorogued, otherwise it would not be in the form that I now have in my hand.

• (1530)

Given that the reply was prepared on the proper document which is normally used to table in the House of Commons, one can only assume that the officials of the Minister's office had prepared it in order for it to be tabled in the House of Commons and in proper time. Of course, had that time expired, no one would have done the work uselessly.

Given that that is the case, I would submit that the people in the Minister's office had the intention of providing me with that answer, and I still submit that when a document is to be prepared for tabling in the House in response to rules of the House, pursuant to a question asked by an Hon. Member and tabled in the House, that information should be provided to the House at least at the same time as it is provided to anyone else. If it is provided to anyone else previously, I would consider that to be the same as if I were to leak the contents of a committee report to a reporter prior to it being tabled in the House. I have spoken on that particular issue on a number of occasions previously, chastising those who have leaked committee reports to others prior to their being tabled in the House.

It would seem to me that the Minister, prior to or at the same time as providing this document to the *Kitchener-Waterloo Record* should have made it a point to provide it to Parliament because it is not the *Kitchener-Waterloo Record* that sought this information, it is the House of Commons of Canada through a question I placed on the Notice Paper. That information is not only mine once it is tabled but it belongs to every single Member of the House. The answer to that is not provided to me but indeed to you, Mr. Speaker, as our chairman here in the House of Commons, for the benefit of all of us.

Mr. Lee Clark (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I would like to respond very briefly to the point raised by the Hon. Member in his concluding remarks. It is clear that during the course of the first weeks of July, the department prepared the necessary response to the Hon. Member's question. Under normal circumstances, that question would clearly have been answered when we returned to the House in September. Of course, the House prorogued on July 24 and therefore there was no longer a session and there was indeed therefore no longer a question.

There is no evidence whatsoever to suggest that the department, the Minister or any other official retained this information and withheld it from the House of Commons. That is simply not the case. By the time the material was ready, the House was no longer sitting, and of course the House subsequently prorogued.

Had the Hon. Member wished to do so, all he would have had to do when we reconvened that fall was to ask the question again. By then, of course, the information would have been available, as it has been available since that time and as the Minister now prepares to offer it to the Hon. Member and the House. It seems to me that there is no question of privilege here whatsoever.

Mr. Speaker: I have listened very carefully to the complaint of the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria). At first, I was puzzled at what had happened, but I think Hon. Members would agree with me when I say that the Minister's statement and the statement of the Hon. Parliamentary Secretary cleared up the chronology of what in fact did happen.

I must advise the Hon. Member for Glengarry—Prescott—Russell that under the circumstances, it is not a question of privilege. However, I might add that this might have been

avoided if perhaps the Hon. Member and someone on the Minister's staff had gotten together in pursuit of the information. It is obvious that the Government was quite prepared to give out that information.

I think I can say in favour of the submission made by the Hon. Member for Glengarry—Prescott—Russell that it is unfortunate that that information got into the hands of someone else rather than his own when he in fact had requested it. However, I can understand how it happened and, as I say, I do not think it is a question of privilege. I thank all Hon. Members for their interventions.

GOVERNMENT ORDERS

[*English*]

ELDORADO NUCLEAR LIMITED REORGANIZATION AND DIVESTITURE ACT

MEASURE TO ENACT

Hon. Barbara McDougall (Minister of State (Privatization and Regulatory Affairs)) moved that Bill C-121, an Act to authorize the reorganization and divestiture of Eldorado Nuclear Limited and to amend certain Acts in consequence thereof, be read the second time and referred to a legislative committee.

She said: Madam Speaker, I am very pleased to lead off today on Bill C-121, an Act respecting the reorganization and divestiture of Eldorado Nuclear Limited. As all Hon. Members are aware by now, the federal Government and the Government of Saskatchewan reached an agreement on February 22, 1988, to merge and privatize the assets of Eldorado Nuclear and the Saskatchewan Mining Development Corporation. The legislation under debate today provides the federal Government with the authority to implement the commitments it made under that agreement.

This is a relatively simple Bill, but it represents a very significant step forward for the companies involved and also for the Province of Saskatchewan and for all Canadians. It also represents another landmark in our Government's highly successful efforts to bring new opportunities for growth and good management to the public sector, and that includes, of course, both government departments and Crown corporations.

[*Translation*]

The decision to privatize a Crown corporation is never taken lightly. First, this is a complex procedure. We have to ensure that the corporation no longer serves to meet one of the public objectives which can only be reached by the Government retaining ownership. Second, we believe that privatized corporations must be given what they need to be viable after privatization, to take full advantage of the transfer from public to private ownership and to assure the existence of new opportunities for the business and its employees.

Third, we believe that the very process of privatization must respect all the interests related directly or indirectly to the Crown corporation and its activities. I am thinking of the interests of the employees, of public safety and of the right of Canadian taxpayers to have their financial interests protected.

Madam Speaker, the Bill now under consideration will make it possible for the forces involved to combine and create a synergy which will not only protect, but also enrich these interests in decades to come.

[*English*]

The decision as to whether or not Eldorado needed to continue as a publicly-owned corporation was a relatively easy one. Clearly in the case of Eldorado, ownership was not necessary to achieve public policy objectives, nor had it been for a number of years.

Members opposite who were part of the previous Government will concur with this decision because they made the same decision even before our Government came to power. In 1983, the Liberal Government transferred the shares of Eldorado Nuclear to the Canada Development Investment Corporation and the Minister responsible for CDIC subsequently stated in the Senate: "I don't see any reason why the Government of Canada in the 1980s needs to maintain an investment in the uranium industry". I am sure that all Hon. Members opposite in Her Majesty's Loyal Opposition will support wholeheartedly the principles of the legislation before us.

Prior to our Government reaching an agreement with the Government of Saskatchewan, we, together with the CDIC and its financial advisers, assessed a range of privatization strategies. The merger of Eldorado and SMDC and the subsequent privatization of the new company is a strategy that will contribute most to future growth and opportunity, the primary goal of this process.

Eldorado Nuclear Limited has been in existence for 61 years. It is the oldest uranium producer in the entire world. It is a worldclass operation and a dependable supplier, with a solid domestic and international customer base. Eldorado is also the only integrated producer in Canada, which means that it can process ore to create uranium products for use in Canadian reactors to serve Canadian energy needs as well as for export to serve the energy needs of other countries. It has new, modern and efficient plants and owns and has interests in uranium mines that produce ore at competitive costs.

• (1540)

The other partner, the Saskatchewan Mining Development Corporation, is one of the world's largest suppliers of uranium, producing 7 per cent of the western world's capacity in 1986. It has very good sales contracts that extend well into the next decade. The company has emphasized exploration efforts over the last few years and, as a result, it has some of the world's largest commercial reserves.

A merger between the two will produce a company that is not only viable but will also have the potential to grow and develop because of the synergy of the assets, including reserves, production facilities, research, and personnel. Merging the two companies will produce a world class uranium production facility with the motivation, reputation and assets to play a significant role in the world market-place. Again, the prospect of enhanced economic opportunities is one of the primary reasons we have chosen this route to privatization.

The Government of Saskatchewan sees the same benefits from its own perspective when it visualizes the long-term benefits not only for SMDC but also for the people of Saskatchewan. I am sure all Members of the House will appreciate that what we are proposing is not the selling off of Crown assets, but rather the creation of a new company that will play a significant role in the world uranium mining and refining industry.

[*Translation*]

The ideology of some of the Members opposite will perhaps prompt them to pretend that these objectives can be met only by maintaining state control over this new company. I am convinced that, during our discussions on this Bill, we shall be hearing their detailed proposals and all the reasons they can invoke in favour of maintaining Government ownership.

However, Madam Speaker, the type of myopic thinking which hangs on to an ideology at the expense of logic is not a political approach which can succeed in convincing those on this side of the House. Thanks to our own approach, we have had one success after the other in the last three years.

[*English*]

To date, this Government has undertaken 3 privatization initiatives. Over 23,000 employees, formerly employed in the public sector, are now working in the same jobs but in the private sector. Many of them are in better jobs because they are now free to pursue new opportunities for growth. There is no doubt that the Canadian economy has gained significantly through that process as well. I want to give you a couple of examples of the privatization we have done to date as they relate to our achievement with Eldorado.

In 1986, de Havilland was sold to the Boeing Corporation. You may recall the doom and gloom artists on the other side of the House who told us that this merger was doomed to failure. Today at de Havilland there is more employment, more customers, a stronger future for the company, more product development, better marketing and therefore a healthier contribution to the Canadian economy and, most important of all, increased job security for the employees.

Another one is Fishery Products International, something of particular interest to my learned friend on the other side because it has done a lot for the people in his riding on Cape Breton Island. FPI is of critical importance to the Atlantic fishery, and the Atlantic economy generally. It has been sold back to the public to the benefit of the constituents of my hon. critic. I know a great many Members in this House will agree that that sale was a very successful and popular public offering, particularly in Atlantic Canada.

I could go on and list the other 11, but I wanted to give you just two examples of the success of our privatization initiatives. I will save the others for another time.

These privatizations resulted in benefits to Canadians in the Canadian economy, and demonstrate that the divestiture of Crown assets, in the right circumstances, makes good management sense as well as spurring the economy, creating jobs, and making Canada more competitive in an increasingly challenging world market-place.

Let me turn to the specifics of this legislation because this will show Canadians we are also meeting our third condition for successful privatization, maximizing the benefits to the Canadian public. First, we want control of this new and exciting company to remain in Canadian hands. It is for that reason that Article 5 of this legislation imposes constraints upon the issue, transfer and ownership of the voting securities in the new company. Article 5 ensures that, one, apart from the founding shareholders, that is the two Governments, no shareholder will be able to own more than 25 per cent of the voting shares. Two, no non-resident will be able to own more than five per cent of the voting shares. In the counting of votes, those cast by non-residents at any meeting of shareholders is to be limited to 20 per cent. In other words, 20 per cent is the maximum that foreigners can accumulate. These provisions will ensure that the new corporation will continue to remain under Canadian control and will be used to strengthen Canada's economy.

Under the terms of the agreement, the new company will initially be owned 38.5 per cent by Canada and 61.5 per cent by Saskatchewan. That split is based upon evaluations by independent financial advisers of the future contributions and profitability of the two current operations. The recommended ownership split represents the basis of an attractive business proposition that will benefit both parties as well as the current principal shareholders, that is the taxpayers of the two Governments. The recommended ownership split represents the basis of an attractive business proposition that will benefit both parties.

With a 38.5 per cent share in the new company, Canadian taxpayers will be receiving fair market value for their Eldorado assets. That is very important. Under the terms of the agreement, the new corporation will undertake a debt issue to repay promissory notes retained by the Governments of Canada and Saskatchewan. Canada will receive 38.5 per cent of the proceeds of this debt issue. The balance will be realized as Canada and Saskatchewan gradually sell their shares of the new company to Canadians.

The anticipated proceeds from these two transactions, the debt issue and subsequent selling of shares, will be used to service and pay off existing debt. As well, the new company

will be taxable, representing increased revenue potential for the Government since SMDC currently enjoys federal tax exempt status. At the same time the agreement sets out the intention of both Governments to make particular efforts to achieve a broad distribution of shares to individual and institutional investors. In this manner, all Canadians, through individual investment decisions or vehicles such as pension funds, will have the opportunity to participate in the future financial success of this new company.

[*Translation*]

Shared ownership plans for employees have been a major factor in several privatizations. These projects are popular with the employees and represent for them an effective means to achieve ownership of their own agency.

[*English*]

Both Governments have agreed to reduce their share holdings by 30 per cent within two years, 60 per cent within four years, and 100 per cent within seven years. The exact timing, to be clear, will depend on the economic and financial situation at the time, because the Government wants to get the best possible return for Canadians it possibly can. However, both the Government of Saskatchewan and the Government of Canada are committed to the privatization process and wish to see an initial share offering as soon as possible, hopefully within a year of completion of the merger.

• (1550)

In all of this there is a key factor of Eldorado's business which will remain unchanged—and this is very important—that is, health, safety, and environment standards will continue to be strictly maintained and strictly enforced. These issues are a matter of public priority to the Government and to Canadians. They are a priority whether a company is publicly or privately owned. That does not affect the standards.

Eldorado is involved in an industry in which safety is of paramount concern for both employees and the public at large. All Canadians have concerns relating to the management of waste from the mining and the processing of radioactive materials. The requirements of the Atomic Energy Control Act and other federal and provincial laws and regulations apply equally to uranium companies in government hands and uranium companies in private hands. Under the terms of the agreement between the federal and Saskatchewan Governments the federal Government remains committed to developing and contributing to a solution to the low-level waste accumulated by Eldorado near Port Hope.

I have said on many occasions that government ownership is a very poor substitute for effective regulation in the protection of public safety. As it stands now, over 50 per cent of Canada's uranium production originates in the private sector which operates in accordance with an appropriate legislative and regulatory framework. The new company will be required to adhere to the same strict guidelines. Therefore, Canadians and, in particular, employees of Eldorado, can be assured that environmental protection objectives or public safety needs will not be compromised because of the privatization of Eldorado.

[*Translation*]

Similarly, Madam Speaker, Canada has long supported a policy that stresses the peaceful applications of nuclear energy and technology. Exports of uranium and nuclear products and technology are controlled and carefully monitored to ensure that others observe our policies on nuclear non-proliferation.

These policies apply as much to the private sector as they do to the public sector. The privatization of Eldorado Nuclear will have absolutely no effect on the Government's non-proliferation policies or on its efforts to reduce the non-peaceful use of nuclear energy throughout the world.

[*English*]

The employees of Eldorado and SMDC can look forward with justifiable optimism to the merger and the subsequent privatization process. The new company will be stronger, financially healthier, and in a better position to compete internationally than the two Crown corporations would be if they operated separately.

The Government believes strongly that job security and new employment opportunities are best provided by an aggressive, competitive private sector. To illustrate that I need only point to the state of the Canadian economy today and its job creation record over the last three and a half years—in excess of 1 million new jobs.

The new company will employ over 1,000 people. Those people represent a resource to the company as important as the uranium reserves it owns. I can assure the employees of SMDC and Eldorado that both the Government of Canada and the Government of Saskatchewan have placed a high priority on ensuring that employee concerns are adequately addressed through the negotiations leading to the final merger agreement and through the privatization process thereafter. Maintaining a committed, motivated workforce is clearly in the interests of the corporation and all Canadians.

That is why the agreement stipulates that employees be given the opportunity to participate in the ownership of the company. The details of that plan will be developed as the company moves into the privatization phase. Our record in this area, with companies like FDI and Teleglobe, is very positive and bodes well indeed for the employees of Eldorado. The company will honour all existing collective agreements. Any new union-management negotiations will be carried out in the normal course of business. Existing pension and benefit plans will be taken over by the new company to the benefit of employees.

[*Translation*]

Canada and Saskatchewan insist that the concerns of employees be examined at every stage of the privatization process. The transition team has set up a task force whose mandate will be to consider employee concerns and make the necessary recommendations.

Madam Speaker, this Bill makes it possible to merge two very impressive companies and thus create an integrated, first class uranium producer and processor.

The subsequent privatization process will enable the company to pursue aggressively new opportunities and become one of the most important players in the world in an industry where the competition is international.

[*English*]

By establishing the head office of the new corporation in Saskatchewan we are putting senior management close to the primary mining facilities of both existing companies. Most important, we are also developing a critical mass of skills and knowledge in Saskatchewan, already noted for its expertise in uranium production technology. This will help the province continue its world leadership in this area as well as providing spin-off employment benefits for others serving this industry. The decision to locate the head office in Saskatchewan also supports the Government's commitment to the policy of western economic diversification by building on the natural strengths of the region.

However, that will not take away from the new company's business commitments in the wonderful Province of Ontario which is, of course, where I come from. In fact, the long-term financial viability of the Blind River refinery and the Port Hope conversion plants will be improved because the processing operations of the new corporation will be more self-reliant and less dependent on other mineral producers than they are today.

The merger of Eldorado Nuclear Limited and the Saskatchewan Mining Development Corporation will occur at a very appropriate time in the development of the Canadian economy. Under the terms of the free trade agreement the future prospects of the entire uranium industry have been heightened by lessening the uncertainty over possible U.S. import restrictions on uranium. At the same time, the modern and technologically advanced processing facilities of the new company are competitive with U.S.-based facilities.

I am very proud of the two-stage merger and privatization process which we are proposing for Eldorado Nuclear today.

[*Translation*]

This merger will help create a company that is far stronger than either party could ever have imagined before. Mining and development operations will be rationalized, economies of scale will improve efficiency, and the integration of mining and refining operations will enhance the long-term security of all employees.

[*English*]

The privatization stage of the process will enable the new company's employees to participate directly in the profit potential of this great company. Further, it will allow all Canadians to become more directly involved in a highly competitive, technologically advanced industry. It does so in a manner that recognizes and protects the interests of both company employees and Canadians generally.

In short, Madam Speaker, the enabling legislation that we have put forward demonstrates the pragmatic approach to privatization that the Government has taken since 1984. I am sure that all Members of the House will recognize the benefits of the proposal and will join with me to expedite passage of this Bill through the House.

* * *

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Champagne): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York East (Mr. Redway)—Income Tax—Funding of NDP municipal election candidates—Issuance of receipts for tax deductions; the Hon. Member for Burnaby (Mr. Robinson)—Administration of Justice—CIA funding of brainwashing experiments—Request for *ex gratia* payment to victims/Request for government action; the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart)—Regional Industrial Expansion—Opportunity to establish space agency in Montreal—Query when Government will announce decision/Aerospace—Montreal—Economic spin-offs.

• (1600)

GOVERNMENT ORDERS

[*English*]

ELDORADO NUCLEAR LIMITED REORGANIZATION AND DIVESTITURE ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-121, an Act to authorize the reorganization and divestiture of Eldorado Nuclear Limited and to amend certain Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Madam Speaker, I must say that while our Party has some problems with the legislation, we feel they can be dealt with in committee. We do not oppose the thrust of the legislation. We are not opposed to the sale of Eldorado Nuclear in order to form one company with Saskatchewan Mining Development Corporation. However, we believe there are some difficulties with the legislation.

Of course, this agreement applies to this particular corporation because we believe there can be some benefits from the

formation of one corporation. It does not apply to Radiochemical Company, Air Canada or Petro-Canada. Those are entirely different matters.

The fact is that this is not strictly a business proposition. This deal is obviously loaded in favour of the Province of Saskatchewan, which is receiving a multimillion dollar package, courtesy of the federal Government. Our Party is not opposed to millions of dollars going to Saskatchewan, but the arrangement should be identified for what it is. It has been very generous to Premier Devine for his position on free trade and his position on Meech Lake. The fact is that Eldorado Nuclear has been undervalued.

For the purposes of this transaction, the assets of Eldorado Nuclear are placed at $915.9 million, while the assets of Saskatchewan Mining Development Corporation total $973.2 million. The Government of Canada will have a 39.5 per cent share of the new company while Saskatchewan will have a 61.5 per cent interest. We must also take into consideration the fact that the new company will issue promissory notes valued at 40 per cent of the fixed assets to cover all of the debt owed to the Saskatchewan Government and $230 million of the $570 million owed to the Government of Canada.

While the promissory notes cover all of the debt of the Province of Saskatchewan they will not nearly cover all of the debt of the Government of Canada.

Furthermore, it is significant to note that after this company is rolled over into one corporation and eventually sold to the private sector, the Province of Saskatchewan will hopefully recover all of the debt and its losses that it has in the Saskatchewan Mining Development Corporation. But the Government of Canada will still be out by about $100 million.

We spoke to a representative of Burns Fry Ltd., the company which is assisting the Government in this sale. He has said that there are some difficulties in placing a value on the Saskatchewan Mining Development Corporation and Eldorado. The two companies were evaluated from a discounted cash flow basis rather than an asset basis. Saskatchewan Mining Development Corporation had a lower operating cost, partially as a result of lower royalties. Eldorado was also determined to be lower in value as a result of its less profitable refinery business. Burns Fry stressed the point that the refinery business was a detriment to the value of Eldorado Nuclear.

That is a very interesting observation because the two Governments state that one of the advantages of this merger is having uranium processed in-house. They state: "A merger with SMDC will result in a company with an improved balance between its mining and refining capacities". How can that refinery which will be brought in to the merged company through Eldorado Nuclear be a detriment to the actual value of Eldorado?

There are a number of questions about what the federal Government will be paying in this arrangement. Clause 9(1) of the Bill states:

> The Minister may, pursuant to the authority of an appropriation Act and with the approval of the Minister of Finance, pay to Eldorado or to a subsidiary of Eldorado such amounts as may be necessary to enable Eldorado or the subsidiary to pay or discharge any debt or liability, whether incurred before or after the completion of the transactions referred to in subsections 4(1) and (2).

Clause 9(2) states:

> The Minister of Finance may, on behalf of Her Majesty, in accordance with such terms and conditions as the Governor in Council may approve, enter into agreements or other arrangements with any person in respect of obligations or liabilities of Eldorado or a subsidiary of Eldorado for which Her Majesty in right of Canada is liable and for that purpose may borrow money and issue and sell securities as defined in the Financial Administration Act.

Therefore, we do not know exactly what the Government will put into this new company. It states the value of Eldorado Nuclear, which our Party believes is too low. The Bill also states that the Government of Canada shall be liable for any debt or liability of Eldorado.

What will such a blanket provision cost Canadians? What liabilities exist for which Canadians will have to pay?

It is important to consider these clauses more closely in order to determine the actual cost of the new company to the people of Canada.

Clause 11 states:

> The Minister, after consultation with the President of the Treasury Board, shall cause such adjustments to be made in the accounts of Canada as are required as a result of any transaction authorized or required by this Act.

I suggest that this involves a continuing obligation with regard to liabilities which may have been incurred by Eldorado Nuclear.

Perhaps the Minister could inform us whether there will be mirror legislation in Saskatchewan that will give the Saskatchewan Mining Development Corporation the same back-up liability protection from the Government of Saskatchewan as Eldorado Nuclear is receiving from the Government of Canada. That is a question which certainly deserves an answer.

Clause 16 allows for investments by trust companies pursuant to the Loans Companies Act or the Trust Companies Act. I believe we should consider who will be investing as a result of this legislation. Is the Government encouraging trust companies to invest through pension funds?

• (1610)

If the Government is doing that, I think it has to be ensured that it is going to be a good investment for the people of Canada. It should not just go out and tell the people of Canada: "Here is a great opportunity to invest. Please come and help make this company a success by investing", because I think there is an obligation. Only the Government can really say whether this is going to be a sound investment. I think the Government has an obligation to the people of Canada

through this Act, and through the actual encouraging of people to invest, to ensure that this investment is sound. If the Government does not feel that this is the case, is it not just leading the people on? Is there a chance that the investments the people make through pension funds and trust companies are not going to be successful? If there is any doubt, the Government should state the doubt and flag it, or it should give some kind of back-up provision, some kind of protection or insurance against the losses of these particular investors. After all, the Government is giving the new company an insurance policy by saying it will pick up any liabilities of Eldorado which happen to present themselves after this Act is completed.

How do we really know if the company is privatized that the Government will be able to assure us of all these good things? There has to be some kind of stipulation in the agreement that these things are actually going to take place. First, the Minister was talking about the mining operations in her home Province of Ontario. How can the Government be sure that these actual operations will continue if it does not really have any control over the corporation? If the Government is going to tell people that it is going to ensure that these operations will be a success, then there has to be some kind of condition, something in the agreement that will make sure that these operations will continue.

The Minister also said that she is encouraged by the provision that the employees of the company will be able to buy shares. Of course, once again, the shares have to be purchased before the shares of the merged company are sold to the private sector. Afterwards, there will not be any assurance that the employees will be able to buy these shares because the Government will not have control over the shares any longer. If the Government is going to protect the employees and allow them to purchase these shares, it has to put something in the legislation, or put something somewhere, that will ensure that the employees will have an opportunity to purchase these shares before the Government actually loses control of this operation.

It is also interesting to note that the two Governments state that one of the advantages of this merger is having uranium processed in-house. They say that a merger with SMDC will result in a company with an improved balance between its mining and refining capacities. As I said before, that reflects the importance of the refinery which Eldorado is bringing in. I think that gives a certain value to the refinery.

Eldorado's head office will be moved to Saskatchewan. Not only does that mean that 50 employees may be without jobs but decision-making for the company will be done in the head office in Saskatchewan, to which I have no objection whatsoever. However, the Government in its briefing notes stated that there is no anticipated impact on job security in the operations. Is that going to be the operations of the actual mining area itself or is it also putting into that the management capacity? What will it be offering to these managerial people who will be losing their jobs? It is saying that there is no anticipated impact on job security and operations. But it says later on that terminated employees, if any, are to be offered severance packages consistent with commercial and past Eldorado practice. It is either one way or the other. Either there is no anticipated impact or there is an anticipated impact and it is setting out exactly what the situation will be.

I think it is important that the Government state unequivocally that there will not be any impact on jobs from this merger. If jobs are going to be lost in the management area, it should be stated as being exactly that.

Getting back to the costing factor, we have the loss to the federal Government and we have the fact that the Government is going to support any liabilities of Eldorado Nuclear that happen to come up. We have also seen that the Government is making arrangements for existing waste disposal. I think it is very important that this be a consideration. The company is going to pay for the first $2 million of this cost. The next $98 million will be split with the new company paying $23 million of the costs and Canada paying $75 million of the costs. Canada will pay all the costs over $100 million. The Minister talks about the fact that even though it is in the private sector, we can expect to have tight controls over the waste.

However, I think if the Government is going to say that, it has to state a position on the report by the task force on low level radioactive waste disposal. The Government has not done that. Until the Government does so, anything it says with respect to this very important question will not have a great deal of validity. It is vital not only for purposes of this transaction, but for the purposes of this very important question, that the Government state its position.

On December 23, 1987, the Minister of State for Forestry and Mines (Mr. Merrithew) issued a news release which stated a new Canadian policy on uranium ownership in the uranium mine and smelting sector. This policy stipulated "that Canadians must own at least 51 per cent of an individual uranium property when it comes into production". More important, the new policy stated "that in cases where a project is controlled by Canadians, a reduction from the 51 per cent minimum Canadian participation level may be permitted, allowing Canadians more flexibility in raising capital for projects, as long as they maintain controlling interest". It does not seem like a valid policy.

I must say that the Government's intention in this Act to maintain Canadian ownership is much better and much stronger. I would hope that the statement from the Minister in this regard will be strengthened considerably. According to Bill C-121, Canadians will always retain control because the aggregate of non-resident vote cannot be more than 20 per cent of the votes cast at a shareholders' meeting. What we have in this Bill seems to be a good deal tighter than the policy the Minister stated last December. I feel that this sort of control is very important. However, once again, there is the

maintenance of the Government's conviction that this will continue.

• (1620)

The Bill presents a good deal of changes which must be made. However, there are still questions which must be answered. What will be the actual cost to Canada? What will be the Government's position on low-level waste? What is the actual commitment of the Government on maintaining jobs and allowing shareholders a fair deal? Will employees be allowed to purchase the shares? Will that be done at an early opportunity before shares are sold to another party thereby reducing the chance of those workers to buy those shares?

I am hopeful that in committee we will have the opportunity to get the answers to those questions. I will be very upset if the Government does not bring those answers forward.

I feel that this is a very good deal for the Province of Saskatchewan. I feel that if the proper checks and balances are maintained then it can work. However, if the Government is merely going to slough this off under the guise of an agreement that is basically sound in the private sector with the problems and shortcomings that we have seen in it then there will be problems later on not only for the people of Saskatchewan but for all Canadians.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to begin by expressing my concern that we were given just one hour's notice that this Bill would be debated this afternoon. It seems to me that when there is a Bill which is important, a Bill which changes the structure of a company which has been publicly owned since the 1940s, the people of Canada and Members of Parliament in particular have a right to expect more than one hour's notice before beginning debate on the subject.

It seems to me that what the Government is doing today in its proposal is not based on any real evidence that the privatization of Eldorado Nuclear, which is owned by the Government of Canada and the Saskatchewan mineral corporation, which is owned by the Government of Saskatchewan, will create a more efficient, better operated and more profitable company than the existing publicly owned corporation. What we have here is a decision to go ahead with privatization based not on any real need or any real benefits but almost exclusively on the ideological approach of the Conservative Government that anything operated by the private sector will be done better than that done by a publicly owned corporation.

This type of approach by the Government rejects all the history of the country. The economic lines of North America run north and south, not east and west. If the people who were members of the Conservative Party just before Canada became a country had the same approach which this Government has then there would be no country. Sir John A. Macdonald was the first Prime Minister and Leader of the Conservative Party. When discussions took place as to what should happen with the then colonies established by Great Britain in the northern half of North America he realized that unless the Government took the leadership and insisted, planned and pushed for the establishment of a railway which would bind the colonies from the Atlantic to the Pacific, something which would encourage, permit and almost demand movement from east to west, there would have been no country.

The same is true of many of the existing Crown corporations, both federal and provincial. After all, it was a Liberal Government which established the airline which at that time was called Trans-Canada Air Lines and which is now called Air Canada. Why did the then Government do that? It was not composed of wild-eyed socialists. In fact, if I remember correctly it was that tycoon, that great supporter of the free enterprise system, Mr. C. D. Howe, who set up the publicly owned airline.

Why did he do it? He did it because private interests were not ready to do it. They did not see the profits, at least not in the near future. So the then Government of Canada set up an airline as a publicly owned corporation.

Here in the Province of Ontario there exists a big asset which belongs to the people of Ontario. It is one of the biggest reasons that they have been able to be so successful in setting up manufacturing industries which can compete with the United States and with other countries around the world. It is because they have cheap power. Why do they have cheap power? They have cheap power because Ontario Hydro is publicly owned.

It was not some wild-eyed radical socialist who first established Ontario Hydro as a publicly owned corporation. It was Sir Adam Beck, the Leader of the Conservative Party. No Party in Ontario since then has suggested for a moment that Ontario Hydro should be privatized. In fact, the example which Ontario set has been followed in virtually every other province in the country.

We have very few privately owned electric power producing companies. Some of the publicly owned hydroelectric systems were established by, as I said, a Conservative Government of Ontario. In other provinces they were established by Liberal Governments. In the Province of Saskatchewan one was established by a CCF, NDP Government. In the Province of British Columbia one was established by a Social Credit Government. Why did these Governments do that? Because it made sense to have a publicly owned corporation which could produce and distribute the power much more efficiently and much more cheaply than any private company could have done.

There are dozens of examples of that type in the country, both at the federal and provincial levels. Crown corporations were set up because the Government of the day, federal or provincial, realized that there was a need to meet certain requirements of the people of that province or of the people of Canada as a whole and they took action. Those needs are still here. I am not saying that those two companies must be maintained as publicly owned enterprises because everything

should be publicly owned. What I am saying is that there has been no real case made for the privatization of those companies. There is no evidence that the people of Canada really believe that we need to privatize all or most of the companies, both federal and provincial, which are operating as Crown corporations.

• (1630)

On the part of this Government we see the movement to privatize some of the smaller publicly owned corporations. It certainly has not been ready to bring forward proposals to privatize Air Canada, Canadian National, or any of the other major publicly owned corporations.

Let me deal with two illustrations of successful privatization mentioned by the Minister in her speech. Let me deal for a moment with Fisheries Products International. The fact is it was privatized. It was publicly owned at one point. Why was it publicly owned? Because the private companies that were operating in the fishing industry on the Atlantic coast were losing money, were inefficient, and were virtually bankrupt. At that point the Government of Canada stepped in and took them over and created a publicly owned corporation, Fisheries Products International. When the industry was rationalized through public ownership, when the debts had been absorbed, and when the company became efficient and profitable, because of its ideological blinders, that is when the Government decided to privatize it. Having absorbed all the losses first created by private ownership, it is then sold back to the investors in order that they can make a profit.

For a moment let us look at Canadair. I am sure that some of my colleagues who will be dealing with this at a later stage will go into more detail, but let us look at what happened at de Havilland. Because of the type of labour practices exercised by the private corporation which took over de Havilland there was a strike. The workers at de Havilland had to go on strike in order to maintain the labour conditions and the security of employment which they had when the company was publicly owned.

They were and are concerned about the fact that much of the technology which was worked out when the company was publicly owned has now gone to corporate headquarters in the United States. When the company was publicly owned local servicing and the supply of components was done by privately owned companies mainly in Ontario. The union is worried and the people of Canada should be worried about how much of that local servicing will continue to be done in Canada.

Lastly, the research and development that was done when the company was publicly owned, how much of that will be done in Canada? There may be more jobs. But it seems to us, and it seems to the union, that there will be a repetition of what happened in the automobile industry. Yes, there are more jobs in the automobile industry now than there were before the Auto Pact. But there is virtually no research and development in the auto industry done in Canada because it is all concentrated in and around the head offices of the multinational corporations that have plants in Canada.

It is also worth noting that until now the Government has concentrated its privatization efforts on some of the smaller corporations which were publicly owned. We saw the Government dispose of Canadian Arsenals; now it is proposing to dispose of Eldorado Nuclear. There is no evidence that the Canadian public wants the Government of Canada to privatize the major Crown corporations.

There was an Environics poll published earlier this month in *The Globe and Mail* on March 5, 1988, on the question of selling Crown corporations. When asked in this national poll whether the Government should or should not sell Air Canada, 31 per cent of Canadians indicated that they believed that the Government should, but 51 per cent indicated that they opposed the sale or privatization of Air Canada. When asked the same question about Petro-Canada, 33 per cent of Canadians supported the idea that Petro-Canada should be sold, and 50 per cent opposed the sale of Petro-Canada.

Therefore, we do not say that we are opposed to any privatization. We say that we are opposed to privatization for the sake of privatization. We say that the Canadian public agrees with us in that approach.

Let us look at Eldorado Nuclear as a company. As the Minister indicated, it was formed in 1942 and acquired by the federal Government shortly after that. Very quickly the federal Government of the day realized the implications of nuclear energy, and used the declaratory power it had to assume jurisdiction in this sector. This was a very significant step, one that should not and was not undertaken lightly. Similarly, the step that the Government is now taking to get out of the active mining and processing of uranium in Canada is also one that should not be taken lightly. We intend to debate this question seriously, and when it goes to committee to ask for and to demand very precise answers to many of the questions which we believe need to be asked.

There are profound nuclear, environmental, competition and public policy issues which have to be faced. It is our contention that the Government has not addressed any of those problems in Bill C-121.

By leaving the uranium field the Government, by its own admission, no longer wishes to be involved in discovery, mining, or processing of uranium ore for which Canada is one of the leading sources in the world, if not the major source. If this Bill is passed, the Government is contending that it will leave a complete regulatory scheme in place through the Atomic Energy Control Board and federal regulation. It loses the hands-on experience with uranium, particularly with the high grade uranium ores found in northern Saskatchewan. Given the experience in other countries and in other jurisdictions, we maintain that this is a very serious derogation of the authority and control which any federal Government should exercise in this area.

Message from the Senate

Since this Bill leaves the responsibility for dealing with nuclear waste largely with the federal Government, it is appropriate to ask why the experience in dealing with uranium ore is being forgone. Indeed the disposal of nuclear waste is the nuclear nightmare which must be addressed now. I must admit that the question of the disposal of nuclear waste has not been a major problem for me personally. However, the Minister knows that there is a great deal of concern, apprehension, and opposition to the experiments being conducted in Manitoba which many people believe will lead, if they are not prohibited, to the disposal of nuclear waste in that province. Again, as the Minister knows, there is a great deal of opposition to that in the Province of Manitoba.

• (1640)

The Eldorado waste disposal sites in the Port Hope uranium refinery area are operating on a year by year basis and no replacement has yet been found. This question must be resolved quickly, yet the Government is content to get rid of the corporation without addressing this pressing question. I say to the Minister that we will insist upon much more detailed answers than the few blithe words with which she seemed to dispose of this very important and serious question during her discussion of the Bill.

Does the inability to find new waste sites or even deal with the problems at the existing Welcome site, which is now closed, and the Granby site, which is now open on a temporary basis, say something profound about the future of uranium mining and the use of uranium in Canada, if not in the world?

I ask the question because this problem is not only causing concern in Canada but is causing tremendous concern, apprehension, and debate in the United States. We have received no answers from the Government. It seems to be sloughing off the question altogether.

Is the issue of uranium wastes so fraught with danger that a drastic scaling down, if not phasing out, of uranium use is likely to be in the cards? We do not know, but we certainly think that the matter needs to be discussed. Many responsible people believe that this is so.

The federal New Democratic Party has consistently called for a full-scale investigation of the nuclear fuel cycle and has appointed two caucus Members, the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) and the Hon. Member for Vancouver—Kingsway (Mr. Waddell), to address the question They have been travelling across the country, holding hearings, and meeting with people who are involved and concerned. This is something that should have been done by the Government before it brought forward the proposal. Members of my Party regard the question as a serious one.

The Acting Speaker (Mrs. Champagne): Unfortunately I must interrupt the Hon. Member at this time. He will be allowed to continue later.

MESSAGE FROM THE SENATE

The Acting Speaker (Mrs. Champagne): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following Bills: Bill C-119, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1988; Bill C-120, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1989; and Bill C-116, an Act to amend the Unemployment Insurance Act, 1971.

THE ROYAL ASSENT

[*English*]

The Acting Speaker (Mrs. Champagne): I have the honour to inform the House that a communication has been received as follows:

Rideau Hall
Ottawa

March 29, 1988

Sir,

I have the honour to inform you that the Honourable Gerald Eric Le Dain, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 29th day of March, 1988, at 4:45 p.m., for the purpose of giving Royal Assent to certain Bills.

Yours sincerely,
Léopold H. Amyot
Secretary to the Governor General

GOVERNMENT ORDERS

[*English*]

ELDORADO NUCLEAR LIMITED REORGANIZATION AND DIVESTITURE ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-121, an Act to authorize the reorganization and divestiture of Eldorado Nuclear Limited and to amend certain Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mrs. McDougall: Madam Speaker, I rise on a point of order. I did not want to interrupt the Hon. Member for Winnipeg North (Mr. Orlikow) earlier, but since there has been an interruption I should like to point out that he began his remarks by saying that he had not had sufficient notice of the Bill today.

I would like it on record that he was offered, and I think received, a full briefing from my officials on Friday and that the Bill was on the Order Paper this morning at nine o'clock as a back-up Bill.

The Acting Speaker (Mrs. Champagne): Resuming debate, the Hon. Member for Winnipeg North (Mr. Orlikow).

Mr. Orlikow: Madam Speaker, let me just say that there seems to have been a breakdown in communications among the House Leaders, because this Bill was not on the list of business for today which we received. I did not know about it, as I said, until two o'clock.

In the course of her discussion the Minister said that the jobs of the workers in the industry would be protected and that, as a matter of fact, there might well be more work. We have heard that before, but if there are questions about safety and decisions about scaling down the operations, which there may well be, we can foresee the privately owned industry saying that it cannot afford to scale down its operations because earnings will be lost and so on. What if the federal Government were to close its operations for the sake of safety?

Another problem is that at the present time all uranium ore produced by Eldorado is at the Port Hope refinery, the only uranium refinery in Canada. Any company wanting to ship unprocessed uranium must apply for an individual exemption. It already has a partner, the Saskatchewan Mining Development Corporation, which is shipping unprocessed uranium. No doubt pressure will be exerted to continue and to expand this exemption. How can the Government insist that upgrading continue when the company which is expected to uphold this policy no longer supports it? It may not be in its financial interest.

I should like to say something about the supposed competitive aspects of the new merged company. Nothing has been more troubling to the federal Government in recent years in this field than the identification and participation of Canada in a uranium selling cartel from 1972 to 1979. We have been given joint credit for starting the cartel with Australia and other participants including South Africa, France, and the multinational mining company, Rio Tinto Zinc. In just three years the price of uranium yellowcake went from $7 to $42 per pound and then collapsed when the cartel disbanded. Needless to say it was not a secret that there was a cartel.

In fact, the Combines Investigation Branch conducted a four-year investigation which ended with a report that was sent to the Department of Justice in 1981, when we had a Liberal Government. Despite demands by Members of Parliament who are now on the government side but were then in the Opposition that the report be made public, it was not done by the former Government. Now that former Members of the Opposition, the Conservative Members, are on the government side, they are adopting the same silent treatment that the former Liberal Government used. This is just another example showing that there is really not much difference between the two sides.

• (1650)

In order to dispel any notion that this merger will make cartelization of the Canadian uranium industry inevitable, we believe that the report which was brought down in 1981 must be made public. Anyone following events in the uranium industry knows that Denison Mines made an offer to purchase Eldorado and was refused and that Denison holds profitable supply contracts with Ontario Hydro and would dearly love to have access to the low-cost uranium available from northern Saskatchewan. There is nothing to prevent Denison Mines from purchasing a significant percentage of the shares of this new company when both companies which are publicly owned are privatized.

Despite the provisions for restricting individual shares in the new company to 25 per cent, it is not hard to see a takeover by like-minded partners once shares are on the public market. The idea that the newly formed corporation will remain a widely held one flies in the face of the takeover activity so obvious on world stock markets in the past few years.

THE ROYAL ASSENT

[*English*]

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

> Madam Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Madam Speaker with the House went up to the Senate chamber.

• (1700)

[*Translation*]

And being returned:

The Acting Speaker (Mrs. Champagne): I have the honour to inform the House that when the House went up to the Senate Chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following Bills:

> Bill C-116, an Act to amend the Unemployment Insurance Act, 1971—Chapter no. 8.
>
> Bill C-119, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1988—Chapter 9.
>
> Bill C-120, an Act for granting to Her Majesty certain sums of money for the Government of Canda for the financial year ending the 31st March, 1988—Chapter 10.

PRIVATE MEMBERS' BUSINESS—BILLS

[*Translation*]

CONSUMER PACKAGING AND LABELLING ACT (BILINGUALISM)

MEASURE TO AMEND

Mr. Jean-Robert Gauthier (Ottawa—Vanier) moved that Bill C-280, an Act to amend the Consumer Packaging and Labelling Act (bilingualism), be now read for the second time and referred to a Legislative Committee.

He said: Madam Speaker, I wish to thank the Hon. Member for Kamloops—Shuswap (Mr. Riis) for his kind words in support of this Bill and to tell him that we all recognize the major contribution he has made by his consistently positive comments about official languages and the concern he has always shown for the official languages of Canada.

Madam Speaker, I introduced Bill C-280 on February 8, 1988, because after reading Bill C-72, which is now being considered by the House and which was examined in Committee this very afternoon, as I know from spending a good part of the day there, I could find no provision dealing with consumer packaging and labelling. After having noted this omission, I prepared the Bill on labelling now before the House. Some people might think it coincidental that this Bill should have been introduced at the same time as we began debate on second reading of Bill C-72, in which many Canadians have expressed a lot of interest. I must tell you, Madam Speaker, that it is no coincidence, because those who depend on coincidence in politics do not last very long.

In fact, Madam Speaker, I introduced this Bill precisely because, as I said earlier, Bill C-72 to amend the Official Languages Act does not deal with the important issue of consumer labelling. Yet, I believe that labelling is important as it concerns public safety and the right of the Canadians to know what a consumer product contains, and also to obtain this information in their own official language, because we must not forget that, according to relatively recent figures, there are in Canada 4,200,950 unilingual Francophones, 13,804,195 unilingual Anglophones and 3,681,960 bilingual people. These figures were given to me by Statistics Canada. I mention them because we must not forget that, in this vast country, consumer products which are sold and manufactured in one region or province are often transported and consumed elsewhere and must be labelled properly if Canadians are to be well-informed about their contents.

In many cases, the packaging and labelling of consumer products probably represents the first contact many young Canadians have with the linguistic duality of their country.

• (1710)

Everywhere, in their consumer environment, young people see, read and gradually absorb this reality of our society. They realize that in Canada, there are two official languages, two main languages. Many seldom or never hear the other official language. But the simple fact that it is there on a package of corn flakes or in the instructions provided with a toy or a tool that is used on a daily basis, such as a farm implement or a mower, the fact that instructions are available both in English and French has, in my opinion, a bearing on Canadians in their daily lives.

When bringing forward this bill, my intention was not only to provide young Canadians with a reason to learn the other language that they see on their corn flakes in the morning, as I said earlier, although the idea isn't bad since for many of these people, this would be an enriching experience. No, this is not the only purpose of this Bill. In fact, my first and foremost reason was to preserve labelling and packaging requirements by removing them from the discretionary regulatory field and putting them right in the Official Languages Act, where I think they would be sheltered from any arbitrary decision of the Governor in Council.

Madam Speaker, I felt the need to include these requirements in legislation because I was concerned. Canadians do not usually show much interest in regulations, in general, they don't really know who makes them, who controls their implementation or who amends them from time to time. Given that the Government committed the country to a free trade with the U.S., I thought it would be wise to include in legislation the requirement that consumer products provide Canadians with instructions in both English and French. As it has been said in the House on several occasions and as I have mentioned various times, the trade agreement could well deal a death blow to the specific character of Canada, unless we are careful to ensure by way of legislation that consumer products are labelled in French as well as English. Indeed, to my knowledge, there is no legislation covering consumer products, apart from those Acts which deal very specifically with medical prescription products and dangerous products, explosives, I believe. The Official Languages Act, in any case, contains no provision dealing with this matter.

As I was saying, Madam Speaker, it is no coincidence that I have tabled Bill C-280. I waited to make sure that Bill C-72 contained no provision with regard to labelling. Such is the case. There are therefore no provisions, either in the present Act or in the new one, with regard to labelling and packaging and in my view, it would be a good thing to include them.

As I said, there are provisions dealing with labelling under the regulations pertaining to paragraph 18(1)(j) of the Consumer Packaging and Labelling Act, whereby the Governor in Council may make regulations in matters pertaining to bilingualism. Section 6 of the regulations on packaging and labelling of consumer products deals with prescriptions and exemptions relating to bilingualism in labelling.

We should note that Section 6 contains several exceptions to the rule requiring that the information shown on the label of a prepackaged product be in both official languages. They deal

with test market products, specialty products, greeting cards, books, talking toys, and games in which a knowledge of the language used is a basic factor essential to the use of the game. The Bill keeps those exceptions in order to maintain consistency throughout the legislation. That means that a whole series of regulations relating to bilingual labelling, made under other Acts and applicable to particular items, would also be exempt under Bill C-280. This is the case, for example, of baby carriages and prams, products containing petroleum distillates or pine oil, liquid cleaners for drains, and charcoal, under the Hazardous Products Act. The Explosives Act also contains standards, as well as the Radiation Emitting Devices Act and the Shipping Act.

Bill C-280 is not intended to upset completely the labelling system, but rather to strengthen the regulations by incorporating them into law. Thus, the labelling in English and French would no longer be required by regulations made by the Governor in Council, but by an Act of Parliament duly passed at all stages.

All this stems from the trade deal between the United States and Canada, which raised concerns as to its impact on the Canadian policy respecting bilingualism. Indeed, many are concerned that regulations on bilingual labelling may not be honoured by the United States who could invade the Canadian market with products labelled in one language only or who could consider regulations a commercial barrier and could perhaps . . .

M. McDermid: It is not true!

M. Gauthier: . . . I said perhaps could bring the issue to court. I heard the Hon. Member saying that it is not true. He may want to take part in the debate and correct perceptions. I said there is a perception. Interested parties have told me it is a possibility. That's why I am raising the issue. That is also why, by incorporating that labelling and packaging measure in the Official Languages Act, we could give it precedence over any future legislation arising from the trade deal under Section 3 of the present Act.

Madam Speaker, we know that, unlike an Act, regulations can be amended anytime by the Governor in Council whereas an Act must follow the various stages of the legislative process and be approved by members of both Chambers. Bill C-280 aims at ensuring that only a Parliamentary majority can legislate on that vital element of our Canadian culture and identity.

Out of respect for present regulations and the industry that has adjusted so well to them, I do not and will not propose amendments to the regulations. They are incorporated without any change in the Bill, except that the French version has been amended to correct some flaws in content and form. I sought legal advice on that and was told to tighten up and amend the French version to make it more accurate.

Madam Speaker, that explains the absence of sanctions in the Bill other than those already existing, that is those provided in sections 15, 16 and 17 of the Consumer Packaging and Labelling Act regarding seizure, detention and forfeiture of consumer goods where the legislation or regulations have been violated. These would continue to apply and thus would ensure respect of the legislation. Again, as I said a moment ago, it is out of respect for the existing regulations that I decided not to add any new sanctions in the Bill. Since the present system is working, it would seem unwise to change it now and, above all, to launch a full debate on these amendments which would result in delaying passage of Bill C-280.

Madam Speaker, the bilingualism issue has achieved considerable progress these past years, through the impetus given by successive governments. First and foremost, Bill C-280 is aimed at preserving these advances in the labelling area. Time and experience have led us, Canadians, to consider as granted the fact that throughout the country our products are identified in both official languages. It is not sure whether the Americans, with the trade liberalization between our two countries, would show the same amount of good will.

Since the government did not incorporate into the trade deal clauses providing that our labelling regulations be recognized as an integral part of our cultural identity, it was necessary to proceed otherwise. A lawsuit brought under the dispute setting mechanism could easily jeopardize the obvious efforts that we have made in the labelling area.

If this bill is passed by the House, we would enjoy some form of protection since Canadian legislation is protected by the free trade agreement and particularly since the Government will be reassured, I think, concerning trade between both countries. If, Madam Speaker, pressures exerted by Americans were ever strong enough to cause us difficulties in that area of labelling and packaging, the Government would only have to say that the Canadian law prevails as passed and that the policy of the Canadian Government is to the effect that the labelling and packaging are done in Canada in both official languages.

I think, Madam Speaker, that this bill is reasonable. I do not intend to shake up or disturb anyone. There are no major changes here, except that it is time, I think, to incorporate into the law the whole question of labelling and packaging in order to ensure future continuity in that area in Canada.

• (1720)

[*English*]

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Madam Speaker, I rise to speak in this debate today not only because I am interested in the subject, but also because of the free trade implications which the Hon. Member has brought to the floor of the House. He has left some misconceptions which I hope to clear up.

Bill C-280, introduced by my hon. friend, the Hon. Member for Ottawa—Vanier (Mr. Gauthier), purports to help consumers by transferring the requirements for the bilingual labelling of consumer products into the Act itself, rather than leaving them enshrined as regulations under the Act. It was I who interrupted his speech by saying "*C'est n'est pas vrai*" because what he was saying was not true. I hope I can convince him that the free trade agreement in no way will jeopardize our high Canadian standards for consumer information and protection.

Presently, we have free trade in about 80 per cent of the products in which we deal with the United States. The Hon. Member raises the fear that the Americans will come here and insist upon unilingual packaging. I assume they would have done that long before now.

The needs of bilingual labelling are already being fulfilled on a uniform basis across Canada by regulations under the Consumer Packaging and Labelling Act. These regulations have the full force of the law.

Both I and the Government fully support current statutory and regulatory requirements for bilingual labelling of consumer products. The changes proposed in Bill C-280 are purely cosmetic and totally unnecessary.

Let me point out why. I believe the Hon. Member admitted today that the Government has a full, firm and unwavering commitment to bilingualism. It has made public statements regarding free trade and its impact on bilingual labelling. There is a self-evident lack of any rationale whatsoever for change. As well, the present regulatory structure has been operating for almost 20 years, with no operational failures or glitches.

The Minister of Consumer and Corporate Affairs (Mr. Andre) recently released an assessment of the effect of the Canada-U.S. free trade agreement on Canadian consumers. This assessment is a sound, objective and scholarly study of free trade's impact on consumers. I want to congratulate the Minister and his department for producing this information.

This assessment addressed the specific question of the potential impact of the free trade agreement on Canadian technical standards for consumer information and protection. It noted that the free trade agreement will benefit consumers by allowing for increased consumer access to imports, where technical standards unnecessarily restrict U.S. imports. In this way, the provisions of the agreement concerning technical standards ensure that consumers will realize the potential benefits from the elimination of customs tariffs.

Canadian consumers will receive the benefit of greater access to U.S. products, and at the same time under the agreement, in the words of the assessment: "Consumer information and protection is accepted as a legitimate reason to maintain technical standards. Thus, Canada's consumer information and protection legislative provisions will remain in place to protect consumers".

Canada's standards for consumer protection and information, including requirements for bilingual labelling, are among the highest in the world. This Government intends to see that they stay that way. This is not just in the area of bilingual labelling, but across the full spectrum of consumer protection and information.

For example, under the free trade agreement, bilingual labelling, as required by Canadian law, is not affected. The Consumer Packaging and Labelling Act will continue to ensure that Canadians can determine whether a product is of Canadian or U.S. origin. Canadian health and safety symbols such as the hazardous product symbols will not be affected. Canadian safety standards that exceed those in the United States, such as our crib standards, will not be relaxed.

In short, the position of the Canadian consumer after free trade comes into effect can be summed up quite simply: under the Canada-U.S. free trade agreement, Canadian consumers will be safeguarded by standards that are equal to or higher than those they enjoy now.

If the Hon. Member who introduced Bill C-280 were really serious about safeguarding the interests of the Canadian consumer, I believe he would be supporting the free trade agreement rather than opposing it.

When the agreement is fully implemented in January, 1998, Canadian consumers will reap a number of important benefits. A number of consumer gains can be expected when customs tariffs which we are currently paying on U.S. goods are completely eliminated, as they will be under the agreement. The cost of living of low income families will decline by 3 per cent, or about $325 a year. The cost of living for middle and high income families will decline by 2 per cent, or about $800 a year. The average family of four will save between $85 and $130 annually on food expenditures. The increased competition from imports will improve the price, quality and variety of all consumer products, including those produced in Canada.

As these facts and figures indicate, Canadian consumers will benefit tremendously from free trade, while high Canadian technical standards designed to protect the consumers' interest, including our bilingual labelling requirements, are maintained.

There is no need to amend the Consumer Packaging and Labelling Act. Under the regulations we have now, Canadian consumers are provided with bilingual labelling. This Government does not intend to tamper with success. For example, since I am working on my French, this weekend I assembled a wardrobe according to the French instructions. Those requirements for bilingual labelling with be maintained. This success has continued for 20 years. Our Government guarantees that Canadian consumers will continue to have the bilingual labelling information they need, and to which they have every right.

Bill C-280 will not improve the access that Canadians have to bilingual labelling under this Government. In fact, it may

well jeopardize it by needlessly tinkering with a system that is already working very well. The Bill deserves to die on the Order Paper.

• (1730)

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I appreciate the opportunity to say a few words on Bill C-280, which has been presented to the House by the Hon. Member for Ottawa—Vanier (Mr. Gauthier).

An Hon. Member: A very distinguished gentleman.

Mr. Epp (Thunder Bay—Nipigon): Yes, I agree he is a very distinguished Member. After all, as a colleague of his, working on the Joint Standing Committee on Official Languages, we have become well acquainted and I have developed a good deal of regard for the Hon. Member for Ottawa—Vanier. It is perhaps worth noting that the *Ottawa Citizen* shows that this is a good day to say a few words about *M. Bilinguisme* in its paragraphs about his work in the Province of Ontario in advancing education for Franco-Ontarians and pressing for immersion programs for the English-speaking, and so on, which are important parts of his political and public career.

Mr. McDermid: Hear, hear!

Mr. Epp (Thunder Bay—Nipigon): I think I hear the Parliamentary Secretary echoing my comments. Because I was at committee I arrived a little late so I unfortunately did not catch the Parliamentary Secretary's first comments, but his notes probably did not include these compliments, so it is a pleasure now to pass them on indirectly from the Parliamentary Secretary.

I did arrive in sufficient time, however, to catch the suggestion of the Parliamentary Secretary that the Bill is unnecessary and to listen to his reassurances that the achievement of a trade arrangement with the United States, which will have all kinds of radical impacts on the Canadian economic, social and political system, did not represent a threat to one of the very important commercial aspects of bilingualism in Canada, the regulations, in fact, which require labelling and packaging of items in English and French.

I must confess that I am not nearly as sure as the Parliamentary Secretary. The Government's performance in these areas has not often been reassuring. When I think of the activities of the Minister of Consumer and Corporate Affairs (Mr. Andre) in particular, or as he is labelled unofficially, the Minister for consumer loss and corporate profit, I think of his efforts on behalf of the International Pharmaceutical Manufacturers. The Government's intention was allegedly entirely distinct from any pressure from the United States, or from any kind of link to the bilateral negotiation carried on with the United States. Here was a good thing which the Canadian people would have to accept. Here was a necessary change. The licensing provisions under which drugs could be manufactured in Canada by generic producers were so objectionable, presumably, to the Canadian people that they simply had to be changed. The Canadian people did not have to worry about the consequences of it. The result would not be higher drug prices.

But in fact, once the changes were made, Canadians experienced far higher drug prices. Very steep increases in drug prices have occurred just within the last few months and it has become clear in the last months of the bilateral trade negotiations that in the American mind, these changes in the pharmaceutical and manufacturing licensing provisions were part of the negotiations.

The Canadian office involved with these trade negotiations desperately sought to get these provisions off the record, removed from the final documents. The fact that they were in other documents certainly allowed one to infer that they had been part and parcel of the whole thing. If it was not being done to satisfy the American administration and international pharmaceutical manufacturers, it certainly was not being done for the advantage of Canadian consumers, not by a long shot. It is all too likely not to be done to the advantage of Canadian scientists or researchers either, because the changes, we are told by the pharmaceutical manufacturers themselves, are not going to lead to any great increase in research in Canada. We have been sold a bill of goods by the Minister for consumer loss and corporate profit.

A Government which is capable of pulling off that kind of stunt is capable of exactly what the Hon. Member for Ottawa-Vanier is suggesting in the speech he made in support of this Bill. A Government that does that is capable of doing away with the regulations under which Canadian manufacturers have been operating. It is recognized that if there is this great change in our trading relations with the United States, if the agreement is actually carried through, if tariffs drop, there is surely going to be a significant increase in trade into Canada of grocery products.

Canadian producers of agricultural products, which are processed to make many of these grocery products, have expressed concern about that. Surely, it was very convincing to have the head of the McCain foods manufacturing empire, which began in New Brunswick and has spread out across the country, telling us that the consequences of this trade deal were going to be very serious for Canadian agricultural producers. The survival of our supply management programs, the maintenance of prices for Canadian producers, will be made very difficult under the pressure of products coming from the United States. What he was saying was that he himself supported our marketing board arrangements, and the pressure he would be under he saw as having only the most serious and detrimental effects on Canadian agricultural producers. If in fact we maintain our marketing boards and keep our prices as we want, the result will surely be the undercutting and the flowing in of products.

The Government seems to be completely committed to the idea of vastly increased trade. In those circumstances, when the Government comes under pressure from American producers of grocery products and other items which are

affected by this legislation, who want to get into the Canadian market and who are going to be attacking every single item that impedes their free operation in Canada, surely the pressure will develop in the area of regulations.

The Parliamentary Secretary shakes his head vigorously. It is, of course, in his political interest. He has been defending the trade agreement with the United States. It is always a good thing. He has had to talk the government line so much that the blinkers are very tight next to his head.

Mr. McDermid: We are talking bilingualism.

Mr. Epp (Thunder Bay—Nipigon): I am, too. I am speaking about the impact of increased trade—

Mr. McDermid: We are talking about the very foundation of this country. Come on, get serious.

Mr. Epp (Thunder Bay—Nipigon): —the pressure from American producers, their demands, that bilingual packaging is one of the impediments to their activity in Canada.

Mr. McDermid: Nonsense. It is not true.

Mr. Epp (Thunder Bay—Nipigon): Given the lack of principle we have seen in the case of the Minister for consumer loss and corporate profit, in his activities on pharmaceutical drug licensing, we have every reason to want to take the regulations under which these things are done in Canada and put them into law. We have every reason to want to make these provisions, which are important to commerce, which are absolutely vital to the purchasing of products by Canadians who are unilingual and French, into law. It is absolutely essential that the products be made available to them in both languages. We want to be sure that that is going to stand forever. The way to do that is to have it in law. This Parliament has to change the legislation, not simply leave it to the regulations and to the activities of the Cabinet.

Mr. Murray Dorin (Edmonton West): Mr. Speaker, I would also like to address my remarks on Bill C-280 to the underlying premise that has been suggested as presenting a need for the Bill. I want to say that I disagree completely with the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) and his suggestion as to why this Bill should be considered. I also want to take issue with the Member who presented this Bill, the Hon. Member for Ottawa—Vanier (Mr. Gauthier). As has been said previously, Canadian consumers enjoy the benefit of a highly developed system for protection from inferior and unsafe products, and for the provision of information regarding the packaging and labelling of consumer products. These requirements are known as technical regulations.

• (1740)

Many people consider Canadian technical regulations for consumer information and protection to be among the best in the world, and they are. The present system evolved over 18 years since the Consumer Packaging and Labelling Act was first introduced in 1970. In fact, there are some deficiencies and some voids in that legislation. Bilingual labelling is not one of them.

Earlier on this year I offered my own motion during Private Members' Business regarding consumer labelling. It was Motion No. 86. It dealt with drug labelling and the need for total and complete labelling of all the ingredients in prescription and non-prescription drugs. That motion was debated in the House on August 18, 1987, just about a year ago.

As a result of that motion I appeared before the Standing Committee on National Health and Welfare and explained the need for the implementation of my motion. The Minister also appeared. It is likely now that both the industry and the Government will work toward bringing the provisions of my motion forward. I hope to have more to say about that subject one of these days. Notwithstanding some of the voids, such as the one I pointed out regarding the need for complete and total labelling of all the ingredients in a product on the package, with respect to the packaged foods we buy or whether it be prescription or non-prescription drugs which currently do not necessarily include all of the ingredients, our consumer laws are still among the best in the world.

The Hon. Member for Ottawa—Vanier would have us tamper with a system for consumer protection that has been working perfectly well for more than a decade and a half. He does so not to improve the requirements for consumer information but suggests that somehow the requirements that we now have should be rewritten and the format placed in law rather than the technical regulations which outline them.

There is absolutely no need for that to be done. The Hon. Member has introduced a justification that somehow by placing these factors in an Act of Parliament they will not be vulnerable to modification or non-compliance as a result of the recently concluded and soon to be implemented Canada-U.S. Free Trade Agreement. I find it rather strange that the Leader of the Party of the Hon. Member who presents this Bill travels around the nation making speeches about how he will tear up the agreement should he ever become Prime Minister. If we were to take him seriously then we would have to conclude that if we accept the premise of this Bill then the Hon. Member must be suggesting that he has very little confidence that his leader, the Hon. member for Vancouver Quadra (Mr. Turner), will become Prime Minister. Obviously, if that were to occur there would be no need for this Bill.

There is no need for this Bill because frankly, the present Consumer Packaging and Labelling Act provides the statutory basis for the bilingual labelling of consumer goods. The Act and its regulations quite properly reflect the linguistic requirements of Canada. Most consumer pre-packaged products must display mandatory labelling in both French and English. This is equally true for goods of Canadian and foreign origin.

Canadian consumers have the right to full and complete information about the products they buy in both official languages. As consumers we must all be able to make informed and intelligent decisions in the market-place. To do so we need information. We should be able to obtain that information in whichever of Canada's official language we are most comfortable with. The Consumer Packaging and Labelling Act guarantees certain mandatory information. The regulations requiring bilingual labelling ensure that this information is provided in both French and English.

As I said, this system has been working well since the Act was passed in the early 1970s. It is consistent and is familiar to business and industry, both foreign and domestic. Suppliers know what is required of them. They have been providing bilingual labelling information to meet this requirement. In fact, I suggest they would do it as a consumer marketing device even if it were not required.

Why introduce an unnecessary change and uncertainty into a well functioning system? The reason it has been advanced for tinkering is that somehow it has something to do with the free trade agreement. The Hon. Member for Ottawa—Vanier wants to advance by hint, implication or innuendo the totally false idea that bilingualism will be affected by the free trade agreement. He does so presumably to undermine the strong and growing support for the free trade agreement as the benefits become known and understood by Canadians.

It is likely that the free trade agreement will be the best thing that ever happened to the Canadian consumer. Tariffs on American consumer goods will be totally phased out when the agreement is fully implemented. Consumers will save significantly as a result. The average consumer will likely save in the order of $500 per year. It has been suggested by the Minister of Consumer and Corporate Affairs (Mr. Andre) that the cost of an entire household of goods, services and appliances could be reduced by as much as $8,000. Consumers will also save because Canadian-made goods will be cheaper in price as our manufacturers gear up to access the huge American market. Service will also improve the competition, as will the choice and availability of products in the market-place.

Yes, the lot of Canadian consumers will change dramatically under free trade, and change for the better. But one thing that will not change as a result of free trade is the consumers' right to product information on pre-packaged goods in both English and French.

Bilingual labelling, as required by Canadian law, is not affected by the Canada-U.S. Free Trade Agreement. Despite the arguments that have been suggested here today the Government has gone on record to assure Canadians that those labelling requirements will remain an integral part of our consumer protection regulations.

The Hon. Member who sponsors this Bill has long been a promoter and staunch supporter of bilingualism. In fact, today in the local newspaper, *The Ottawa Citizen*, he was referred to as Mr. Bilingualism. I suggest he has nothing to fear as a result of the free trade agreement. If he wishes to further the interests of the Canadian consumer then he should be working to support the Canada-U.S. free trade agreement. However, it seems that he is using his professed ideals of bilingualism as a stalking horse to attack the free trade agreement and to induce confusion. As a result, he does a disservice to the interests of Canadian consumers.

This is an unnecessary piece of legislation that would do nothing to enhance bilingualism and do nothing to improve things for Canadian consumers. I suggest that the Bill be rejected.

• (1750)

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I am pleased this afternoon to take part in this discussion on Bill C-280 introduced by our distinguished colleague, the Hon. Member for Ottawa—Vanier (Mr. Gauthier) and which is entitled: An Act to amend the Consumer Packaging and Labelling Act (bilingualism).

Madam Speaker, I heard with great interest the speeches made in the House especially by Tory members, although I have also listened to the speech made by our NDP colleague. His comments were quite relevant, but I cannot say the same of those made by Tory members because I do not understand their way of thinking on that Bill.

Madam Speaker, some members maintain today that we should not amend the present legislation because we should not try to fix something that is not broken. It is a rather interesting way of thinking. We could say likewise: "Why did we sign a free trade agreement; our trade relations were surely not broken, so why fix them?" Moreover, I think that the word fix would be somewhat exaggerated under the circumstances since, as we know, the trade deal has almost nothing good to offer Canadians. In fact, the agreement itself will be disruptive instead of fixing things up.

Even those who approve the trade deal, and there are very few, would agree with me that the Government has fixed what was not broken.

Therefore, it seems that this conservative way of thinking, this traditional approach that one must not touch anything, does not apply to the free trade agreement. And it does not apply either to Bill C-280 brought forward by our distinguished colleague from Ottawa—Vanier, I suppose.

Madam Speaker, we are told that the present legislation is adequate since it did work for a number of years. It is a fact that this legislation introduced by a Liberal Government has been on the books for a long time. Besides, it was a good measure introduced by a Liberal Government which I would like to commend for what it did in order to have labelling of consumer products in both official languages in our country.

That legislation did encounter some resistance at the beginning from people who complained about the complications and the difficulties they were likely to face at breakfast time since they would have to turn over their Corn Flakes box to read what it says. That was a hard thing to get used to for those poor people. They have all my sympathy, as you can understand, Madam Speaker.

But once they recovered from that serious ordeal, they finally got used to this new legislation or these new regulations on bilingual labelling of consumer products.

And these regulations have been in force since then, but then they were not questioned at all. The only problem came from those few Canadians who did not want any bilinguism at all, but I think that the majority of Canadians agreed, that many in fact were happy when we finally had bilingual labelling in Canada.

However, the situation is different today. We are faced with the threat that comes from the Prime Minister's (Mr. Mulroney) free trade agreement. And I see that the opposite Member does not seem to be absolutely convinced that free trade poses a threat. But we all know that the free trade agreement makes no mention at all of bilingual labelling of consumer products. But we also know, Madam Speaker, that one of the objectives of the agreement is to suppress barriers or so-called barriers to bilateral trade in goods and services between Canada and the United States.

The Agreement states and I quote:

> Each Party shall, to the extent provided in this Agreement, accord national treatment with respect to investment and to trade in goods and services.

This is what is stated in clause 105 of the free trade agreement.

A little further in the free trade agreement, in Chapter 6, Madam Speaker, under the title "Technical Barriers", it is stated that technical standards relating to products can sometimes constitute barriers to trade. Now, Madam Speaker, Americans are well known for their melting pot mentality; it is quite normal for them that everybody, not only in their country but everywhere in the world, speak their language. Since it is their language, if it is good for them it must be good for everybody; it is good especially for them, but according to their way of thinking it must be good for everybody.

On that basis how can we be sure that they will not consider our labelling standards as some kind of a barrier to trade? Will they say: You know, Canadians do not really need bilingual labelling? Americans might view this as a malicious attempt by Canadians to interfere with trade. They would then say that such a requirement is unreasonable. Some Members will reply that the Americans know better than that. Well, we have had dealings with them in the past. We know that they can be reasonable at times and not so reasonable at other times, that theirs is a rather insular country, and that they often forget that there are other people in this world.

Madam Speaker, article 603 of the agreement provides that neither party will maintain or adopt normative measures which would create needless obstacles to their bilateral trade. Of course, labelling in both official languages is quite useful. We, Canadians, would therefore not view this requirement as needless. However, to come back to what I said earlier, I am not at all convinced that the Americains would not view it as an attempt to disrupt the American trading system.

On the other hand, a preliminary comment in chapter 6, which is not included in the Agreement, states that no provision of the Agreement will prevent Canada from requiring the bilingual labelling of products on the condition that this requirement apply to both domestic and imported products. However, this is not included in the Agreement, but only in a sort of preamble. These are preliminary comments at the beginning of chapter 6. They are not included in any article of the Agreement itself.

Therefore, the Hon. Member for Ottawa-Vanier is now giving every one of us the opportunity to take practical action to reaffirm our commitment to bilinguism under the Act as concerns the labelling of consumer products.

As indicated earlier, Section 6 of the consumer labelling regulations now stipulate in which languages the information on consumer products must be written. However, these are only regulations, not an Act of Parliament. What the Hon. Member for Ottawa—Vanier is giving us today is an opportunity to take this action and to indicate clearly that we find this so important that it should be stated in an Act of Parliament rather than in administrative regulations established by Cabinet.

I therefore urge all my colleagues in this House to support the very useful proposal contained in Bill C-280.

[*English*]

The Acting Speaker (Mrs. Champagne): The time provided for the consideration of Private Members' Business has now expired.

[*Translation*]

Pursuant to Standing Order 42(1), the item is dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

INCOME TAX—FUNDING OF NDP MUNICIPAL ELECTION CANDIDATES—ISSUANCE OF RECEIPTS FOR TAX DEDUCTIONS

Mr. Alan Redway (York East): Madam Speaker, I can see by the look on your face that the last thing you wanted to hear

this evening is the story of my life. Brace yourself, Madam Speaker, because I am going to tell you just a little excerpt from my life history. I know that it does not really come as much of a surprise to you to know that before I stood for Parliament I served for 10 years as a municipal councillor in municipal government.

• (1800)

I served in my own municipality in Metropolitan Toronto as an alderman for four years and as a mayor of my community of East York for some six years. East York is one of the six cities which make up Metropolitan Toronto, and I had the honour of serving on the East York Council for some 10 years.

During that period of time I stood for election some five times. I can see, Madam Speaker, that you are thanking your lucky stars that you and I do not have to stand for election to this House every two years. However, I stood for election every two years at that time.

At the time of my very first election I remember thinking to myself where I would get the money from to afford my election campaign. Fortunately that very first time, although I had a lot of help—and I have had ever since—from friends, neighbours, and family who volunteered and helped me out free of charge—I had one neighbour, Charlie Greco, who tried to raise a little money for me. In fact, he raised the grand sum of something like $200. Together with other donations, during the campaign I received something like $300 in all.

I know, Madam Speaker, that you are as aware as I am that one cannot run an election campaign, even a municipal one, on something like $300. In fact, it costs thousands of dollars, not hundreds of dollars, for a campaign. I paid for it out of my own pocket, apart from the magnificent sum of $300 that I received in donations.

It is interesting to note that during that election campaign one main issue concerned development in my community and whether or not candidates were for or against redeveloping an industrial area in my community with high-rise apartments. I, as well as others, took a very hard stand against that redevelopment proposal. Out of that campaign as well came a question from the residents about whether I would accept money and donations from developers to run my campaign. Having taken the position which I did, it was obvious that there was no developer who would give me a single, solitary cent to help me in my campaign. This is another reason that I financed my campaign basically out of my pocket. That was my first election campaign.

I stood for another one as an alderman. At that time I again had to finance the campaign almost entirely out of my own pocket. In fact, nobody decided to take up a collection for me in that campaign. I guess they thought that I had been living out of the public trough, after all, for two years and that I must have amassed an enormous amount and did not need any financial help from other people.

After that I stood for mayor. As I know you are aware, Madam Speaker, a mayoralty campaign across a city costs an awful lot more money than an aldermanic campaign. Once again I had help and assistance from a couple of lawyer friends of mine. Jim Sintzel and Ed Jupp went around to friends, neighbours, and local businesses to see what they could do to raise some money for me. In fact they were somewhat successful, but certainly there was a substantial shortfall. It turned out again that I had to put my hand into my pocket to help finance the difference.

This is the way it was in my second mayoralty campaign and my third mayoralty campaign. Each time virtually all the funds came out of my own pocket. It did not come from other people. It did not come from developers. Basically I financed it myself, and none of the people who donated to my campaign expected to get a tax receipt from it. They all knew that they were not going to get a tax receipt which they could use to write off against their provincial or federal income taxes. They did not expect that at all. In fact, they assumed that it was actually illegal under the Income Tax Act and under the Election Expenses Act. Not only did they assume it was illegal but they assumed that it was certainly contrary to the intent and the spirit of elections legislation and of the Income Tax Act, for that matter, that they should get some sort of a tax benefit from this sort of thing.

• (1805)

What do you think my surprise was, Madam Speaker, when I learned that the NDP federal Party was actually giving tax receipts for donations to municipal NDP candidates in Toronto? The Party was giving federal tax receipts to people who made donations. It was a shock to me, a real shock, because this was coming from the NDP. The Leader of the NDP, the Hon. Member for Oshawa (Mr. Broadbent), is always critical of others, always self-righteous with others, always sanctimonious, always holier than thou and always beyond reproach. This was coming from the NDP, the Party led by the Hon. Member for Oshawa who is always critical of tax loopholes. In fact, it found a magnificent tax loophole and was using it to rip off the ordinary Canadians that the Party tells us it is championing.

Tonight I have one solitary question for the Parliamentary Secretary and one only. Will she permit the NDP and its Leader, the Hon. Member for Oshawa, to get away with this rip-off of ordinary Canadian taxpayers or is she going to do something about it?

Mrs. Claudy Mailly (Parliamentary Secretary to Minister of National Revenue): Madam Speaker, first I want to commend my hon. colleague for saying that he believes in the honest financing of election campaigns. I do not know if he is aware of this, but last weekend in Montreal, the Quebec wing of our Party voted on a resolution to exclude contributions from companies precisely to make the whole process of financing election campaigns very transparent and honest. If he is preaching to me, he finds in me a convert.

The very short answer to the Hon. Member's question is no, of course not. The Government of Canada could not stand by and see the Election Expenses Act and the Income Tax Act being contravened by anyone, let alone by a Canadian political Party, be it the NDP or any other Party.

The Hon. Member brought up a particular incident with the Minister of National Revenue (Mr. MacKay) which occurred back in December of 1987, and he is asking for a longer answer to that today. First I must tell him that confidentiality does not allow me to discuss particular receipts that might have been given for any particular contributions. All records having to do with the payment of income tax, as the Hon. Member should well know, are confidential. I cannot talk about any particular contribution, but I can tell him that the system is quite ironclad in terms of what constitutes a legitimate contribution to a political Party.

At the federal level, only contributions to a bona fide political Party will be recognized under the Income Tax Act. The receipt is issued on the basis that it is a direct contribution to a recognized political Party at the federal level for a federal election. If a complaint were to be made to Revenue Canada that certain receipts were issued for a certain candidate who did not run federally, the person who requested the receipt would find that receipt denied. If the receipt had already been given to that person under investigation, Revenue Canada would find that person in contravention of the Income Tax Act and the elections legislation. Therefore, very severe penalties would be applied.

• (1810)

I can assure my hon. colleague that if he is privy to any such information, Revenue Canada will consider it very seriously, as it would any request from any other Hon. Member.

ADMINISTRATION OF JUSTICE—CIA FUNDING OF BRAINWASHING EXPERIMENTS—REQUEST FOR *EX GRATIA* PAYMENT TO VICTIMS/REQUEST FOR GOVERNMENT ACTION

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise to once again draw to the attention of the Government of Canada a profound injustice which has affected a number of our fellow citizens. I refer, of course, to those Canadians who were victims of the CIA brainwashing experiments from 1957 to 1962 by Dr. Ewen Cameron at the Allan Memorial Institute in Montreal, Quebec. It was not until 1977 that evidence of these particular experiments became public and, as we know, too many Canadians were the victims of these terrible experiments.

The details are all too familiar to Canadians. For example, I would remind you of the case of Linda Macdonald who, between May 1 and September 12, 1963, was given more than 100 electro-shock treatments, kept in a drugged sleep for 86 days, and subjected to a long program of psychic driving. Of the many Canadians who were victims of Dr. Ewen Cameron's experiments, nine filed a lawsuit in the U.S. Federal Court against the CIA. Linda Macdonald was not one of those nine but she recently filed a suit against the Government of Canada in recognition of the fact that the Government had contributed a very substantial amount of money to these experiments by Dr. Cameron.

Earlier this year, on January 19, there was a ray of hope for the victims of these experiments because the U.S. District Court in Washington, D.C., ruled that all but one of the Canadian victims had the right to sue the CIA for the brainwashing experiments. Obviously this was a very positive and long overdue development. The victims had been waiting some seven years for that kind of development. However, there was then a very cruel and negative decision announced by the Government of Canada on February 12 to pay the sum of $20,000 for each of the victims to help defray their legal costs. The response to this offer was profoundly negative. Indeed, it was viewed as an insult by many Canadians, not the least of whom were the victims and their families.

[*Translation*]

For instance, Mr. Jean-Charles Pagé, who is 55 years old and was admitted in 1959 at the Allan Memorial for alcoholism, commented: We have been waiting for over seven years to get only this? It is very disappointing. Mr. Pagé, who lives in Saint-André, a community about 50 kilometres east of Montreal, claims that he was given electro-shock treatments and drugged, kept in a sleep for 36 days while his subconscious mind was bombarded with the same messages over and over again. He added that because of the memory lapses he has experienced from time to time due to this experiment, he has been unable to work for the past eight years.

[*English*]

George Cooper, who was commissioned by the Government to look into the responsibility of the Government of Canada in this matter, recommended the payment of an *ex gratia* amount of $100,000 to each of the victims. I would remind you as well that was despite the fact that Mr. Cooper, in an astonishing finding, held that there was no legal or moral responsibility on the Government of Canada for these terrible experiments.

• (1815)

Why the double standard in Canada? George Cooper himself received some $118,000 in legal fees. The Government paid over $650,000 in legal fees for Sinclair Stevens.

[*Translation*]

We heard recently that the Hon. Member for Saint-Jean (Mr. Bissonnettte) was going to seek an award to defray his legal costs.

Madam Speaker, I simply cannot understand how this Government can insult these victims by granting them $50,000.

[*English*]

I want to pay tribute, in closing, to the many Canadians who have consistently voiced their concerns about this tragic

situation, including the editorial collective of Phoenix Rising, Mr. Don Weitz and a number of his colleagues who have kept pressure on the Government seeking justice at last for these victims.

I call on the Government of Canada to recognize its responsibility to these victims, to recognize that $20,000 is an insult, a pittance, to pay the victims at least the $100,000 that was recommended by the Cooper Commission and, hopefully, to assist the victims far more in their lawsuit in the United States. Justice delayed is justice denied. For these victims justice has been denied for far too long.

[*Translation*]

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, I will not comment on the allegations the Hon. Member for Burnaby (Mr. Robinson) has made concerning two former Cabinet Ministers of our Government. Because I feel we are dealing here with a serious matter, Madam Speaker, I suggest we should concentrate on the issue.

The question raised by the Hon. Member for Burnaby is in connection with the assistance with which the Government of Canada has provided nine Canadians who are suing the Govermment of the United States.

As the Minister of Justice indicated in the House in his reply to the Hon. Member, he has been involved in negotiations with his colleague the Hon. Member for Winnipeg North (Mr. Orlikow), the Hon. Member's own House Leader as well as representatives of the people who are involved in this dispute.

The Government of Canada was aware of the circumstances which resulted in their very difficult legal case against the U.S. Government and, consequently, granted the nine people involved a level of assistance unheard of. It has made a great many diplomatic representations to the U.S. Government, transmitted documents and information, allowed some civil servants to testify, met the counsels for the plaintiffs, studied thoroughly the involvement of the Canadian Government, released all the information in its possession and given financial assistance to defray legal costs.

[*English*]

The Hon. Member has made reference to a recommendation by Mr. Cooper of an *ex gratia* payment of $100,000 to each of the nine plaintiffs. I presume this is a reference to Appendix 53 of Mr. Cooper's opinion which points out that demands for compensation by the Canadian Government may arise from some quarters despite the absence of any legal or moral responsibility, based on a broader social policy for spreading the risks inherent in medical research.

In Appendix 53 of his opinion Mr. Cooper provides a general discussion regarding the philosophical question of spreading the risk for medical research. He highlights some preliminary questions that would have to be addressed before a medical research insurance scheme could be seriously considered. Even then, if a payment were to be considered, Mr. Cooper emphasizes that individual payments must be limited to a maximum of $100,000. However, he does not in fact make a recommendation in favour of such a payment.

• (1820)

[*Translation*]

Madam Speaker, I should like to conclude by saying that, as the Hon. Member is well aware following the question he raised in the House in December 1987, our Government has provided nevertheless to the nine plaintiffs $180,000 to cover their legal fees.

REGIONAL INDUSTRIAL EXPANSION—OPPORTUNITY TO ESTABLISH SPACE AGENCY IN MONTREAL—QUERY WHEN GOVERNMENT WILL ANNOUNCE DECISION / AEROSPACE—MONTREAL—ECONOMIC SPINOFFS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Madam Speaker, I rise tonight following a question I asked to the Minister of Regional Industrial Expansion (Mr. de Cotret), which is of importance not only to Quebecers but also to Montrealers, concerning the location of the space agency in Montreal.

To my great surprise, and to the surprise of Canadians in general and Montrealers and the Government of Quebec in particular, the Minister answered at the time that the decision about the establishment of a space agency was tied to the federal Government's involvment in the U.S. space orbital station.

Madam Speaker, that statement was not consistent with the repeated statements of the Minister of State for Science and Technology (Mr. Oberle) to the effect that the establishment of a space agency was not tied to such a program, since the federal Government was already spending funds in communications or satellites or in other areas, and that it was important to centralize this agency to have a better sharing of contracts.

Then, the Prime Minister (Mr. Mulroney) contradicted his Minister and the Minister of State for Science and Technology once again contradicted his Minister, but meanwhile the Minister was forced to withdraw and to admit his mistake.

Unfortunately, as stated by the mayor of Montreal, Mr. Jean Doré, and by the Quebec Minister of Technological development, Mr. Pierre MacDonald, people are still waiting for an answer. The space agency should not be only an empty shell, but it should come with all the support staff and the economic spin-offs, as planned.

And at that time, during the Oral Question Period, the Minister of State for Science and Technology, told us that the sharing of contracts would be on a 35/35 basis, 35 to Quebec, 35 to Ontario. The reaction was very strong in Quebec. As far as we are concerned the answer is no, that kind of sharing is unacceptable because in Montreal and Quebec we have close to 57 per cent of the manpower in space technology and nearly 70 per cent of research investments.

So we find this attitude rather strange on the part of the Conservative Government which refused to split the frigate contracts when Quebec wanted to have two of them to save three shipyards in Quebec, namely Lauzon, Sorel and Montreal. The quality of manpower in the shipyards at Lauzon and elsewhere is second to none. At the time the federal Government turned thumbs down, with the result that Vickers had to close their yards, as did the shipbuilding section in Sorel.

Another rather strange thing, and I hope the Parliamentary Secretary will give us a more specific answer, is that they do not want to share some of the work in the automobile industry and in other sectors. As I am speaking, at a time when Quebec should be playing a leading role in the space program, they want to reduce the share which normally would go to Quebec as a means of restoring some sort of balance between Ontario and Quebec.

Quebecers reacted swiftly, and the Prime Minister had to intervene. This past weekend, along with the Liberal supporters of Montreal East, we got together and reaffirmed our support for municipalities, the Bourassa Government, the PQ opposition, and the Chamber of Commerce. All people in Montreal and in the rest of Quebec want the space agency to be located in Montreal. Even the Conservative convention supported this move. It was last in jumping on the band wagon of the space program. What we want is an honest, open and constructive response concerning the location of the space agency.

Hopefully the Parliamentary Secretary will enlighten us about contract sharing, and tell us that indeed Montreal will be the site of the space agency, that not only will we get the space agency but also that the contract will be shared on the basis of productivity, manpower skills, research and science technicians, and also on the basis of . . . To put it another way, the economic spin-offs from the space program in Quebec should be close to 60 per cent.

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology): Madam Speaker, I am delighted to be able to deal with this issue, the more so because it was considerably discussed during our week-end meeting.

When the Hon. Member for Montréal—Sainte-Marie (Mr. Malépart) claimed that only people in the Montreal area supported the establishment of a space agency in the province of Quebec, he at least overlooked the fact that, in the opinion of Conservative supporters who were there, it was the whole province.

Space is one of the areas of advanced technology which the Government has every reason to support. First, if I may, I should like to confirm what has been said publicly. There will be a space agency. The Government will announce its creation at the proper time, once we have set its mandate. And as we have already stated in the House, we are about to make several major decisions concerning such programs as the space station, our continued involvement in the European Space Agency and RADARSAT. As soon as these issues are settled, we will make the necessary organizational decisions to create the Canadian space agency.

I wish to remind all Hon. Members that the Canadian space agency is a national program which should benefit all Canadians. The agency will be the co-ordinating body responsible for implementing the national program.

Madam Speaker, Hon. Members are aware that the space industry in Canada, although national in scope, is relatively small. In spite of its limited dimensions, it has been able to stand an increasingly fierce world competition, exporting nearly 70 per cent of its production. I am proud of its accomplishment as well as of the individual corporations which have made Canada's image what it is.

There is first of all Spar Aérospatiale in Toronto and Montreal, famous throughout the world for its Canadarm and its world class communication satellites. Spar Aérospatiale in Sainte-Anne-de-Bellevue is one of about six or eight corporations, world wide, which have the capacity to provide complete satellite communication systems. There is also CAE in Montreal, whose spatial simulators are well known, CONDEV in Cambridge, Ontario, which conquered more than 80 per cent of the world market in hyperfrequency transmission devices installed in satellites. Let us not forget the Macdonald Dettwiler Associates companies in Vancouver, SED Systems in Saskatoon, Bristol Aerospace in Winnipeg and Canadian Astronautics in Ottawa, each and every one of them leaders in their field.

Madam Speaker, the Minister of Regional Industrial Expansion (Mr. de Cotret) gave the Hon. Member the data he asked for about the breakdown of the space program expenditures across the country. The Hon. Member can see now that Quebec got its fair share of the federal Government contracts, about 34 per cent under the space program, not including Telesat acquisitions, and 44 per cent of all research and development activities related to the industry.

To conclude, Madam Speaker, I emphasize that space technology is a strategic technology. The Canadian Space Program serves as an incentive for businesses and individuals. It is a unique opportunity to develop new techniques that will allow Canada to apply technology and innovation, and therefore guarantee its economic future and create jobs. According to studies, the space station program alone will result in 80,000 person-years and $5 billion worth of sales.

The Acting Speaker (Mrs. Champagne): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.28 p.m.

HOUSE OF COMMONS

Wednesday, March 30, 1988

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*English*]

TELEFILM CANADA

TRAVEL EXPENSES OF OUTGOING CHAIRMAN

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, who among us can honestly claim not to be fascinated by the lives of the rich and famous? Who among us is not anxious to share, however vicariously, in the excitement of high living? Now, thanks to the news of the money spent by Mr. Sirois, Chairman of Telefilm, and the many creative ways he raised funds, Canadians can dream of wildly expensive restaurants, flying first class around the world, holding gala parties, rubbing shoulders with movie stars, and spending a relaxing few days in Cannes. Oh, to be the Chairman of Telefilm!

However, what of the poor Minister of Communications (Miss MacDonald)? Is it fair that she must travel in lesser style, with a modest drink from a plastic cup while up ahead in first class her Chairman flies about in absolute luxury? What are her thoughts as she hears the popping of champagne corks in first class and knows that the Chairman of Telefilm is entertaining in his usual generous way? Is she envious? Does she plan revenge? Or, will she call him to task?

Tune in again for another thrilling episode in this exciting drama of a cabinet Minister and her wayward Chairman.

* * *

ABORTION

SUPREME COURT DECISION—CALL FOR INTRODUCTION OF NEW LAW

Mr. Gordon Taylor (Bow River): Mr. Speaker, the Canadian Charter declares that Canada is founded "upon principles that recognize the supremacy of God and the rule of law". Yet, emanating from a decision by the Supreme Court, the killing of unborn children has been legalized, completely contrary to scripture.

This is not merely a question of pro-life versus pro-choice, or even the rights of unborn children versus the rights of pregnant mothers. Rather, it is whether or not anyone in Canada has the right to terminate the life of an unborn child for any reason other than fundamental justice.

Are Members of this Parliament courageous enough to base a new law on biblical teachings? If that is contrary to the Charter of Rights, then change the Charter of Rights.

* * *

• (1405)

CANADIAN NATIONAL RAILWAYS

COST OF CLOSURE OF MONCTON MAINTENANCE SHOPS

Mr. Jack Harris (St. John's East): Mr. Speaker, the closure of the CN rail shops in Moncton and the imminent closure of the Newfoundland Railway are but two of the most dramatic examples of the lack of commitment of Canadian National and the Government to Atlantic Canada. Twelve hundred jobs are to be lost in Moncton and 600 in Newfoundland. The Government appears content to let CN shut down operations at Moncton and yet pay over $10 million a year for up to 300 people to do nothing.

The Minister of Transport (Mr. Crosbie) says this makes economic sense. However, we know that CN was not even aware that it would have to pay out this money when it made the decision. This is not economic sense—it is gross mismanagement at CN and gross mismanagement by the Government of the national interest. Even government Members of Parliament from the Atlantic region have expressed their distaste and disgust at how their own Government is mishandling the issue of CN.

The Minister of Transport tells us that CN knows what it is doing with respect to closures. However, CN's actions show that it is not fully aware of its responsibility. It is time for the Government to prevent CN from downgrading service to the point that the only course of action is to auction off the Atlantic region to the private sector.

We call on the Government to force CN to spend the $250 million it will pay out to idle workers on the creation of jobs, not on their destruction.

S. O. 21

NORTHERN CANADA POWER COMMISSION

OWNERSHIP TRANSFER TO GOVERNMENT OF NORTHWEST TERRITORIES

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, yesterday the Minister of Indian Affairs and Northern Development (Mr. McKnight) introduced Bill C-125. This Bill transfers responsibility for and ownership of the Northern Canada Power Commission to the Government of the Northwest Territories.

Since under the Canadian constitutional system the provision and regulation of electrical energy come under provincial jurisdiction, this Bill will not only help to provide better electricity service for northerners but is also a major constitutional step forward.

Those of us who have worked for a decade and a half to achieve this transfer extend our appreciation to all those who have now made it possible.

* * *

CANADIAN NATIONAL RAILWAYS

CLOSURE OF MONCTON MAINTENANCE SHOPS—CALL FOR RELEASE OF STUDY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I rise today to express my Party's complete disgust at the way the Government has treated the people of Moncton, especially the workers at the Canadian National Rail shops in that community. On two occasions I have seen first hand, walking down the line, the human tragedy caused by the slow death of these shops—the feeling of insecurity, the disruption to families.

Yesterday I met with representatives of the rail shop workers and gave them my complete support for a proposal to consolidate the shops in order to save the 350 jobs that still remain, and turn the remaining part of the facility into an industrial park.

I call upon the Government of Canada and the Canadian National Railway to release the internal study on which the decision to close the Moncton rail shops is purportedly based. I remind the Government that not too long ago the Deputy Prime Minister of Canada (Mr. Mazankowski), when he was Minister of Transport, gave his assurance that no massive layoffs would occur at these shops. He also stated that, as long as he was a Minister, the Moncton shops would never close. So much for that promise, Mr. Speaker.

I urge the Government to keep at least one promise to Atlantic Canada. Once again, I urge the Government to save those jobs at the Moncton shops.

IMMIGRATION

SENATE'S DELAY IN PASSING BILLS C-84 AND C-55

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, last summer Parliament was recalled early to deal with a breakdown in Canada's refugee determination system. We passed Bill C-84 to supplement Bill C-55. Both Bills have had considerable discussion within this democratically elected Chamber. They would end the confusion in our refugee laws and bring some order to immigration policy.

However, neither Bill is the law of Canada and all Canadians should know why. The reason is the Canadian Senate, a group of individuals elected by no one. They have decided, against the wishes of the people of Canada, to hold up and refuse to pass Bills C-84 and C-55.

This is nothing short of a disgrace to everyone who believes in democratic principles. I hope that all of Mr. Trudeau's appointees in the Red Chamber get the message that their right to govern Canada ended in September, 1984.

* * *

NORTH ATLANTIC TREATY ORGANIZATION

STATIONING OF CANADIAN FORCES IN GERMANY—OPINION OF FORMER CHIEF OF DEFENCE STAFF

Mr. Derek Blackburn (Brant): Mr. Speaker, "I must say it—our forces in central Europe mean next to nothing in military terms". Those are not my words, but they might have been. Last year I took a lot of flak for suggesting that keeping a small band of Canadian troops in southwest Germany was a waste of money. In fact, I was called a neutralist, isolationist, soft-on-communism radical by a lot of Members and quite a few editorial writers in this country.

Now someone else has had the courage to challenge so-called conventional thinking. This time that someone is a man who spent his entire life defending this country. The expert who says we should be doing more to defend Canada and less in central Europe is the man appointed to command Canada's Armed Forces from 1983 to 1986, former Chief of Defence Staff, General Gerard Theriault.

• (1410)

Let all those who accused me last year level the same charges against General Theriault, or let them honestly re-examine their own assumptions without partisan considerations.

I want to thank General Theriault, not for agreeing with me, but for helping to raise the quality of debate on defence policy in this Chamber and in Canada.

[*Translation*]

CULTURE

CULTURAL PROPERTY—POSITION OF THE SENATE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, while each of the Canadian Liberal senators earns at least $67,600 a year, on average an author in this country has to make do with $10,000 a year. Still, with the outright support of their caucus the Liberal senators are denying authors, programmers, compositors and other creators the right to live decently and be protected for their creative output. Such an antidemocratic attitude on the part of the Liberal Senate must be denounced by authors, sung by singers, and publicized by programmers.

Mr. Speaker, how much longer will the Liberal Senate disregard intellectual property?

* * *

CANADA POST CORPORATION

PUBLICATION OF WORK DOCUMENT

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, yesterday the Minister responsible for Canada Post released a discussion paper concerning an independent group's review of corporate rates and services. On page 15, they have this to say about the group: "Through its role and objectives the organization will have to abide by Government policies."

Mr. Speaker, Government policies as they relate to Canada Post are well known: first, deliver mail through superboxes and, second, shut down rural post offices. So what is the point of setting up such an organization if it cannot backtrack and rescind the Canada Post decision to deliver mail through superboxes and permanently lock up all rural post offices?

I endorse the suggestion that an independent group be appointed to review postal rates and services, but it must have real powers and be a lot more than a simple expedient to please the Minister.

* * *

CANADIAN SECURITY INTELLIGENCE SERVICE

REPORT OF REVIEW COMMITTEE

Ms. Carole Jacques (Montréal-Mercier): Mr. Speaker, in making public the report of the Review Committee on the activities of the Security Intelligence Service, the Solicitor General is sending a reassuring message to the labour movement. Indeed, the report indicates and I quote: It is quite clear that since July 1984, the Canadian labour movement has not been infiltrated by informers of the Canadian Security Intelligence Service.

The Review Committee also says: "We consider that the image of the Canadian Security Intelligence Service has been tarnished by conjectures which according to our inquiries are false."

Mr. Speaker, there will be no more unfounded allegations! Now that all Canadians are aware of the truth and that we have been to the bottom of the matter, it is obvious that doom sayers who wanted to undermine the credibility of the agency of which we can be proud will have to eat crow.

Mr. Speaker, I congratulate the Solicitor General for having brought the matter to light and for his leadership.

* * *

[*English*]

ABORTION

AIM OF PLANNED PARENTHOOD FEDERATION OF CANADA

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, Planned Parenthood Federation of Canada has launched a publicity campaign aimed at reducing the number of abortions by preventing unwanted pregnancies. In a full page ad in *The Globe and Mail* on the weekend, the Federation reaffirmed that the way to reduce abortions is to provide better education and clinical services, especially for teenagers who are learning about their sexuality through experience rather than through sex education programs.

Planned Parenthood has always provided excellent information on family planning and on safe contraceptive methods. It has developed an expertise in matters of sex education and reproductive health counselling. Its aim is to encourage family planning so that children will be wanted and loved, and parents will be able to provide the care that children need.

If the federal Government is really serious about reducing the number of abortions, it would support sound family planning. The Conservative Government must restore funding to the Planned Parenthood Federation of Canada to ensure that it will be able to continue its excellent work and especially sustain the most recent education campaign that it has launched.

* * *

• (1415)

IMMIGRATION

APPEAL BOARD'S DECISION TO ADMIT DESERTER FROM MEXICAN ARMY DEATH SQUAD

Mr. John Oostrom (Willowdale): Mr. Speaker, I am sickened and disgusted with the decision made by the Immigration Appeal Board in the case of Mr. Zacarias Cruz, a deserter from a Mexican Army death squad. This individual

has admitted he was following orders when he personally executed 60 innocent civilians. Yet the Immigration Appeal Board chose to disregard his crimes against humanity. Has this panel any conscience, morality or sense of justice?

Canada has no room for murderers. This decision is a slap in the face to all genuine refugees and law-abiding Canadians. I remind the panel that the argument used by Mr. Cruz for committing his crimes against humanity is the same as those used by individuals who sent the Jews to their deaths. The Minister has made the right decision to eliminate the Immigration Appeal Panel because they suffer from a total lack of judgment.

* * *

SPECIAL CANADIAN GRAINS PROGRAM

ONTARIO CORN PRODUCERS—DELAY IN RECEIVING CHEQUES BLAMED ON COMPUTER

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the Government instituted a Special Canadian Grains Program which it has now renewed for a second year. Unfortunately, although some farmers were paid in time, a number of corn producers in my Province of Ontario, and elsewhere, have yet to be paid. In fact some people have been waiting for $17,000 cheques since the end of January. They were told by the Department of Agriculture that they would not receive their cheques before the end of April because "the computer is not ready".

I urge the Minister of Agriculture to tell those people in his Department to get the computer ready and get those cheques out for the 28,000 corn producers in Ontario, the 6,000 corn producers in Quebec, and all the other corn producers in Canada who are waiting for their money.

They need their money. They need it now. It is the fault of the Government that agriculture is in this kind of trouble. It is up to the Government to bail them out and to do it properly.

ORAL QUESTION PERIOD

[*Translation*]

IMMIGRATION

TURKISH NATIONALS—INQUIRY WHETHER AGREEMENT WITH QUEBEC HAS BEEN COMPLETED BY MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

The tragic situation of the Turks in Montreal is getting steadily worse. First they are told they can't stay in Canada, then the Minister says they can stay, and then they are told they cannot. First the Minister says he reached an agreement with the Government of Quebec and then he turns around and says there was no such agreement.

Later, he said he had the situation under control, but this morning, we heard he did not even get in touch with the Turks in Quebec.

Has the Minister reached an agreement with the Province of Quebec, yes or no?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I am surprised the Leader of the Opposition doesn't have his facts straight. It isn't the first time either.

Mr. Speaker, there is no agreement between the Government of Quebec and the Government of Canada to refrain from enforcing the law. That is quite clear.

I challenge the Leader of the Opposition to find a single quote where I did not say during the last two weeks that people who are not refugees should be deported. However, the Quebec Government has the so-called Cullen-Couture Agreement signed by the Liberal Goverment in 1978, which gives Quebec the right to select immigrants abroad.

To my knowledge, the Turks he referred to are not abroad but in Montreal.

I am waiting for news from the Quebec Minister of Immigration, and Mrs. Robic is supposed to answer my letter today. I am waiting for her answer, and if the Government of Quebec does not ask to have these people—after issuing certificates abroad, we shall proceed as we must proceed in all cases of false refugee claims, that is, we will deport them.

[*English*]

Mr. Turner (Vancouver Quadra): It is obvious that we have complete anarchy in this situation, under the responsibility of the Minister.

OPPOSITION TO BILL C-55 AND BILL C-84

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister keeps blaming the Liberal Opposition and the Senate, as recited by some of his government Members under Standing Order 21, for our opposition to Bill C-55 and Bill C-84. He blames us for his problem. That is not so.

Will the Minister confirm that the position taken by the Opposition, and the position taken by the Senate, is a position endorsed by the Canadian Bar Association, most of the major church groups in Canada, the Law Reform Commission, the Canadian Ethnocultural Council, and by every expert on refugee matters in Canada, including the Minister's own special adviser on refugees, Rabbi Gunther Plaut?

• (1420)

Will he finally admit that Bill C-55 and Bill C-84 have nothing to do with the administrative refugee backlog that he

has allowed to build up? Will he start taking responsibility for his own inaction?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the experts in this country and 80 per cent of the population want immigration laws that work. The Liberal Government has left this country in total confusion.

We have introduced legislation, and Senator Hébert himself said that the Leader of the Opposition was in favour of the Senate's obstructing bills passed by the House of Commons. Mr. Speaker, it is shocking that we should have this kind of situation in our country, and I repeat that as long as the Senators continue to obstruct legislation passed in this very House, thousands of people will be taken advantage of and come to this country claiming refugee status when they have no grounds to do so.

[*English*]

PROVINCE OF QUEBEC—REQUEST FOR ADMINISTRATIVE REVIEW

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I doubt very much whether Canadians will be totally impressed with that performance. The Minister should stop playing ping-pong with human lives. These Turkish people are human beings, and should be treated as human beings. That is the situation that I put to the Minister.

I say with the respect that I owe the Minister that he should not let his own pride interfere with his sense of fairness and his sense of compassion. The Province of Quebec has requested an administrative review. The Minister has turned that down. Why? What are the grounds?

The Minister also has the power under the Immigration Act to proceed on humanitarian grounds. He has turned that down. Why? Will he give us the grounds for that as well?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I turned it down because there are thousands of Canadians who are waiting to have their relatives come to this country. They would like to follow the usual course.

Canadians do not like that people come as refugee claimants when they are not. They jump the queue in front of people who have been waiting to come here for years and years. The Hon. Member would like these people to queue jump.

[*Translation*]

TURKISH NATIONALS—MINISTER'S POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is for the Minister of Employment and Immigration.

Montrealers thought last week that the nightmare of the Turkish families was over. We all believed that, in a burst of generosity, the Minister of Employment and Immigration had accepted an arrangement suggested by Mrs. Robic to avoid the deportation of the Turkish families and to accept 37 of them as immigrants.

I simply want to ask the Minister what has changed since last week and what the Minister intends to do to keep the promise made to these Turkish families.

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member said that he thought that such was the case. He should have looked closely at what I have said since last Monday. I never made any promise to anyone. I accepted the request of Mrs. Robic to suspend the deportation orders, and I did say suspend, because I must point out to the Hon. Member that the Minister has no right to cancel deportation orders. The Minister only has the power to suspend them until Quebec tells us its intentions.

At no time, and I challenge anyone to find any proof to the contrary, did I say that the deportation orders would not be respected. However, at the request of Quebec, we did agree to postpone their application.

After Quebec informs us of its decision, and the deadline is this evening, we shall proceed, as we must, to apply the deportation orders.

MINISTER'S RESPONSIBILITY

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, we can now see for ourselves that the apparent generosity of the Minister of Employment and Immigration was rather short-lasting. It lasted only long enough to buy peace in Montreal, and to ensure that the convention of the Conservative Party would take place without any problem.

What I want to ask the Minister is why he raised the hopes of the Turkish families needlessly. Why is he now giving Mrs. Robic full responsibility for finding a solution and why is he hiding behind the skirts of the Quebec Immigration Minister?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the Liberal Party showed so little respect for the provinces when it was in power that when another federal Government tries to apply signed agreements, these are the only types of comments the Liberals can make.

I had promised to suspend, and you should learn what the word "suspend" means, the deportation orders at the resquest of Quebec until such time as Quebec would inform us of its decision. This decision will be known today.

I repeat that, while the Hon. Member says that I am not being generous, I believe that a basic component of the law in Canadian society is the principle of justice. Everyone must be treated equally. That is exactly what we are going to do.

• (1425)

[*English*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—PRIME MINISTER'S SPEECH IN NEW YORK

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Prime Minister. One year ago when President Reagan visited Canada, experts on both sides of the border agreed that, in terms of dealing with the acid rain problem, what was needed was a commitment from both countries to specific targets for reduction of levels of emission.

Instead of agreeing to that, President Reagan simply and incredibly committed himself to more research. After that, the Prime Minister of Canada, equally incredibly, described the President's policy as "very significant movement".

Since Mr. Reagan will no longer be President in November and will soon be passing from the scene, will the Prime Minister now admit that his recent speech in New York had nothing to do with trying to reduce the levels of acid rain production, but had everything to do with short run political gain for the Conservatives at home?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it must have been a pretty good speech to draw that type of attention from my hon. friend.

Some Hon. Members: Hear, hear!

Mr. Mulroney: On this very important issue that we have been attempting to deal with since we were the Government, my hon. friend, the Leader of the NDP, will acknowledge that, in fact, under preceding Governments nothing had been accomplished and nothing was done here in Canada. It is a transboundary problem.

Federal and provincial Governments have agreed on a national target of reducing acid rain emissions by 50 per cent from the 1980 levels by the year 1994. This is a significant step forward.

The federal Government has signed implementing agreements with all of the concerned provinces providing for the necessary control actions. We had the results of the Special Envoy programs where, for the first time, there was—and it might not seem revolutionary to my hon. friend—a formal acknowledgement of the transboundary nature of the problem and the transboundary implications for a solution.

We have not resolved the matter in a manner that Canada deems acceptable. There is obstruction in the Congress, there is obstruction in the private sector, and, in our judgment, there is a lack of appreciation of the gravity of this in some areas of the administration.

We have put forward a treaty that we believe is in Canada's interest, and very much in the American interest, for the protection of our mutual heritage on the environmental side. We have moved this matter forward, not completely, but we have made steady and important progress. We shall not relent until such time as we have it cleared up.

[*Translation*]

OPPORTUNITY FOR INTERNATIONAL AGREEMENT ON ACID RAIN EMISSIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, unfortunately, the Prime Minister of Canada said the exact opposite a year ago. It was his Minister, not the Prime Minister, who criticized President Reagan last year. We are hearing some high-sounding phrases now, but no action was taken last year. That is the problem with Canada's present Prime Minister.

Since the Prime Minister is well aware that acid rain is a very serious problem for our forests, our lakes and our maple forests, why did the Government refuse to support European governments recently on an international agreement to establish acceptable emission levels for the purpose of reducing acid rain? Why the contradiction?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the NDP knows perfectly well there is no contradiction here. He was here in Parliament. He saw how the Liberals did strictly nothing about acid rain for twenty years. He saw . . .

An Hon. Member: The Liberals did nothing!

Mr. Mulroney: No, the Liberals did nothing. He is right. He saw how the Minister of Environment (Mr. MacMillan) brought the seven eastern provinces of this country together for the first time, to agree on a major constitutional document and funding worth hundreds of millions of dollars in order to deal with the Canadian dimension of acid rain. He saw the vigorous action taken by the Minister, the Secretary of State for External Affairs and the Prime Minister in dealing with the U.S. Administration. There is obstruction in the Congress and opposition from the private sector. That has yet to be resolved, but we have made substantial progress on the question of acid rain, and I hope we will soon be able to reach a final settlement.

• (1430)

[*English*]

Mr. Broadbent: Mr. Speaker, I have said publicly in the past, and I repeat it now, that the Government has made significant progress within Canada as compared with the previous Government on the problems of acid rain. There is no question about that.

Some Hon. Members: Hear, hear!

Mr. Broadbent: My question was pertinent to the Prime Minister's own speech when he supported the President of the United States last year, and he is making criticism this year for what he said was acceptable last year. That approach is unacceptable to us.

CANADA-UNITED STATES NEGOTIATIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my last question is for the Prime Minister. He has indicated that once again he will raise the problems of pollution in the environment with the United States during his forthcoming summit with the President of the United States.

We have a major problem with pollution in the St. Lawrence waterway and Lake Ontario, 90 per cent of which comes from the United States.

Since we already have a Clean Water Agreement with the United States, will the Prime Minister assure us that the problems of toxic waste in Lake Ontario and the St. Lawrence waterway will not only be put on the agenda but that we will be demanding some concrete action from the United States in this field?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, among the three odd questions asked by the Leader of the NDP the third is the oddest, because it does not take into account the fact that Canada and the United States just completed negotiations toward a very greatly strengthened Great Lakes Water Quality Agreement, which agreement we signed—I on behalf of the Government of Canada and Lee Thomas on behalf of the United States—in Toledo just a few months ago.

By all accounts, including the word of Great Lakes United, probably the foremost environmental group on this subject, it is a very marked improvement over past agreements negotiated by previous Governments.

In the same spirit, I am negotiating on behalf of the Government of Canada, with the full co-operation of my cabinet colleagues and the backing of the Prime Minister, with my opposite number in Quebec on an accord on the St. Lawrence because it is an integral part of the Great Lakes-St. Lawrence Basin.

* * *

IMMIGRATION

CONVICTED TERRORIST—DELAY IN DEPORTATION HEARING

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of Employment and Immigration. Yesterday the Minister's officials, before a hearing officer in the seeking of the deportation of Muhammad Issa Mohammad, asked for yet another delay, and this after 10 months from the time the Government made a decision to proceed.

Officials said that they had not managed to obtain a copy of the Greek pardon. Well, I obtained a copy of the Greek pardon, together with a certified translation, this morning from the Greek Embassy, and they said that government officials have not even asked for a copy yet.

Would the Minister explain the unconscionable delays in dealing with this important case?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the Government and the Department of Employment and Immigration are of course determined to proceed as quickly as possible with this case. However, when the witnesses were introduced yesterday, the adjudicator demanded that other witnesses be heard instead of the witnesses that were supposed to be heard originally, so that the Department was not prepared. The only reason the case was not heard and had to be postponed again was that the witnesses present were not those who were asked to testify at the hearing yesterday.

[*English*]

GOVERNMENT POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, that is not good enough. The Government failed to turn back Mr. Mohammad in Spain. It failed to stop him at the Toronto airport. It bungled an attempt to spirit him out of Canada last month. It has demonstrated that it is not even capable of proceeding with a deportation proceeding.

How can the Canadian people have any confidence that the Government can handle the immigration responsibility?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, again, I think the problem is that the Goverment has to function in a system that is not of its own making and that is far from perfect. Furthermore, when we want to improve the system, we get systematic obstruction from the Liberal Party, which has been going on for eight months. Again, it is shocking, considering the pitiful state of the immigration system we inherited, that Opposition Members and their Leader refuse to co-operate and that there are senators who keep saying it will take months before the legislation is passed.

QUERY WHETHER MINISTER HAS CONSULTED CANADIAN BAR AND THE SENATE

Mr. Dan Heap (Spadina): Mr. Speaker, my question is also for the Minister for Employment and Immigration. The Minister himself recognizes that Canada needs effective legislation to regulate the inflow of refugees to Canada. Such is not the case with Bill C-55. On the contrary, Bill C-55 has paralysed our system and has created such delays that no other Act could be made operational.

Is the Minister willing to consult the Canadian bar and the Senate in order to amend Bill C-55 in such a way that it be made to comply with the Supreme Court decision of three years ago stating that hearings be held for each person claiming refugee status?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I am surprised to hear the Hon. Member for Spadina refer to Bill C-55 which he has himself obstructed in the House for weeks with the help of the Liberals and which he is of course unable, imagine—even the leader of the Liberal Party cannot manage that. It is surely not in the power of a member of the NDP to convince Liberal Senators to do the work which they are supposed to be doing and which they have done for 120 years in this country, which is to abide by the will of the House of Commons.

[*English*]

REQUEST FOR TO-DAY DELAY ON DEPORTATIONS

Mr. Dan Heap (Spadina): Mr. Speaker, I am asking the Minister to consider the need for consulting to resolve a practical problem, and I am asking him if he will consider a package as follows: (1) a 60-day delay on deportation to allow time for consultation, (2) consultation with the Canadian Bar Association and the Senate to make Bill C-55 workable under our existing Constitution and Supreme Court, and (3), creation of a new administrative review that fairly identifies the people who are effectively established in Canada, taking into account help from their relatives and their work record?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, we have proposed and we have voted in the House on Bill C-55. The Bill has been before the Senate for six months. I will not accept any amendment as long as the Senators want to return the Bill to the House and until we see exactly what they want.

I am not sure that we need six months to make any recommendation. Once again, Bill C-55 is the one we need to deal with the backlog and particularly with those who abuse the system. Again, I do not understand why the Opposition does not support the Government in giving a Bill to the country and a system which permit us to deal with immigration.

* * *

PUBLIC SERVICE

LANGUAGE TEACHERS' DISPUTE

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, my question is directed to the President of the Treasury Board. The Maasai people of East Africa have the following expression: "When two bull elephants fight, it is the grass that suffers". I think that that expression applies now to the struggle of language teachers and their unions with the Treasury Board, which is causing serious problems for students and teachers in training schools across the country.

Could the Minister indicate why a solution to their contract discussions has not yet been found?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, as the Hon. Member knows, the Treasury Board was prepared to enter into an agreement with the union, consistent with the recommendations of the conciliation report, and stands ready and willing to do that to this very day, and that has been communicated to the union.

• (1440)

The union has indicated that it wants to reopen negotiations. I have sent Mr. Bean a letter which indicated that our officials are prepared to explore any constructive proposals that the union may wish to put forth, and I invite it to contact officials to make the appropriate arrangements so that we can get on with that process.

* * *

THE ADMINISTRATION

MINISTER OF PUBLIC WORKS—COMPLIANCE WITH CONFLICT OF INTEREST GUIDELINES

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, we have learned today the shocking news that, although a member of the Cabinet for two full years, the Minister of Public Works did not set up a blind trust as required by the conflict of interest guidelines. This news came not as a result of an investigation by the Government of Canada or by the Minister responsible but by the Investment Dealers' Association of Canada.

Was the Minister responsible for the conflict of interest guidelines aware of this breach of the guidelines. If so, what action did he take? If he was not, why was it that the people of Canada had to count on the Investment Dealers' Association of Canada to find out about this infraction?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I take it that the Hon. Member is referring to a speculative story that appeared in today's press. The report the Hon. Member is referring to has not been released. I have been advised by the ADRG that the Minister has complied completely with the conflict of interest guidelines, and it is interesting to note that even the news report suggests that, while an investigation has been completed, there has been no public announcement. The Hon. Member is raising this issue on a purely speculative story, and I think that as a responsible Member of Parliament he should consider that.

MINISTER'S POSITION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, the assumption is that the Investment Dealers' Association of Canada has done an investigation into this matter. It is about to release its report indicating that the conflict of interest guidelines were breached by the Member. The Minister is responsible to ensure that those guidelines are lived up to by

cabinet Ministers. Is the Minister responsible saying that there was in fact no breach at any time by the Minister of Public Works?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I will certainly not comment on the assumptions the Hon. Member may derive from a newspaper article that was written purely on speculation. I must say that I have consulted with the ADRG and he has indicated that there has been no contravention of the guidelines.

COMPLIANCE WITH CONFLICT OF INTEREST GUIDELINES

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to the Prime Minister and concerns the failure of the Minister of Public Works to establish a bona fide blind trust. The Prime Minister has assured the House on numerous occasions that the conflict of interest guidelines have been complied with. It now appears obvious, as a result of the investigation by the Investment Dealers' Association of Canada, that a bona fide trust has not been established.

Is the Prime Minister today satisfied that the conflict of interest guidelines have been respected in every way by the Minister of Public Works? Can he explain the conclusions of the Investment Dealers' Association of Canada?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, if the Hon. Member has such obvious information, I challenge him to bring it forth. He has really been basing his question and his argument on sheer speculation.

GOVERNMENT POSITION

Mr. John Nunziata (York South—Weston): Mr. Speaker, the so-called blind trustee who had 20/20 vision and who was a friend of the Minister was fined $5,000 by the Investment Dealers' Association of Canada because of his failure to comply with government guidelines. That is a fact.

Again I put my question to the Prime Minister. In view of the fact that he has assured the House on numerous occasions that the Minister was in full compliance, does the Prime Minister have the courage to rise to confirm that the Minister was in full compliance? Is it any wonder that Canadians no longer trust—

Some Hon. Members: Oh, oh!

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the Hon. Member speaks of courage. If he had the courage of his convictions, he would rise and lay the charge, and I challenge him to do that.

Some Hon. Members: Hear, hear!

AIR TRANSPORT

SOVIET AIRLINE'S REQUEST FOR NEW PASSENGER RIGHTS IN CANADA

Mr. George Baker (Gander—Twillingate): Mr. Speaker, my question is for the Minister of Transport. The Soviet Ambassador to Canada was informed in a letter dated February 14 that Canada refused to allow Soviet airlines to conduct passenger business in Toronto and that a similar request for Gander airport should go through diplomatic channels. That came from the Minister of Transport who promised in Newfoundland that he would grant such a request if it were made.

I ask the Minister of Transport, why is he singing one song in Newfoundland and another song here to the Russians? Is his new theme song "Help Me Fake It Through The Night"?

Some Hon. Members: Oh, oh!

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I am very pleased to have been asked this question by the Hon. Member. He is asking a question, of course, on behalf of the Russian Embassy and Aeroflot. He is full of air and certainly "flots".

My correspondence with ambassadors is not extensive, but I wrote to the Ambassador of Russia on February 17 and told him that "the Government of Canada would be pleased to consider favourably a request made by your government for bilateral air negotiations to discuss possible new rights at Gander for Aeroflot. With respect to Toronto, however, you should be aware that we have been unable to identify any rights for Canadian carriers that would compensate for the value of Toronto access for Aeroflot. Therefore, we feel unable to consider access to Toronto at this time. If you wish to pursue further the issue of additional rights for Aeroflot at Gander, I would suggest making your interest known in writing through diplomatic channels". That is the normal course of procedure, not through a Member of this House.

Mr. Baker: Mr. Speaker, if the Soviets were requesting landing rights for St. John's airport, this Minister of Transport would be writing *To Russia With Love*. "*Da, da*, yes, yes, break open the vodka".

LANDING RIGHTS IN NEWFOUNDLAND

Mr. George Baker (Gander—Twillingate): Mr. Speaker, is the Minister aware that the Soviets have also said that unless there is a new instrument landing system, Category 2, as was put in St. John's airport, put in Gander, they will remove themselves totally from there next year? Is he hoping that that is exactly what they will do so that they will then move into St. John's, like he bullied Air Canada and the Israeli 747s to do on the weekend? This Minister should be sent to Siberia.

Some Hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, this is certainly the best short act since the Three Stooges retired.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Which one are you, John?

Mr. Crosbie: The Right Hon. Leader of the Opposition reminds me of Leon Errol.

Gander airport, which is a magnificent airport, has a Category 1 landing system. In Gander weather conditions they are successful in landing 96.2 per cent of the time. That is a much higher reliability factor than that of the Hon. Member for Gander—Twillingate.

A Category 2 instrument landing system serving Runway 13 at Gander would increase the airport usability by how much? It would increase it by .96 per cent so that it would increase to 97.19 per cent. The Hon. Member should relax. The Category 2 system is not needed in Gander. If it were, I would have had it there already.

* * *

[*Translation*]

CANADIAN SECURITY INTELLIGENCE SERVICE

REQUEST THAT MINISTER JUSTIFY CERTAIN MATTER

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Solicitor General.

Yesterday we learned that up until very recently there had been a serious abuse of power on the part of the CSIS in view of the fact that they kept all the RCMP illegal files on the labour movement and exercised absolutely no control over the agent provocateur Marc Boivin.

Once those allegations were made public, the Minister then reacted, and only then.

How can the Minister justify the fact that neither his Inspector General nor the Security Intelligence Review Committee ever spoke about it to the CNTU or to Gérald Larose, the victims of illegal acts by the CSIS and Marc Boivin?

• (1450)

[*English*]

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, on page 13 of the Security Intelligence Review Committee report it says: "There is no evidence to suggest that Mr. Boivin was at any time directed or encouraged by CSIS either to commit the illegal acts for which he was convicted or to act in any other way as an *agent provocateur* within the CSN." He has never been an *agent provocateur.*

[*Translation*]

Mr. Robinson: The Minister does not explain why the Review Committee and his Inspector General did not even speak about it to the CNTU. Why not?

[*English*]

REPORTED HIRING OF LABOUR MOVEMENT INTELLIGENCE CO-ORDINATOR

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my supplementary question is directed to the same Minister. In May of 1985 CSIS hired an individual in Montreal with the title of Regional Co-ordinator of Intelligence on Subversive Activities in the Labour Movement. Are there similar posts in other regions of Canada and what precisely is the role of this Regional Co-ordinator of Intelligence Activities in the Labour Movement? What kind of attack is this on the democratic labour movement in Canada?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, the report was quite clear. If the Hon. Member had spent a little time reading it he would have seen that on page 10 the Security Intelligence Review Committee, an independent, non-partisan committee in that it is drawn from all political Parties, said since July, 1984, when CSIS was formed, the Canadian labour movement has not been targeted by CSIS human sources. I think all Canadian unions should be reassured by those findings.

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AIR CANADA

FUTURE OF WINNIPEG MAINTENANCE CENTRE

Mr. George Minaker (Winnipeg—St. James): Mr. Speaker, my question is directed to the Minister of Transport. I believe Air Canada will be making a decision in the near future regarding the type of aircraft it will be adding to its fleet. Will the Minister assure this House and the people of Winnipeg that the very cost efficient and profitable maintenance centre in Winnipeg will remain fully operational?

Mr. Blackburn (Brant): Don't hold your breath.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I am pleased to be in a position to confirm that the Winnipeg maintenance base of Air Canada is cost effective and profitable and is going to continue in operation. No matter what aircraft is chosen as the right aircraft for the future operations of Air Canada, it will continue to have a fleet of aircraft maintained at Winnipeg. In addition, it will continue to perform maintenance contracts for other carriers and continue to seek out and bid on those opportunities.

There are 450 employees at the maintenance base at present and Air Canada is very well pleased with its operation. No matter what aircraft type is chosen, the people who work in

Winnipeg can be very much assured that the work will continue there, and the maintenance base is going to continue.

* * *

CANADIAN NATIONAL RAILWAYS

REQUEST THAT WORK BE ALLOCATED TO MONCTON SHOPS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Minister of Transport. Under the employment security provisions of their collective agreement, some 350 employees of CN in Moncton, New Brunswick, will continue to collect their salaries for approximately the next 27 years even though their place of employment is being removed as CN shuts down its shops in Moncton in September. These workers do not want to stay at home and collect a pay cheque and do nothing. They want to work.

In light of the fact that CN is going to pay out some $10 million annually for almost three decades to 350 employees who have no work to do, is it not time for the Minister to sit down with CN management and ensure that an adequate amount of work is available in those shops to keep these 350 employees involved in productive work, the kind in which they want to be engaged?

Mr. Benjamin: Where were you yesterday, Tobin?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, this is a repetition of a question asked, as the hon. gentleman expostulates, yesterday or the day before by another Party in this House whose name I would not mention.

First, I would like to congratulate the hon. gentleman who just had a successful election. The Rat Pack has nibbled its way to victory over the Old Guard in the Liberal caucus. Prud'homme has been pulverized, and Allmand assassinated. Congratulations.

Mr. Speaker: I suppose it is a bit late to say to the Hon. Minister that he is out of order. Perhaps he can continue.

Mr. Crosbie: Mr. Speaker, with respect to the hon. gentleman's question, it points up the generous provisions that CN has made with respect to employment security. There were 1,022 employees in June, 1986, at the Moncton facility. They have all been looked after. I can give you the exact figures.

Some Hon. Members: Spare us.

Mr. Crosbie: Slightly more than 200 workers will have taken early retirement. Over 460 will have been relocated to other jobs in Moncton, the Maritimes, or elsewhere in Canada. Some 200 are eligible for the employment security and income maintenance plan to which the hon. gentleman referred. Some 20 apprentices will have completed training to move to jobs outside CN. There are about 130 people who have yet to go on lay-off status.

In addition, CN continues to employ over 2,500 people in Moncton with an annual payroll of $90 million.

Mr. Tobin: Mr. Speaker, you will of course allow me to say that I accept the sincere congratulations of the Hon. Minister because I know he understands these things. He ran for the Liberal leadership in Newfoundland; did not make it. He ran for the Conservative leadership in Ottawa; did not make it. I say to Mr. Broadbent: Watch your back!

Mr. Speaker: I say to the Hon. Member: Ask your question.

Some Hon. Members: Oh, oh!

REQUEST THAT MINISTER MEET RAILWAY EMPLOYEES

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my supplementary directed to the Minister is clear. None of what he has said today changes the fact that starting this year CN is going to pay $10 million in salaries to employees who are entitled to those salaries but who will not, as of the end of September, have a place to work. That is an unacceptable and ridiculous situation in Canada.

Is the Minister prepared to meet with representatives of the CN workers who have been in Ottawa for a week, who have met with other Ministers but not the Minister of Transport, and sit down and come to a sensible and common sense solution to this ridiculous situation in Moncton, New Brunswick?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, isn't life strange? On January 28 CN was called before the Standing Committee on Transport to answer questions on this very subject. The hon. gentleman was made transport critic for the Official Opposition on January 15. He did not bother to attend that committee meeting. Now he is in the House asking questions about this subject which could have been asked at that time. If an *in camera* session had been held CN was prepared—

Some Hon. Members: Sit down!

Mr. Crosbie: Am I doing wrong, Mr. Speaker?

Some Hon. Members: Yes!

Mr. Speaker: Just a little bit out of order. The Hon. Member for Hamilton Mountain.

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UNEMPLOYMENT INSURANCE

CANADA PACKERS—CLOSURE OF WINNIPEG PLANT—WORKERS' UNEMPLOYMENT INSURANCE BENEFITS

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. In 1986 Canada Packers announced it would be

closing its plant in Winnipeg in two phases. The first phase took place in April, 1987, and we all know the second phase took place just last week.

We know there have been exceptions in the first phase regarding employees' severance pay and unemployment insurance benefits. In the second phase employees have not been exempted. Is the Minister aware of this difference, and what can be done about it?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I am indeed aware of this difference. I was informed about the problem at Canada Packers in Winnipeg and I requested my Department take a very close look, and if there is anything we can do, we will do it.

Mr. Speaker: Short supplementary.

DIFFERENCE IN TREATMENT OF SALARIED EMPLOYEES AND WAGE EARNERS

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, there is not only a difference between the employees who were laid off in 1987 and the ones laid off in 1988, but there is also discrimination between salaried employees and wage earners. The salaried employees who were laid off last week have been granted an exemption and the 350 wage-earning employees have not been given that exemption. What is the Minister going to do about that kind of discrimination?

• (1500)

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the answer is the same. My colleague must consider that we have private agreements within the company. As I have just said, it is something at which we will look.

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SEARCH AND RESCUE

REQUEST FOR HELICOPTER SERVICES IN SOUTHWESTERN NOVA SCOTIA

Mr. Gerald Comeau (South West Nova): Mr. Speaker, my question is directed to the Minister of National Defence. The Minister is aware that recent marine incidents have again highlighted the need for helicopter search and rescue services for western Nova Scotia.

On behalf of the thousands of fishermen and their families whom I represent, I ask the Minister to advise on the status of the many requests which I have made for this service.

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, I am very much aware of the concerns which have been expressed by my hon. colleague, his constituents, and others from the southwestern Nova Scotia region.

In the two most recent incidents to which the Hon. Member refers, basing helicopters in that region would not have been helpful because of weather conditions in one case, and because of a heart attack victim in the second. It might in fact have done more damage to move the heart attack victim by helicopter than to attempt to bring him in by boat. In any case, he could not have been brought in on time.

The Hon. Member has been very diligent in putting forward cases on behalf of his constituents. The issue of search and rescue is constantly under revision. As we look at it in the future we will certainly take all of his representations into consideration.

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NATIONAL DEFENCE

ACQUISITION OF NUCLEAR POWERED SUBMARINES

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is for the Minister of National Defence. On June 5, 1987, the Minister of National Defence indicated to Parliament that he had in his possession information to justify the acquisition of 10 to 12 nuclear powered submarines.

We now learn that, on the contrary, the Minister had in his possession at that time a report commissioned by his own Department and written by his own analysts which was highly critical of the White Paper's exaggeration of military threats in the Arctic.

How does the Minister expect the Canadian public to trust his judgment to go nuclear when he hid that report from Parliament and from the Standing Committee on National Defence?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, it is very interesting that my hon. friend should say that, because the very same report featured questions from the critic of the New Democratic Party before the Standing Committee on National Defence. If my hon. colleague had bothered to check the record he would have found that my hon. friend had a copy of the report and referred to it. Nothing was hidden.

Indeed, if my hon. colleague would take the trouble to read the report, a copy of which I have here and will be pleased to send over to him, he will find strong support for the Government's position.

* * *

PUBLIC SERVICE

EMPLOYMENT OF VISIBLE MINORITIES

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my question is for the President of the Treasury Board who is

undoubtedly aware of the special program to increase employment in the Public Service of members of the visible minority communities.

His predecessor promised a year ago that the 44 positions not filled in 1986-87 would, in his words "not be cancelled". Could the Minister explain why not one of those 44 positions has been utilized during the current fiscal year which ends tomorrow?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, there has been a numerical target set for hiring visible minority groups which was adopted in August, 1987. This is a very important signal by the Government of Canada in terms of reaching out to visible minorities and bringing them into the Public Service.

Meetings with this particular group have indicated that they are very pleased with the actions which the Government has taken. I can assure the Hon. Member that we are getting their full co-operation.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, since the House is not going to sit after today until April 11, I want to ask the Government House Leader to give us a statement of the business he intends to put before the House for the week of April 11.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, today is an Opposition Day. On Monday, April 11, we will be completing Bill C-121, which will be followed by Bills C-117, C-110, and C-30, the National Parks Act.

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Mr. Speaker: I would like to advise Hon. Members that there will be refreshments in Room 16 commencing at four o'clock this afternoon. I would, of course, be pleased to meet with any Members who can spend a few moments together before we adjourn for the Easter break.

Committee Reports

ROUTINE PROCEEDINGS

[*Translation*]

JUSTICE

TABLING OF ANNUAL REPORT 1986-87

Hon. Ray Hnatyshyn (Minister of Justice and Attorney general of Canada): Mr. Speaker, I have the pleasure to table, in both official languages, copies of the annual report of the Department of Justice for the year 1986-87.

* * *

[*English*]

CANADA DEPOSIT INSURANCE CORPORATION

TABLING OF 1987 ANNUAL REPORT

Hon. Tom Hockin (Minister of State (Finance)): Madam Speaker, pursuant to Standing Order 67(2), I have the honour to lay upon the Table copies, in both official languages, of the 1987 annual report of the Canada Deposit Insurance Corporation.

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[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to petitions Nos. 332-3940, 332-4037 and 332-4066 to 332-4069 inclusive.

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COMMITTEES OF THE HOUSE

FINANCE AND ECONOMIC AFFAIRS—PRESENTATION OF SEVENTEENTH REPORT OF STANDING COMMITTEE

Hon. Bob Layton (Lachine): Madam Speaker, I have the honour to present, in both official languages, the seventeenth report of the Standing Committee on Finance and Economic Affairs relating to Bill C-118, an Act to amend the Customs Tariff, which is reported without amendment.

[*English*]

COMMUNICATIONS AND CULTURE—PRESENTATION OF THIRTEENTH REPORT OF STANDING COMMITTEE

Mr. John Gormley (The Battlefords—Meadow Lake): Madam Speaker, pursuant to Standing Order 103, I have the

honour to present, in both official languages, the thirteenth report of the Standing Committee on Communication and Culture on the Order in Council appointments of Ms. Louise Dionne as a member of the Canada Council and Mr. Rodrique Tremblay as a member of the Board of Trustees of the National Museums of Canada.

The committee found that the nominees have the qualifications and competence to perform the duties of the posts to which they were appointed.

[*Translation*]

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE ON BILL C-89

Mr. John Parry (Kenora—Rainy River): Madam Speaker, I have the honour to present, in both official languages, the Report of the Legislative Committee on Bill C-89, an Act to amend the Criminal Code (victims of crime), which is reported with amendments.

[Editor's note: For above reports, see today's Votes and Proceedings.]

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[*English*]

AUDITOR GENERAL ACT

MEASURE TO AMEND

Mr. Stan J. Hovdebo (Prince Albert) moved for leave to introduce Bill C-288, an Act to amend the Auditor General Act.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Hovdebo: Madam Speaker, as evidenced by the seconders, all three Parties have agreed on several occasions to the amendments to the Auditor General Act which are contained in this Bill. It is a simple change which would allow the Auditor General to report intermittently rather than only once a year.

Motion agreed to, Bill read the first time and ordered to be printed.

• (1510)

PETITIONS

PROPOSED FREE TRADE

Mr. Nelson A. Riis (Kamloops—Shuswap): Madam Speaker, it is my pleasure and honour, pursuant to Standing Order 106, to present a petition on behalf of a number of constituents who are very concerned that the federal Government lacks a mandate from the people of Canada to conclude a trade agreement with the United States.

They believe the trade agreement that has been negotiated by the Government threatens the very fabric of our political and economic sovereignty since it removes the power of the Canadian Government to control foreign ownership in Canada and eliminates the effectiveness of the Government to develop Canadian energy resources in the best interest of Canadian citizens.

Therefore, they call upon Parliament to dissolve now to allow the people of Canada an opportunity to either accept or reject the proposed trade deal during a national general election.

Mr. Derek Blackburn (Brant): Madam Speaker, I too rise to present a petition that is signed in accordance with Standing Order 106, by a number of my constituents who are also extremely concerned about the Mulroney-Reagan trade deal. They call upon the Government to dissolve the House and go to the people immediately on this issue.

REFUGEES—OPPOSITION TO SENATE DELAY IN PASSAGE OF CERTAIN BILLS

Mr. Andrew Witer (Parkdale—High Park): Madam Speaker, it is my pleasure to present to the House today a petition on behalf of residents of Parkdale—High Park who wish to express their frustration at the Senate's continued delay in providing passage to Bill C-54 and Bill C-84, the refugee determination legislation.

The petition endorses the legislation passed by the House of Commons and describes my constituents' anger at the Senate's deliberate frustration of the will of the people.

CLOSURE OF EMBASSY IN EQUADOR—REQUEST FOR REVERSAL OF DECISION

Mr. Andrew Witer (Parkdale—High Park): I have the privilege to present a petition to the House on behalf of Toronto residents who wish to state their opposition to the closure of the Canadian Embassy in Equador and the hardship it has imposed on individuals seeking to apply for immigration to Canada or visitors visas.

The petitioners urge Parliament and the Secretary of State for External Affairs (Mr. Clark) to reverse the decision to close the embassy.

IMMIGRATION—REQUEST FOR CLOSER CO-OPERATION WITH VIETNAM

Mr. Dan Heap (Spadina): Madam Speaker, it is my privilege and honour to present a petition from a number of residents of the constituency of Spadina, who have pointed out that Canadian immigration law has the goal of facilitating the reunion in Canada of Canadian citizens and permanent residents with their close relatives from abroad.

They point out that Canadians from Vietnam find it takes months or years to bring their relatives from Vietnam to Canada as immigrants, and the Vietnamese Government, they say, has delayed or stopped immigration for many relatives of Canadians.

Therefore, the undersigned call upon the House of Commons to ensure that the Canadian Government negotiates actively with Vietnam to secure an agreement providing for closer co-operation on immigration, including quicker action on Canadian sponsorships.

IMMIGRATION—FAMILY AND ASSISTED RELATIVE CLASSES

Mr. Dan Heap (Spadina): I have a petition that is signed by a number of residents of Spadina who point out that on October 30, the Minister of State for Immigration (Mr. Weiner) promised that unmarried sons and daughters of all ages will be considered as members of the family class of immigrants, and that married children of brothers and sisters in the assisted relative class would get 15 points instead of 10 points when assessed for immigration to Canada.

They have also pointed out that there is an unfair distinction that the Government promised to resolve between Canadian citizens and permanent residents in their right to bring their parents at the age of 55.

Therefore, since none of these promises has been fulfilled, the undersigned citizens and residents of Canada call upon the House of Commons to ensure that the Government fulfills its promises now.

UNIVERSAL ACCESS TO FAIR ORAL HEARINGS BEFORE REFUGEE BOARD

Mr. Dan Heap (Spadina): I have a petition from a number of residents of Spadina who point out that; whereas Canada has established good standards of refugee status determination, but our procedures have broken down; whereas a standing committee of Parliament proposed a new procedure and this has the support of the Canadian Council of Churches, the Bar Association, Jewish Congress and many other groups; whereas the present practice of the Government is turning away refugee claimants from ports of entry before their claims have had proper examination; therefore, we the undersigned, your petitioners, humbly pray and call upon Parliament to enact legislation that will embody the principles of fair and complete oral hearings of claimants before a refugee board, independent of the immigration commission, universal access to such hearing for every claimant in Canada, and a fair chance to arrive in Canada to present this claim.

PROPOSED FREE TRADE

Mr. Dan Heap (Spadina): Madam Speaker, I have a petition from a number of residents of the City of Toronto who point out that the fabric of Canadian sovereignty is threatened by the proposed Mulroney-Reagan trade deal, which has no mandate of support from the people of Canada but would reduce our ability to plan our economic, social and cultural programs that we need, and would integrate Canada further with the North American defence industrial base.

Therefore, these people ask that the House ensure that a national debate take place on the Mulroney-Reagan trade deal and that this debate result in a national general election before any agreement is finalized.

BLOCK AVERAGING OF INCOME

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, I wish to present a petition on behalf of a number of residents of my constituency who indicate that for many years farmers and fishermen have enjoyed the right to block average their incomes.

Since there has been an indication by the Minister of Finance (Mr. Wilson) to eliminate block averaging, they call upon the House to take the necessary steps to retain block averaging for farmers and fishermen, as recommended by the Standing Committee on Finance and Economic Affairs, which report was presented to the House.

NORTHERN TAX ALLOWANCES

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I have the honour and privilege to present a petition signed by hundreds of residents of the community of Atikokan and the surrounding area. These petitioners are concerned about the fact that the township of Atikokan and surrounding areas were left off the comprehensive eligibility list for the northern residents tax deduction.

They argue that they are being affected simply because of their location next to Thunder Bay. They believe that they are part of that area of the country which is isolated, with higher costs for food, fuel, housing and transportation.

They humbly pray and call upon Parliament to declare the township of Atikokan and surrounding area to be eligible for the northern residents deduction.

Mr. John Parry (Kenora—Rainy River): Madam Speaker, I have the privilege today to present four petitions on behalf of constituents of my riding. There are no less than 464 signatures on these four petitions which have been duly certified in conformity with Standing Order 106.

Our petitioners today call upon Parliament to provide a redress for the inequitable situation which has arisen by the unequal application of the Northern Residents Tax Allowance.

They call for all communities in what are known as Tier 3 ridings to be designated as remote communities and therefore eligible for this Northern Residents Tax Allowance. By doing so, they hope to see an inequity between northern communities eliminated.

[*Translation*]

PROPOSED FREE TRADE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I wish to table a petition on behalf of a number of Canadians who are blaming the Government for signing a deal with the Americans, the so-called Mulroney-Reagan Trade Agreement. They humbly state that the Mulroney Government has sold out Canada and received nothing in return, that Canadian industries are still not protected from U.S. trade laws, that the United States obtained everything it wanted in all key sectors, especially agriculture, energy, auto trade, financial services and investment, that thousands of Canadian jobs are threatened, and that the Conservative Government has not provided for any adjustment assistance for Canadian workers. Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to denounce the Government for signing the Mulroney-Reagan Trade Agreement.

OPPOSITION TO THE EXPULSION OF TURKISH NATIONALS

Mr. David Berger (Laurier): Madam Speaker, I should like to table three petitions signed respectively by 37, 25 and 26 residents of Montreal or the Montreal area who oppose the Minister of Employment and Immigration (Mr. Bouchard)'s decision to deport from Montreal some 2,000 Turkish nationals. These people were hoping for a happy conclusion to this sorry situation where the Minister had failed to take into account his own mistakes or his delay in the fall of 1986 in taking steps to stop the false rumours circulating at the time, for these Turkish nationals had come to Canada in good faith, unaware of the fact that by their action they were violating the Canadian Immigration Act.

These petitioners humbly pray and call upon Parliament to intervene with the Minister of Employment and Immigration in the hope that once more he might reconsider his decision.

• (1520)

[*English*]

OPPOSITION TO BILL C-72

Mrs. Barbara Sparrow (Calgary South): Madam Speaker, I have the honour and privilege today to present eight petitions signed by hundreds of constituents of my riding of Calgary South and, indeed, all of Calgary, who humbly pray and call upon Parliament to cancel Bill C-72 so that the unilingual speaking people have a chance for a position in the Government.

PROTECTION OF THE UNBORN CHILDREN

Mr. Paul Gagnon (Calgary North): Madam Speaker, It is certainly an honour and privilege to present a petition signed by 50 residents of the community of Calgary North. Inasmuch as it is becoming increasingly common to learn of abortion being used as birth control, and thousands of potential lives are unjustly terminated, and whereas abortion should not be tolerated by society except in the most dire circumstances, the undersigned petitioners humbly pray and call upon Parliament to act upon the problems associated with abortion by introducing and supporting legislation which protects the life of the human fetus in all but the most dire circumstances.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, question No. 244 will be answered today.

[*Text*]

FOREST MANAGEMENT

Question No. 244—**Mr. Parry:**

1. Does the Government plan to establish a department of forestry and, if so, on what date?

2. Is the Government committed to an ongoing role in the funding of forest management?

3. Is the Government committed to renewing federal/provincial forestry agreements?

4. Will the Canada/Ontario forestry agreement expire on March 31, 1989, and does the Government intend to renew the agreement and, if so, as of this date, has the Government initiated any action towards this renewal?

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): I am informed by the Prime Minister's and Privy Council Offices and the Office of the Minister of State (Forestry and Mines) as follows:

1. The Government responded to this question on October 23, 1986, in its response to the First Report of the Standing Committee on Environment and Forestry:

> By establishing the portfolio of Minister of State (Forestry) in September, 1984, the Government put in place a much-needed focus for this key economic sector. This initiative, in part, has strengthened this Government's efforts in forest renewal and forest research. It has also helped to ensure that the responsibilities of a number of other Ministers relating to the forest sector in such areas as international trade, industrial support, employment, environment, and native peoples have become more relevant and effective in enabling the forest sector to contribute to the present and future prosperity of Canadians.

2. The Government of Canada is very much committed to an ongoing role in the funding of forest management. In the Speech from the Throne on October 1, 1986, the Government stated that it will continue to work closely with the provinces,

industry and private woodlot owners to ensure that Canada's rich forest heritage continues as a vital source of wealth and jobs for future generations.

In addition to this, the Canadian Council of Forest Ministers, which includes the federal Minister of State (Forestry and Mines), has endorsed the new National Forest Sector Strategy for Canada. This strategy was developed by all interested parties in the Forest sector, including the federal Government. The strategy specifically recommends that all elements of the forest sector, which certainly includes the Government of Canada, expand their commitment to forest management.

3. The National Forest Sector Strategy, endorsed by the Minister of State (Forestry and Mines), recommends a commitment to federal/provincial agreements. This commitment, therefore, not only expresses satisfaction with the results of the current agreements but also calls on all parties in the sector, not just government, to support a new round of agreements.

It should be noted that the federal Government, in its commitment to developing more effective means of regional economic development, is currently reviewing the Economic and Regional Development Agreements (ERDAs) which were the framework for funding the first round of forestry agreements across the country. This review will enable the Government to ensure that the ERDAs are more efficient and effective in addressing the diverse needs for regional development across Canada.

4. The Canada-Ontario Forest Resource Development Agreements ends on March 31, 1989. However, two additional years are included in the agreement in order to complete major projects initiated in the final years of the agreement.

A formal request has been received from the Minister of Natural Resources of the Province of Ontario to begin discussions aimed at developing either an extension to the current agreement or a new five-year agreement. Federal officials have begun premilinary discussions regarding possibilities for a new federal-provincial forestry initiative. It would, however, be premature to discuss a new agreement, which will depend on the Government's review of its regional development policies, the province's priorities as well as our own analysis of the needs of the sector in Ontario.

[*English*]

The Acting Speaker (Mrs. Champagne): The question as enumerated by the Parliamentary Secretary has been answered.

Mr. Grisé: Madam Speaker, I would ask that the remaining questions be allowed to stand.

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

Some Hon. Members: Agreed.

MOTIONS FOR PAPERS

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

The Acting Speaker (Mrs. Champagne): Shall all notices of motions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—A CANADIAN HYDROGEN AUTHORITY

Mr. Howard McCurdy (Windsor—Walkerville) moved:

That the Government consider the advisability of introducing legislation to establish a Canadian Hydrogen Authority which would report directly to the Minister of State for Science and Technology and whose mandate would empower it to:

(*a*) initiate, coordinate and oversee the research and development implied by a commitment from the government to undertake a Hydrogen Mission;

(*b*) consult with representatives of industry, government, labour, academia and other relevant groups in order to set an agenda determining the priorities and goals of the Mission with respect to research and the establishment of Canadian leadership in the development and production of hydrogen technology; and

(*c*) create a timetable according to which major projects crucial to the Mission's success are to be undertaken and completed.

He said: Madam Speaker, I hope that the scheduling of an attractive diversion by the Speaker is not a sign of the regard in which this motion is held. Nevertheless, it is with enthusiasm I rise today to address the motion concerning the creation of a Canadian Hydrogen Authority. Ultimately, of course, the decision to establish such an authority would be part of a much bigger commitment by the Canadian Government to undertake a National Hydrogen Mission.

[*Translation*]

In recent years we have heard a lot about industrial strategies. A national mission would define a strategy and provide an approach, a vision, a philosophy. The report on Hydrogen a national mission for Canada, is an excellent illustration of this kind of mission, an example of the way we ought to come to grips with the over-all problem of economic development.

First I should like to comment briefly on this idea of a national mission before dealing more specifically with the role of hydrogen in this strategy.

Madam Speaker, we have all heard the rather strange cliché that Canadians are supposed to be levers of wood and drawers of water. There is a certain fatalist truth to that, but it is true as well that we belong to the international fraternity when it comes to some of the newest technologies such as telecommunications, aerospace, computer science, and electronics. Clearly we are making progress and we do have what it takes to be a lot more than what the cliché would make us appear to be.

Nonetheless it is a fact that a sizeable number of our economic sectors are directly related to the extraction and export of natural resources, to the extent that we are prisoners of the vagaries of international demand and the sharp fluctuations of the price of raw materials.

This has been painfully obvious over the past five years. On the one hand, the economy of Ontario and that of Quebec—to a degree—with their leading manufacturing sectors, have been expanding at an accelerated pace despite the world recession.

On the other hand, the Atlantic provinces, the Prairies and the West Coast, dependent as they are on raw material exports, have been at a disadvantage due to the price of raw materials in international markets.

All this to say, of course, that those economies must become less dependent on raw material exports. But the question remains: How?

[*English*]

The advice one usually gets at this point is that diversification must build on existing strengths, which translates into the view that a manufacturing sector should be developed which is based upon reasonably strong resource industries. Thus far the advice is sound. However, a key question needs answering.

When we speak of the creation of a manufacturing sector, what kind of beast do we have in mind? Is it the kind of manufacturing which creates jobs based on secondary manufacturing through the processing of fish, wood or other resources? Perhaps, in part. But these will not replace the many jobs lost to such things as cheaper labour costs in Southeast Asian countries like South Korea, Taiwan and Singapore, with which we must compete.

Is it then capital intensive as is the case of computerized automobile assembly plants or oil refineries? If so, it probably requires that governments attract investors, mainly foreign, by providing generous tax concessions to offset the costs of locating large projects in this or that region of the country.

• (1530)

This strategy, rather than solving problems, really plays into the hands of our competitors. For if the over-all goal of diversification is greater local control of the economy and protection against the whims of the market, the strategy fails. It simply shifts the dependence from one external player to another. It is the owners, not the community, who control the factory's future and to that extent the local economy.

Moreover, far from injecting capital into the national economy by removing profits from the country, it may well drain it. The good thing about such projects is that once construction is finished, away they go. The whole package—products, markets and jobs—is there and functioning in the shortest possible time. For a politician who looks no farther than the next election, this is of course an attractive feature.

In large measure this is the Government's strategy. It is the promise and the danger in the free trade pact. In fact, importing packages holus-bolus creates rather than solves problems in the national economy. It may be a temporary shot in the arm for such and such a town, but in the long run permanent solutions cannot be based on quick fixes. They must evolve from the ground up, developing the strengths and special advantages of the local economy. They must merge into the broader regional and national economies to form a single, cohesive and integrated system which is given direction in some way.

Therefore, if we are serious about diversification, we must ask what is on the horizon. If we want to develop, it must be toward the future, not toward the past. It does not take much looking to see that the economies of the future will be dominated by highly sophisticated, knowledge intensive industries. Developed countries are weaning themselves of their dependence on natural resources and the manufacture of labour intensive products and replacing them with products and services which are knowledge intensive. In order to remain a developed country then, Canadians will have to make this transition.

This is a real challenge. As the recent report of the National Advisory Board on Science and Technology has stated, we do not presently lead in any area of international science or technology. In spite of the engineering feats involved in the creation of, say the Canadarm, our expertise tends to be limited to the mastery of a narrow range of scientific and technological areas. In short, however good a job we are doing at working at someone else's claim, Canadians are not staking out their own territory in the scientific and technological frontiers.

Indeed, it has become a dominant strategy for Canadians to look for niches in existing markets which they can fill. In making the transition to a knowledge based economy then, we can if we wish continue the tried and true strategy of finding small holes in someone else's initiatives which we can specialize in filling. It is a proven strategy. Of course, the disadvantage is that it places us permanently in the shadow of bigger players.

The alternative is for us to strike out on our own and choose an area which can capitalize on our existing strengths instead of targeting small niches in already crowded markets. By adopting a broad strategy to develop and manage an emerging industry we can stake out our own fertile territory and cultivate it for the markets it will eventually produce. If a new area of economic development really is emerging, opportunities will abound. We need only to recognize them and have the initiative to exploit them.

In this respect our place in history would not be unlike our early settlers and entrepreneurs who created from the wilderness a nation united by railways and roads and whose economic prosperity was powered by vast resources of timber, coal, fish, minerals and so on.

Let us be candid. The creation of a new, knowledge intensive, sunrise industry is a major undertaking. It requires massive investment in research and development to build the technologies and expertise on which the new industry is based. But research and development take time. As a result there is usually a significant time gap between investment and dividend. Private investors, however, like to see quick returns on their money. They are, at best, reluctant to make long-term investments in research and development even when the sum is, relatively speaking, small.

When we start talking about billion dollar outlays to found a new industry, we simply cannot count on them to pick up the ball and run. In spite of what some economists may say, we have learned through bitter experience that one thing market forces cannot be relied upon to guarantee is innovation depending upon large-scale scientific research and development. We certainly cannot move from the premise that an opportunity, even a golden opportunity, exists in a market system to the conclusion that therefore it will be exploited. Perhaps an example will make this point.

Consider Japan's commitment to develop a fifth generation computer. This is a multibillion dollar investment which over the 10 or so years it will take to develop will unquestionably repay few dividends. It is extremely doubtful therefore that any single company or consortium of companies would have undertaken the project on its own. But in order to consolidate the country's position as a world leader in the industry the Japanese Government mobilized members of business, academia and Government and united them around the common goal of making Japan the first country to develop a fifth generation computer. This type of collective effort by members from all sectors of the community and led by Government can be called a national mission.

Canada, too, needs a national mission. Some think that our participation in the U.S. space station is such a mission for Canada. It is not. The reason why it is not is clear. A national mission is distinctly the possession of that nation which undertakes it. When the mission is extended beyond the nation it ceases to appeal to the inner sense of pride, duty and, most important, of self which sustains it.

The space station is an American initiative. Even though Canadians participate in it, we neither control nor direct it. Although Canadians can take pride in their contribution to the American space program, it is still the other guy's show.

Hence a national mission is a broadly based, government led strategy which aims at mobilizing diverse sectors of society and uniting them around a common goal. This sense of participating in a collective undertaking is crucial. This is what binds a project together and gives it a special momentum, a sense of potential national accomplishment. As such, it is the highest form of nation building.

I think I have said enough for the moment about the concept of a national mission to give other Hon. Members a pretty good idea of what I am talking about. I therefore want to move on to propose what that national mission for Canada might be. Before doing so it might be helpful to recap what I have said.

There is a transformation now under way in developed nations in the direction of knowledge based economies. Knowledge intensive industries result from innovative application of new scientific and technological knowledge. Staking out and developing one of these areas would allow Canadians to create and to establish a new industry. This is however a large scale long term costly venture requiring substantial investment in research and development. Because of this, private investors are unlikely to undertake such a project alone. Yet there is a golden opportunity for Canadians to move out of the shadows of their industrial big brothers and become a major player in the new economic order.

To do so we need the co-operation and participation of business, academia, Government, labour and so on. This can only be achieved through strong leadership provided by the federal Government under the auspices of a national mission.

I now turn to the question of hydrogen as that national mission. If Canadians want to undertake a national mission to develop a new national industry, quite simply stated that new industry should reside in the development of hydrogen technology, since hydrogen will be the energy currency of the future.

As we are all aware, the world's main energy source is fossil fuels, or as some of my friends prefer to call it, old dead dinosaurs. We also know that there are only so many dinosaurs—

Mr. Berger: Not in this House.

Mr. McCurdy: It has been suggested that certain Liberals believe that some of the dinosaurs have survived in the backbenches of the Conservative Party.

One thing we know, it will not be very long before we have to go to museums to find dinosaurs. In short, we are running out of fossil fuels.

• (1540)

But there is an even more urgent and frightening concern about fossil fuels, and that is pollution. First, the burning of fossil fuels gives us the smoggy, noxious environments of large urban centres; second, they produce acid rain. We have discovered that we are not only killing ourselves by breathing sulphur dioxide, we are also killing our lakes, rivers, forests, and everything in them.

As though this were not bad enough, we are visited by another, third, plague, the greenhouse effect, the carbon dioxide build-up in the atmosphere. If it continues at the

present rate, it will drastically alter the climatic conditions and cycles of the entire planet by the middle of the next century, if not before. It means massive flooding or droughts and drastic changes to crop conditions around the world. The result would be economic chaos.

The conclusion is that depleting stocks and environmental destruction will force us to seek alternative fuels. This is where hydrogen comes in. To see why hydrogen is so important, a distinction must be made between sources of energy and energy currencies. The former includes things like coal, crude oil, hydroelectric power, uranium, sunlight and wind. The latter refers to the forms which energy takes. Thus, electrical energy being derived from sources such as wind or coal is an energy currency, not a source. Future energy needs will have to be satisfied by currencies which are non-pollutants and derived from renewable sources.

Hydrogen is an energy currency, not a source. Like electricity, it can be derived from a vast variety of renewable resources such as hydro, wind and solar. Moreover, while electricity stills looms large in the energy picture, hydrogen will inevitably play an increasingly important and complementary role.

There are three reasons for this. First, there are major tasks, such as serving as a chemical or material feedstock, which electricity cannot perform. Second, while hydrogen can be stored and transported in large quantities, electricity cannot. Lastly, there is no other known chemical currency which can be manufactured in large quantities from renewable resources.

This last point is especially important. It means that hydrogen is the inevitable choice as a feedstock in the future production of chemical commodities. This virtually guarantees the need for highly sophisticated technology to serve a multibillion dollar market. If Canadians are the first to develop that technology, they will have virtually unfettered domination of that market. Indeed, in Canada alone, hydrogen is already a one billion dollar a year industry, fully one half of which is accounted for in the manufacture of chemical products. This means that the technology is already under development.

I spoke earlier about the delay between investment and return when developing new industries. In fact, one of the great virtues of developing and marketing hydrogen technology is that the transition to the hydrogen age will be made in stages. This means that we can expect significant early returns on some investments and, equally important, permits us to develop our markets a stage at a time as these new technologies and products are phased-in.

Hydrogen technology is already widely employed in the production of just those fossil fuels which will eventually be replaced. In Alberta, it is now used in the upgrading of heavy oil from the tar sands; 30 per cent of our domestic use of hydrogen is in the petroleum and petrochemical industries. In other words, a commitment to develop hydrogen technology is not like stepping out into virgin territory. We can actually work toward the development of the new industry in and through the old one. This is consistent with the idea of building on existing strengths.

We are now on the verge of signing a deal which would purchase, at a cost of $8 to $12 billion, imported technology to build nuclear powered submarines. Would it not make more sense to invest that money in the development of a hydrogen fuel cell? A submarine powered by such a fuel cell would have under-ice capability at least equal to that of a nuclear powered submarine. It would have the added advantage of not giving off any heat exhaust by which it might be detected by the enemy. This could be an opportunity for Canadians to develop a home-grown technology which would render the current nuclear technology obsolete. Moreover, such a fuel cell could also be used to power automobiles, locomotives, aircrafts, rockets, and other types of marine vessels.

The potential applications of a hydrogen fuel cell to vehicles is nothing short of spectacular. Canada, which already has an established automobile manufacturing industry, could develop a prototype, a non-polluting vehicle. The marketing of a hydrogen powered vehicle would be a ground breaking effort in the battle against pollution, and consumers could not be held hostage to the threat of diminishing fuel supplies and rising fuel costs.

As for our natural advantages, Canada's vast hydro resources in provinces like Quebec, Manitoba, British Columbia, and Ontario provide ideal locations in which to situate a plant to manufacture hydrogen by electrolytic conversion from renewable sources. It is worth noting here that Quebec has had a long standing interest in the potential of hydrogen as providing a market for its hydroelectric resources.

[*Translation*]

Premier Bourassa in fact mentioned in his book entitled *L'énergie du Nord* (Power from the North) the possibility of developing the hydrogen market. Just recently, the Government announced a $7.5 billion investment to develop James Bay and launched a study into the possibility of developing appropriate technology to transport large quantities of hydrogen by sea.

[*English*]

We have outlined the possibility for an industrial strategy for Canada based upon hydrogen technology. It is still early in the game. We are asking of this country to accept the challenge that will make us not a sharer in the missions of other nations, but to establish a mission of our own based on strengths that we already have.

The existing petrochemical industry already is based in large measure on the use of hydrogen generated from methane. Some day it can be produced through the hydroelectric power that so characterizes many parts of our country. It is a fuel of the future, one that is renewable in its source, and non-polluting. At a time when we need new energy sources and new energy currencies, at a time when we need to attack the problem of pollution, we have made a proposal here now

before you, Madam Speaker, that can put Canada, for the first time in its history, in first place, to the benefit of the entire country and every citizen in it.

Mr. Gurbin: I wish to congratulate the Hon. Member for his roundness of understanding, and for his support of the notion produced for the Government by the advisory group on hydrogen. Several years ago the Government appointed a group of prominent and capable Canadians under the leadership of Professor David Scott from the University of Toronto. The Hon. Member has certainly grasped the essence of the report and many of its important recommendations. I have several small questions to ask the Member.

I imagine that the Hon. Member understands that this study was commissioned by the Government in order to allow the Government to define its role and help to determine its actions *vis-a-vis* hydrogen. I would imagine that the Hon. Member knows that the Minister of State (Science and Technology) (Mr. Oberle), and his predecessor, the Minister of Energy, Mines and Resources (Mr. Masse) and his predecessor and the Minister of the Environment (Mr. McMillan) have all supported the production of this report and made it possible. The recommendations have come back to the Government and have been distributed by it for consideration by a variety of Members of the Canadian community who are interested.

There is an essential recommendation in the report, not to get into technical matters, but I would like to ask the Hon. Member to which of the projects he is most attracted. Last night I came to Ottawa on the train, and it would have been pretty nice to have been on a hydrogen train that was dumping water along the way. That is certainly something that has a lot of interest, and it would look good on Canadian National Railways. I wish to ask the Hon. Member to which of the specific projects he is most attracted?.

Second, does the Hon. Member feel that the research aspect, the innovation aspect, the environmental aspect, or the industrial aspect is most important from a Canadian perspective?

Finally, what would be the position of the Hon. Member's Party on the establishment of a Canadian hydrogen authority at the federal level, and which is the essential ingredient and recommendation of the report? This authority would, at the national level, give the federal Government an opportunity, in a variety of ways, to help influence, in a constructive way, Canada's leadership and the "daring to be first" in a number of areas which are hydrogen related and hydrogen technology related?

• (1550)

Clearly the disposition of the Government would be defined in seeing the private sector develop these important technologies while assisting universities and the scientific community directly and indirectly through a number of different opportunities.

Could the Hon. Member respond to my specific questions?

Mr. McCurdy: Madam Speaker, I appreciate the kind comments of the Hon. Member. He has asked a great number of questions and has made a number of remarks to which I would be pleased to attempt to respond.

I am certainly cognizant of the fact that the study was commissioned by the Government. I am also cognizant of the fact that the former Minister of State for Science and Technology cancelled the $10 million alternative energy program within the NRC. This was an act which was not consistent with the ideas even then existing about the potential of hydrogen technology as an area that could constitute the Canadian mission.

In referring to the notion of a mission, I should like to re-emphasize the importance of it being a Canadian mission. As the Hon. Member knows, the author of the report indicated that it was fundamental to the mission that Canada own the technology that was developed. Obviously that has certain significances in respect of the free trade agreement and the conditions of ownership and control with regard to technology. We would hope that the industry would be in a position to sell technology to the rest of the world.

The Hon. Member asked which specific application of hydrogen technology I would most support. Of course he knows that as matters now are we have developed considerably in the area of hydrogen technology in connection with the hydrogenation of heavy petroleum from methane.

The chief source of hydrogen in the country is methane, which is a relatively expensive source in terms of the kinds of usages that might be projected. Ultimately, as fossil fuels run out, hydroelectrically produced hydrogen would be in a position in terms of cost and general economies of scale to replace those fuels for a number of ordinary fuel uses.

However, apart from developing the technology of hydrogen transport, storage, and so on, in alluding to the potential for hydrogen driven marine vessels—and specifically submarines were cited—it is an area that should be explored as soon as possible. Heavy locomotive vehicles, whether they be trains, submarines, rockets, or airplanes, are areas of the future in which we could establish our place in respect of alternative applications of hydrogen in new forms of motive power through the application of the fuel cell and other applications with which I am sure the Hon. Member is familiar.

If I were looking to the future and immediate prospects for big jumps in our advantage, those are the areas where I would seek Canadian advantage.

With regard to the roles of government and industry and the relative balance of contribution involved, of course we understand that hydrogen technology in terms of the application of hydrogen as the fuel at some future date is so far down the pipe that it would be difficult, in my view, to expect industry to make a heavy investment in it.

Having said that, I think it is up to the authority, in consultation with the players in the field, to establish the relative contributions of government and industry and the priorities chosen to pursue the development of this mission in Canada.

Mr. Tupper: Madam Speaker, I am delighted this afternoon to spend a few minutes in the House addressing the motion before us. I congratulate the Hon. Member for Windsor—Walkerville (Mr. McCurdy) for priorizing a very crucial R and D issue for us. He highlighted the fact that he would like to see Canada move into a knowledge based society. He indicated that we should develop a national mission and, in his view, that the national mission should relate to hydrogen fuel cell research.

I was somewhat surprised by his answer to the previous Hon. Member that he would identify submarine locomotion as his first priority for developing a hydrogen fuel cell engine. I did not realize that the New Democratic Party wanted to develop a submarine fleet for Canada. It really was an interesting aspect of his presentation, and I am confident that Canadians would be interested in learning about it.

My question to the Hon. Member relates to the motion which he put before us today wherein it indicates that we would create a Canadian hydrogen authority. It would probably be a very useful initiative to get this important area off the ground. My real question to him is this. Over the next three years, how much funding would he assign to the authority in order to get this initiative on the road, regardless of what part of the national mission he would like to see go forward?

I thought he might have been more expansive in his previous answer about the segments that would go forward. However, I would really like him to take a moment to share with the House how much money his Party would assign to hydrogen fuel cell research at this point in time?

Mr. McCurdy: Madam Speaker, I appreciate the initial kind words of my hon. colleague, a scientist and parliamentarian whom I respect very much. I am surprised that he chose to divert the discussion to quite crafty political considerations which were entirely wrong.

I did not say that the fuel cell should be the only priority. Nor did I suggest that submarines should be the priority for the application of fuel cells. Let me tell the Hon. Member that it is a fact of New Democratic defence policy, which we suggested, that we indeed buy conventional, not nuclear, submarines.

It seems to me that the Government's notion of buying nuclear submarines could have this best appraisal placed upon it—that it seeks submarines with the capacity of staying submerged for long periods of time, and hydrogen powered submarines would have that quality. The Hon. Member is wrong on two counts.

In respect of funding, if the Government restored the $10 million that it has already cut from alternative energy research, it would be a good start in getting the authority started on its job.

Hon. Frank Oberle (Minister of State (Science and Technology)): Madam Speaker, I am rather pleased to join in the debate this afternoon. I am thankful that the Hon. Member for Windsor—Walkerville (Mr. McCurdy) placed this interesting, challenging, and important topic on the agenda of the House of Commons. I am also thankful for his putting it in such a responsible, conciliatory, and non-combative fashion. Perhaps at the end of my speech I will tell him that I have no problem agreeing with almost all the principles in his motion, and I know that should please him. I know that it would please Dr. Scott, the author of this important report who is in the gallery, a former colleague, Gordon Gilchrist, and others who spent a lot of time contemplating the exciting prospect of making Canada a world leader in hydrogen technology and of having in place a national mission for the development of hydrogen in its many dimensions.

• (1600)

Having said that, I would be remiss if I did not engage in setting the stage and showing a larger picture of the country's national policy and national strategy within which such a hydrogen mission could be placed.

I just returned from a week-long trip, and as it happened, it coincided with a number of meetings that I had. First, I met with the Council of Science and Technology Ministers of the provinces and territories in Edmonton last Friday. Then I travelled to Vancouver on Monday. We had one of the first of five regional follow-up conferences to the national conference in Toronto in which the Hon. Member participated in part. That conference created such enthusiasm and excitement through the country. Then on Tuesday, I chaired, on behalf of the Prime Minister (Mr. Mulroney), a meeting of his personal advisory council, the National Advisory Council on Science and Technology. Then I had to fly back overnight to be here because I wanted to participate in this debate. I say this as a compliment to the Hon. Member, because it is very timely to discuss this.

As the Hon. Member knows, we are discussing the priorities of the Government. We have spent a lot of time and effort at the Standing Committee, and the Hon. Member participated in some of that. For the first time, the committee spoke of issues like this, giving Canadians an opportunity to bring the message to Government through the standing committee. in fact, the standing committee looked at the hydrogen report and gave it excellent marks.

I have said these things because the National Advisory Council the Prime Minister appointed dealt with the subject as well, as have all the other like bodies. It is not anything new. In fact, as the Hon. Member knows, there have been previous such studies. One of them was done within the context of the

alternative energy task force on substitutes dating back to the 70s when we were suffering from the energy crisis and were looking for future energy sources. All of these things have come together and we have created quite a bit of interest throughout the country.

As I said, we have also spent a lot of time doing precisely what the Hon. Member has suggested is urgent for the country, and that is to develop a national thrust, a focus, a policy and a strategy that will take us from where we are into the new information age. The Hon. Member has said that hydrogen will be the energy currency, and I say that information and knowledge will be the currency that drives the new age. He has no disagreement with that.

I just happen to disagree with the Hon. Member on one point. He said in his speech that he does not believe that the private sector could, on its own, provide the necessary impetus to do the type of innovation that would be necessary. I say to him that only the private sector can do that. If the public sector could do it, we would not have any worries. We have attempted to do it for so many years but it has not worked.

Unless there is co-operation between the universities, the private sector and government labs, and unless we have the resources and the correct climate created through the leadership of the federal Government, I recognize that readily, nothing will happen. We will not get that required co-operation if we continue to tell the private sector to wait for us to do it, and then we will call on it whenever we are ready to pass on some of the benefits. The private sector will have to take the lead, and we intend in fact to involve the private sector very much in every stage of our future plans and programs.

The Hon. Member recognized this readily. I liked his speech because it reflected a number of the phrases I have used myself, and the Prime Minister has used in speeches, including the phrases "national trust", "national strategy", "moving into the information age" and "finding ways to diversify our economy". These phrases are indeed in line with the advice we have been receiving, the advice we have tested against the group of eminent Canadians who came together in Toronto for three days to work with the Prime Minister.

We confirmed a consensus. We looked at the principles we had identified as being the basis of a national thrust. We unveiled the policy as we see it unfolding for the role Canada will play in this new knowledge and information age. We have a national consensus and it is being celebrated throughout the country. We are rather pleased about that, because without that kind of a mobilization of all the geniuses in Canada, and without the commitment of all the stakeholders including the private sector, the provinces, universities and the federal Government, we will not be able to respond to the challenges and opportunities that exist.

What are some of our priorities? The forces we are attempting to manage and control are changing in such a revolutionary fashion. There are new market forces in the world. It became quite clear to us, as it always has been, that any policy would have to be consistent with what one might consider to be distinctively Canadian cultural values and attitudes. Any policy would have to be consistent with what Canadians consider their role to be.

Each nation has different priorities and different attitudes. The United States, for instance, sees itself as the custodian of liberty and freedom throughout the world. That is why the national Government in the United States spends 75 per cent of its research money on defence. Thank God the Americans do that, because they have helped the rest of the free world to bring about stability and peace for a period unprecedented in history.

Canadians have priorities that are somewhat different. We love our environment. We take our custodial practices over the wealth of our natural resources very seriously. Those are the priorities of Canadians.

We set out to show leadership in developing a national policy and a national strategy consistent with Canadian values. We have introduced a number of principles that underlie the national strategy. My hon. friend from Windsor—Walkerville knows of these principles. They are those included in the national policy which was signed by 10 provinces and the territories with the federal Government, the innovative action strategy.

In that strategy, one of the principles is industrial innovation and technological diffusion. The other is the effective management of federal resources, a principle that is not insignificant. This year, $4.5 billion was spent on research for development in science-related activities intramurally. The third principle is the development of the necessary highly qualified people. This requires university training. The fourth principle is public education and public awareness of the concept of a science culture, something which is critically important. Finally, of course, there is the principle of the development of our strategic technologies.

The Hon. Member has mentioned hydrogen as being a possible strategic technology. Frankly, I am as enthusiastic as he is about that particular prospect. We have done all kinds of things. We have not just consulted and planned. Canada could not wait, nor were we prepared to wait, until all the studies were complete and every Canadian had been consulted to ensure that what we are doing will be consistent with these attitudes and will in the end mobilize and inspire Canadians to join in this national mission. We did take some actions, particularly in the strategic technologies. There is the microelectronics technology to which we committed $90 million. There is the biotechnology thrust that is now gaining much momentum. There is the work that is going on in advanced materials.

How does that all tie in with what we are discussing here today? First, in light of what I said, we want to look at the proposals in Dr. Scott's report, in the report of the standing committee and in the report of the alternate fuel committee.

How would that tie in to this kind of national thrust? First, I said Canadians love the environment. We take our custodial responsibility very seriously. We have always paid a lot of attention to energy security. We live in a northern climate and every home which provides the kind of comfort and security you want has to have, in our country at least, a proper heating system. Energy has always been critically important and it has always been in the back of Canadians' minds. That is why we developed, for example, the tar sands technology far in advance of everyone else.

• (1610)

The Hon. Member says we have never done anything. With respect, we have the best nuclear technology in the world. The CANDU reactor is still the most efficient and safest nuclear generating system in the world. There is no doubt about that in anyone's mind.

We are the third nation in space. Why? Because of a Canadian national mission involving fascination with the idea of bridging distances and bringing our people together from coast to coast. That is why we are world leaders in transportation and communications technology. That is why we were the first nation in the world to have our own communications satellite in space.

Canadians have had all kinds of national missions in the past and I do not accept for one minute that we have never done anything or will never in the future be able to do anything. Quite the contrary. As I travel the world and meet with my counterparts in Europe and Asia I am a big wheel. It is just that Canadians at home do not understand that and have yet to celebrate the fact that we are quite good at what we do when we set our minds to turning adversity into opportunity.

Why hydrogen? Because we think seriously about energy security, we would like to find a replacement for conventional fuels which are polluting the environment. It is not just our own environment, it is the world environment. We hear alarmist reports all the time about what might happen to the ozone layer if we insist on using conventional fuels. We would like to replace the harmful chemicals we use in agriculture and forestry with perhaps biofertilizers, pesticides and herbicides. Hydrogen can play an important role in lessening our dependence upon traditional fuels.

Of course, we are uniquely positioned to take a lead in the world in the production, storage and development uses of hydrogen, but it is hardly a new idea. I am told that the Germans are launching this year a hydrogen submarine. It is not hydrogen propelled but it is used to control the environment inside the submarine. Several car manufacturers in Europe are testing hydrogen engines.

With respect to propulsion technology, we have perhaps missed a connection, but there is an exciting aspect to all this in developing strategic partnerships and alliances with other industrial countries in using our technology. We are the biggest user of hydrogen. There is a $1 billion market right here. We are using it for the upgrading of the tar sands and heavy oil production. It is of course the fuel that space rockets and other vehicles will be propelled by. That is nothing new. It is happening now.

We could develop some strategic alliances and partnerships to carve out that part of the hydrogen mission unique to us. First, we have lots of natural gas. We have an abundance of hydroelectricity which other countries do not have. We could literally take electricity, turn it into hydrogen, and export it to regenerate electricity. You could export electricity not just to California or New York but all over the world.

Everyone likes to be a little bit of a futurist and I can see us 30 or 50 years from now driving down to the grocery store to pick up a fuel cell and plug it into the side of our car. It is all right there and Canada could play an important role.

What is the hold-up? Let me tell the Hon. Member there is no hold-up. Let me tell my colleague that the Minister of Energy, Mines and Resources (Mr. Masse) and I have invited to Ottawa within the next few weeks a number of people representing various sectors of the economy, including some academics, who could help us design the next step. We have consulted and will continue to consult with industry. We have a national hydrogen council which has been working for many years, and public utilities, energy companies and so on, who have given us valuable advice.

I want to thank the Hon. Member for putting his motion on the table. As he knows, a former colleague of ours, Mr. Gilchrist, worked closely with Dr. Scott. He is one of the authors of the report. My hon. friend from Bruce—Grey is one of the early instigators of mobilizing the keenest people in the country to help us put this report together. There is no hold-up.

However, hydrogen is not the only thing we need to keep us on the crest of the wave sweeping mankind towards the next century in this new age. There are other priorities.

As the Hon. Member knows, we have not been reluctant to make tough decisions. We have stabilized university funding. With private sector support we have increased it over five years by over $1 billion. Just a month ago in Toronto the Prime Minister announced $1.3 billion in additional funding for science and technology over the next five years. I have already told the Hon. Member about the micro-electronic strategy costing $90 million. We put $28 million into the industrial assistance program last year. Some $30 million went to the unsolicited proposals program. In all, in the current fiscal year, we will be increasing spending in real terms by over 5 per cent or $2.6 billion. That is not an insignificant response to the challenges the Hon. Member has identified and with which I agree.

I thank him for his support because this issue will be raised again. Of course, one of the principles of the national strategy is public awareness and culture building. People are listening

to this debate today and that will tend to help. It must be encouraging to Canadians to know that when we talk about the future of our country and a truly national mission, we can put partisanship aside and talk about a national thrust in a cohesive fashion. I think this could be one such thrust. As soon as our dialogue with the decision-makers who have to make it happen is complete, I hope to have some very good news for the Hon. Member and all Canadians. I hope that hydrogen can truly become one of our great national missions.

• (1620)

Mr. McCurdy: Mr. Speaker, let me express my appreciation for the kind remarks of the Hon. Minister with respect to the motion and my speech associated with it. I welcome the indication that the Government does intend to follow up on the recommendation contained in the motion, which recommendation, of course, has been made by others who have studied the subject.

I am rather puzzled in that while I regard the issue as a non-partisan one, I sense that the Minister strained himself trying to find some partisan exceptions to things I did not say. He indicated that in one way or other I said that industry could not do the job. I was very careful to say at least three times that the job cannot be done by industry alone, it cannot be done by government alone, and it cannot be done by academics alone. It requires a co-operative effort among all the players.

I sense that the Minister has failed to grasp the role of government in respect to this matter, which is to grab the mantle of leadership and contribute to the economy of the country as only a national mission on a grand scale can. The Minister accuses me of failing to recognize that Canada has had national missions in the past.

I am not so sure that the semantics can be dealt with adequately. One wonders whether the Candu acted as the kind of national mission about which we are talking here. Nor, in my view, does the unquestioned leadership of Canada in communications satellites constitute the kind of mission about which we are talking here. None of these things operate in areas of such widespread significance.

The thing which concerns me most is that the Hon. Minister said that we will search for some basis on which, with partners, we can carve out our own niche. I want Canada to have "the niche". I want Canada to be "the leader". I want Germany and the United States to join with us, in the same fashion in which we are joining with the Americans on the space platform, as partners on the mission, a Canadian mission. We can lead in all areas. I understand that Germany has achieved some measure of leadership in hydrogen technology, but this is not a race in which we must stay second place. We can be number one.

The Hon. Minister said that there have been some significant advances made by the Government with respect to policy advancement in the area of research and technology. I grant that there have indeed been a lot of words, indeed the right words, and the right thrust. However, the fact remains that we are spending a smaller fraction of our GNP than we were before. In real money government is spending less. I am sure that there are many out there who would like to know what is really going to happen with that $1.3 billion.

There is no question that there are some partisan issues. However, I hope we can agree, as I thought I heard the Minister suggest, that the Government could, that this hydrogen mission will be pursued and the hydrogen authority will indeed be established. If that is indeed the case, we will join hands, I am sure, with our colleagues in the Liberal Party to move into the future to make Canada number one.

Mr. Oberle: Madam Speaker, the Hon. Member should speak more often without notes. I do not know who prepared his speech, but it was more confusing than his free-wheeling oratory. It is good to have him aboard.

I shall indeed attempt, on behalf of the Government of Canada, to take this lead throughout the world and make Canada first, because the Germans and the Japanese do not have the electricity or the natural gas which is required to produce hydrogen on a large scale. It is for us to develop that, along with the handling, storage, and transportation technology.

It is all terribly exciting. However, if this is truly going to revolutionize the world, it will be handy to have in strategic alliances those in the world who will use the products and the technology we are generating, because not even the most powerful of nations can afford, all by themselves, to assume all of the risks and all of the costs which are associated with this kind of development.

Referring back to our nuclear strategy, that commitment cost us in the neighbourhood of $6 billion in research. Some of those courageous decisions were made by a Conservative Government. Everyone in the world thought that that was what the world needed in the 21st century. They could not, of course, anticipate all of the other things which would be associated with it which have caused such obstacles and barriers in people's minds and attitudes which now make it so difficult to sell our Candu reactor.

The Hon. Member is now trying to create a new mission in energy and fuel cells. I appreciate his enthusiasm and will keep it mobilized. When the time comes that I need his support and that of his Party he will be standing with me.

Mr. Belsher: Madam Speaker, early in the Minister's remarks he referred to the regional science forum which was conducted in Vancouver on the weekend as part of the Prime Minister's (Mr. Mulroney) National Advisory Council of which the Minister is a very important part. Could the Minister tell us who the participants were and what subject matter was covered in the forum this past weekend?

Mr. Oberle: Madam Speaker, I would be very pleased to do that. As the Hon. Member knows, we organized a national

conference on technology innovation in Toronto to which the Prime Minister invited 200 of the key decision makers in the country to discuss Canada's future in the new information age. The response to that conference was so enormous and enthusiastic that we decided to have follow-up conferences in every region of the country. Indeed, the first such conference was held in Vancouver. There will be others in Regina, Hamilton, Montreal, and Saint John, New Brunswick, within the next few weeks.

We brought together perhaps the most eminent and influential decision makers, leaders from the academia, industrial leaders, and partners in municipal governments and industrial commissioners, to discuss some of the recommendations which had come out of the national conference in Toronto. We discussed with them the national policy, the national strategy, and the consensus around the principal elements which make up these policies and strategies. Indeed, as I anticipated, not only did we get a confirmation of the fact that we are going in the right direction, but a commitment from everyone there to become involved and make their own commitment toward the new national wave which is sweeping us toward the next century.

It was a very exhilarating experience, as we anticipated it would be. I just about did not need an aircraft to return, because British Columbia, that great region which is the gateway to the Pacific, has such inherent strength in terms of our energy resource wealth and so on to contribute to the national thrust that I feel very good about having carried out this exercise there.

• (1630)

Mr. David Berger (Laurier): Madam Speaker, before I begin with the remarks I had prepared, I want to comment on something the Minister said during his speech. He said that the Member for Windsor—Walkerville (Mr. McCurdy) said that the private sector cannot do it. The Minister replied that only the private sector can do it. He then referred to the necessity for leadership on the part of the Government.

There is not only a need for leadership on the part of the Government, there is a need for funding for this kind of research that will develop the use of hydrogen in Canada.

It is common knowledge that in basic research in many countries in the world Governments are funding major research programs in long-term applied research. I recall an interview that Fraser Mustard, President of the Canadian Institute for Advanced Research, gave at the time that Canada announced its participation in the space station. He said that it was a myth to think that this research in the United States was funded by the private sector. All of the funding for this long-term applied research and high risk research, which will only pay dividends 10 or 15 years down the road, comes from Government.

I want to remind the Minister that this kind of program will not be launched without adequate financial resources committed by the Government to spur private sector initiative.

I want to thank the Member for Windsor—Walkerville for having introduced this subject for debate today. Let me say that I agree with him that there are sound economic and environmental reasons for pursuing the development of hydrogen as an energy source.

First let us deal with the environmental considerations. We all know that the most expensive way to deal with pollution is to clean up the environment once it has been polluted. It may be impossible to do so in some cases, such as with carbon dioxide that is released into the atmosphere. It is also expensive to remove pollutants at the time they are produced. An example of this is the installation of scrubbers or other technology in some of our coal-burning plants.

It is least expensive and obviously most sound from the point of view of the environment to use a process which does not produce pollution. We avoid the problem by burning clean fuel. The significance of hydrogen is that it is the only fuel which produces nothing but water vapour when burning. There are sound environmental reasons for pursuing the development of hydrogen as an energy source.

There are also economic considerations. As I understand the report of the Advisory Group on Hydrogen Opportunities, in suggesting a national mission in the area of hydrogen for Canada they are saying that we would not only be protecting the environment, we will be building our energy future by embarking on such a national mission. In spite of the current oil glut, fossil fuels will run out at some point in our future. There are varying estimates on when that may occur, but certainly there could be shortages caused by man-made disasters or wars in the very near future. We could experience the kind of shortages that were caused as a result of the Arab oil embargo in 1973, and again in 1979.

Apart from the shortages caused by wars or embargos, there is the reality that fossil fuels will run out. The country which will be ready to operate without them or extend the supply of fossil fuels will have a tremendous competitive energy advantage.

The other advantage that was pointed out by the Advisory Group on Hydrogen Opportunities is that hydrogen as a future energy fuel will need a technology. There will need to be a whole technological infrastructure to make its use practical. Quite clearly, the first country to develop that technology will be able to sell it to the world.

These are what I understand to be some of the considerations that are being put forward by the Advisory Group on Hydrogen Opportunities. While I agree with the Member for Windsor—Walkerville that we should seriously consider adopting the development of hydrogen as a national mission, there are obviously difficulties and sacrifices that will have to be made in the adoption of any such national mission. These

difficulties in respect to Canada are compounded by some of the very shortsighted budget cuts that were made by the Conservative Government after taking office in 1984.

There was an energy division at the National Research Council which was engaged in research primarily in the area of renewable energy. This division was totally disbanded.

Figures which I believe relate to hydrogen indicate that in 1984 a program was founded at some $9.6 million. The work was mainly being done at the NRC, but some research was done at the Department of Energy, Mines and Resources and the Department of National Defence. In fiscal year 1984-85, this program was cut to $6.6 million.

• (1640)

The current situation, as I understand it, is that there is only funding of approximately $1 million, with research primarily being carried out at the Department of Energy, Mines and Resources. In an appearance before the Standing Committee on Research, Science and Technology last week, the President of the National Research Council, Dr. Larkin Kerwin, told us how difficult it would be to gear up for another program in the area of hydrogen research. I would like to quote a few words from his submission:

> If we were to start up the Division again, it would take a very long time and a very great amount of money. I know that there is a government commission going around the country at the moment examining the problem of alternate energy sources, but if it were to start up again at NRC, it would take us a long time to reassemble this team.

So there we have the Conservative approach to research and development. They come into office, close down the energy division, then they set up, under the auspices of the Minister of Energy, Mines and Resources, a commission to explore the potential for developing alternative energy sources. This is, of course, after they have cut all the research in the area of alternative energies. Then they start thinking about pursuing a national mission in the area of the development of hydrogen. If that is not an example of reverse logic or short-sighted thinking, I would personally have difficulty finding a better one.

I would like to say a word to the Hon. Member for Windsor—Walkerville about the particular motion we are debating today. He is suggesting that a Canadian hydrogen authority be established. I think it may be implicit in his motion, but I would like to say to him that it is my belief, and perhaps understood in the report of the Advisory Group on Hydrogen Opportunities, that this authority will not actually do the research but will ensure that research is done. It will, of course, need to have appropriate funding to prime research in the private sector.

I also want to say to the Member that I understand him to be proposing this as a national mission for Canada, but I do not think he is suggesting that this is perhaps the only area in which we need to consider a major project. I personally believe that in order to increase our spending on research and development, and in order to ensure that our industry is competitive in world markets in the next century, we are going to have to embark upon perhaps a number of major research projects. One could very well be in the area of hydrogen.

I think a space station has tremendous benefits for Canadian industry, if we can get a handle on the costs, and if the Government will be up front with us and let us know exactly what is happening in that particular area. Dr. Kerwin of the National Research Council mentioned a number of other areas where the National Research Council is considering what could be called major projects, such as in the area of health care technology, which would try to obtain reductions in costs in health care for Canadians. Again, I would ask the Member if this is really not his motivation in putting this motion forward. I think he is suggesting that certainly this is an area worthy of consideration as a major project, but I do not think he is saying it is the only area.

In conclusion, I want to agree with one of the comments the Hon. Member for Windsor—Walkerville made when he was engaged in an exchange with the Minister of Science and Technology (Mr. Oberle). The Minister was talking about the need to get international partners involved in this type of major undertaking. No one can quarrel with the idea of getting partners in an undertaking of this nature. However, what I think the Hon. Member for Windsor—Walkerville was saying is that there has to be a number of areas where Canadians can take leadership, where Canadians can show the world how to do it and where other countries, for once, will have to come to us to buy technology we have developed rather than vice versa.

What the Minister may have in mind by "collaboration", is the type of thing that has happened with the RadarSat project. We had a proposal to develop a radar satellite, which in many respects corresponds much more to Canadian needs and to the capacities of our industry than the space station project. We have cut off some of the features of the radar satellite so that under the present proposal being considered by the Government its capabilities would be much less than what was initially proposed. We then went to the Americans, the British and perhaps other countries and said: "We would like you to do major parts of this particular project", in order to reduce Canadian funding. Now, basically, we cannot proceed with the project unless we get the British, in particular, to proceed with their part of it. The situation we have now is that the decision to proceed with an important Canadian priority is not being made here in Ottawa but is being made by Mrs. Thatcher in London.

If that is the kind of international collaborative effort the Minister is proposing, I would say that Canadians want no part of that kind of major project. Canadians want a project into which we can put our wits and our abilities and where Canadians can, for once, develop some kind of technology, as in the area of our space communications, where we have developed a technology and capability which are recognized and renowned throughout the world.

[*Translation*]

Mr. McCurdy: Madam Speaker, I would first like to congratulate the Hon. Member for Laurier (M. Berger) and wish him a happy birthday.

[*English*]

In respect of some of the questions the Hon. Member has posed during the course of his speech, he wonders whether I had suggested that a national mission should mean that we do not continue to encourage the development of science and technology in other areas.

I do not want to have what I have suggested misunderstood. I think we have to look back on good examples of national missions of the past to get a measure of where, in the context of our over-all research and development thrust, this should be placed.

For example, let us consider the declaration of a national mission by President Kennedy to make the United States first in space. This meant the mobilization of abundant resources and the co-operation across a broad spectrum of American industry, academia and government laboratories in order to accomplish this mission, which was the dominant mission in the United States. This did not come at a cost to the rest of the research and development thrust in the United States. Indeed, at the same time there was a tremendous increase in resources being made available in the United States to all aspects of science, as well as to more research funding and to better quality teaching of science in universities and high schools.

• (1650)

A national mission is quite different from an area of emphasis. There is any number of areas on which we can have some emphasis. There are certainly possibilities for smaller, more narrowly defined missions. But none can take the measure of the type of national mission that is conceived of in this proposition. It challenges the imagination with respect to what it is capable of doing. It will generate new science, new industry and new engineering.

Let me point out that in developing export forms of hydrogen technology we can even look to photosynthesis, which is the biological process of primacy from which under natural conditions hydrogen really is the first product. We can talk about translating biology into engineering, to use sunlight directly to generate hydrogen. There is fantastic scope to this type of mission.

To compare this with the contribution of Canada to the space platform is to compare apples to oranges. There is no possible way that our involvement there can have the industrial and technological pay-off, diffusion of new technologies and the saleable products that this type of mission would generate.

I agree with the Hon. Member, we must continue in the broad scope of all the deficiencies that exist in Canada with respect to our standing internationally in science and research and development and we cannot let those other areas go. This is the type of mission that is not completely predictable in what it will require. We must have an abundant storehouse of knowledge, skills and education in the sciences and engineering right across the board to make this mission work.

Industry needs to do its job in developing its technology. This is an area in which the involvement of Government in providing leadership is necessary. It is also necessary that Government make a contribution to the expenditures that will not yield an immediate pay-off to industry and which therefore will not draw the type of investment during the early years in many areas that will be necessary in the long term to develop.

Mr. Simon de Jong (Regina East): Madam Speaker, it is with great pleasure that I participate in the debate today on the opposition motion introduced by my colleague and the critic for the New Democratic Party for science and technology. The motion is that, in essence, the Government undertake a hydrogen mission. I would like to discuss some of the concepts in the motion that we have in front of us today.

When I was critic for my Party for the science and technology portfolio after the 1984 election I was concerned at that time, and I still am, that Canada play a leading role in developing alternate technologies. At that time we were in the midst of the energy crisis. We were told that fossil fuels were fast running out. We saw the price of gasoline at the pumps jump almost on a daily basis. There was a tremendous economic shock not only to the pocket-books of the average Canadian but also to the many industries that used gasoline as their source of energy.

There was a great deal of concern at that time in terms of developing alternate energies. The Government of the day introduced home insulation type programs, programs which were meant to reduce the consumption of energy. Many of those programs were successful in reducing our dependence on fossil fuels, on energy.

It became necessary to look for other sources. We all recognize that fossil fuel is a non-renewable source of energy. Eventually, we will run out of this fuel. Thus the search goes on.

Parliament recognized that when in 1980-81 it struck a special committee of Members of Parliament on alternative energy and oil substitution. The committee produced quite an intriguing report. It was a very thorough study of Canada's energy needs at that particular time. It attempted to project the demand for energy as well as the supply for energy into the future. It attempted as well to look at some alternatives. The major conclusion that the committee drew was that Canada should move to develop a hydrogen based energy system.

I look now at another report entitled *National Mission for Canada*. As I look through the report I find that many of the matters that were stated in 1981 are repeated in the report of June, 1987. Again, it presented the conclusion that we must move to a hydrogen based economy, and that there is a role for

Government to play in moving the country toward that objective.

As other speakers have pointed out in today's debate, there are various reasons why we should move in that direction. The first is the fact that fossil fuels are non-renewable and therefore a finite source of energy. We have to look for other sources.

Hydrogen is a beautiful alternative. Its source is from an infinite form of energy, either from hydrogen dams, that is, energy generated by the movement of water, or from another interesting and exciting area involving solar energy.

I have been intrigued in this field for a long time. I went to California in 1980 to look at a project that was being developed in which solar cells were combined to produce electricity and then through an electrolysis system hydrogen was produced. The hope was that we would have energy from sunlight and from water, two of the most common items on our planet. Through this process all regions of the world could become self-sufficient with this form of energy, hydrogen.

Since that time there has been another important aspect that has been introduced in this debate. I believe it was around 1982-83 that the Environmental Protection Agency of the United States issued its report, followed soon thereafter by reports from other eminent scientific bodies that warned us that there was a clock ticking out the time. With the consumption of carbon fuels the earth and its atmosphere was being filled with carbon particles that would create a greenhouse effect which would have a devastating impact on the climate of the world.

• (1700)

When that report first came out I rose in my place and asked the then Minister of Energy if he was aware of this report and if he was prepared to give the same grants and subsidies to alternative energies that were clean, like hydrogen, that he was at that time giving to the nuclear industry and to the oil industry. At that time the Minister of Energy poohpoohed my concern and stated that it had absolutely nothing to do with the burning of fossil fuels and the types of grants and subsidies given to the oil industry, and that he did not see the relevance of my question whatsoever.

It is true, and in fairness I must say that the then Minister of the Environment was concerned with the problems posed by the greenhouse effect. That Minister did give me some more honest answers. He indicated that the Government was aware of the greenhouse effect on Canada, that it was actively studying it, there was an awareness of it, and that something down the road would have to be done.

Since the report came out on the greenhouse effect, we see reports being made public by a committee of the Government that illustrates the greenhouse effect on Canada. Many of the low-lying coastal regions would be flooded. The area from which I come in southern Saskatchewan would become desert. Certainly, other areas of Canada would benefit. The more northern regions would become more hospitable in terms of agriculture and a place in which to live, and there would be a shift of population to the more northern areas of Saskatchewan, Ontario, Manitoba and Alberta.

There is no doubt that a crisis is looming. We can begin to see some of the first effects of the greenhouse effect. We can see small increases in the mean temperature on the globe. Every scientist has predicted that if the trend continues there could be a warming of three, four or five degrees. This would have catastrophic effects on Canada.

In 1981 the committee made the following observation in terms of the greenhouse effect. The report stated that to most Canadians the difference of two, three, four, or five degrees is not very much. We live in a country where we can see temperatures change 10 or 20 degrees Celsius within a matter of hours or days, so what is so great about having the mean global temperature increase by a few degrees Celsius?

The report stated:

> Thus it has been suggested that the melting of the polar ice caps could be triggered by a mean global temperature rise of only one to three degrees Celsius. In fact, from the peak of the last glacial period 20,000 to 16,000 years ago to the peak of the warm interglacial period we are presently living in, the mean temperature of the ocean rose only 2 degrees Celsius and the mean global temperature rose only 5 degrees Celsius.

We can see the effects of an increase in the global temperature of only a few degrees. The difference between the ice age and our present period is only the difference of a mean global temperature of some 5 degrees Celsius. How delicate is the planet and its atmosphere!

We have received warnings from scientists that the clock is ticking away, and it requires global action.

Fossil fuels are running out and at the same time a catastrophe is beginning to occur. Hydrogen is the solution to both of those problems. Hydrogen is the cleanest fuel that anyone could hope for. Its only by-product is water vapour. Common sense, and what the best scientific minds are telling us is that that is the direction in which we have to go, and there is not all that much time.

There might be 20 to 50 years in terms of the amount of fossil fuels we have, depending upon how good we are with our technology. If we can produce more efficient cars and more efficient home insulation we can stretch out the amount of fossil fuel that we have. But eventually we must recognize that it will run out. Why not begin to develop something that one's intelligence and common sense tells us we must begin to do.

I was encouraged to hear the Minister's remarks in his response to the motion introduced by the New Democratic Party. I think that the Minister understands that this is the direction in which we have to go. He agrees that Canada has a role to play. Both the House of Commons report and the report that came out in June, 1987 state that we are in a uniquely fine position to develop and to take the lead in developing

hydrogen technology. Yet there was nothing in the statements and comments of the Minister that would suggest to me that the Government is ready to take the lead. This is what is required. We need a Government that is ready to take the lead.

I am not suggesting that the new hydrogen technology be entirely developed by governments. My colleague did not suggest that. But it does require leadership. It does require an organization or some entity to pull together members from the academic community, members from industry, and various provincial utilities to start creating a working group, to start developing an agenda, to start putting some money into place, to start initiating definite research projects, and to begin to break down what has to be done to get us into the hydrogen society and start mapping out what the steps should be.

I am not suggesting some grand over-all plan because there has to be flexibility. As technology changes and new discoveries are made there must be flexibility in order to change the agenda. But there must be some entity to begin to pull it all together.

There was nothing in the statement of the Minister that would indicate to me that the Government is ready to take that step and start calling upon Canadians from labour, universities, and from the business community and challenge Canadians to a national mission. I would suggest that Canadians are ready to undertake such a mission. Canadians are concerned about their future, not only the future of the country but the future of the world. Canadians are concerned about acid rain, the greenhouse effect, and about what type of world our children will be living in.

• (1710)

I think Canadians would welcome a Government which would issue a challenge. I think they would welcome a Government which would come forward and say: "We believe that there is a way to save our environment, our forests, and our lakes, and that Canada has a major part to play". Canadians will respond to such a challenge. However, we need a Government with some vision, imagination, and will-power to take the lead.

I should like to refer to another aspect of the comments of my colleague. He expressed concern about whether a mission could indeed be undertaken in view of the agreement which the Government has signed with the Government of the United States.

Certainly my understanding of the agreement is that it severely restricts what Canadian society can do. It also restricts our ability for public and private co-operation in joint ventures. There is no doubt, if we are to develop into a hydrogen economy, that we will need some leadership by Government. There is no doubt that we will have to spend tax dollars, give some special tax considerations, and perhaps provide subsidies. The public role is essential to undertaking a project which might be a 10-year or a 20-year one. We need public participation.

I question whether the trade agreement between Canada and the United States, which the Government wants us to ratify at a later date, will allow for that type of co-operation. My reading of the agreement indicates that it locks us forever into a society and economy where the private sector will have to do it all. It seems to me that government participation is something that is restricted in the agreement because it would be considered unfair competition.

I wish the Minister would have addressed himself to the following question: Is it now impossible, with the free trade agreement, to undertake a national mission which also has some economic benefits? I suppose we could always take on a national mission, as did the Americans when they landed on the moon or created a space station, with minimal economic benefits. However, a project like the development of technologies that bring us into a hydrogen age is different. There are definite trade and economic implications. I fear that the agreement which the Prime Minister (Mr. Mulroney) and the President of the United States have signed severely restricts our ability to undertake such a joint mission.

In that vein let us look at the nations of the world which I feel are some of the most successful economic examples. In Japan and Germany co-operative systems are in place. There is co-operation among business, labour, and government. The trade agreement will put us into the type of economic development that I would call the Rambo economics which we find in the United States today where the public sector has been so totally and drastically reduced that it is very difficult to develop a co-operative approach among various elements in society whether they be labour, business, or government.

In conclusion, the motion calls for a new vision or the vision of a new age and a new technology sensitive to the environment. It calls for a technology which can be decentralized and used in localities and which destroys the monopolistic power of a few large utilities or corporations over the lives of millions of people.

As well it calls for a new concept of implementation, a concept of co-operation or working together to define a national goal or mission in which various elements in society come together and in a national way attempt to achieve the goal.

I am very grateful to have had the opportunity to address the motion introduced this afternoon by the Hon. Member for Windsor—Walkerville (Mr. McCurdy). It is a good motion. I am pleased as well by the various contributions made this afternoon by Hon. Members of the other political Parties. Hopefully some day we will see such a co-operative approach being adopted by whatever Government is in power at the time. For the sake of the future of the country and the future of the globe, I hope the day will come soon.

Mr. Edwards: Madam Speaker, I listened with considerable care to the remarks of the Hon. Member. I in no way dispute his sincerity, because I know him to be that sort of individual

and Member. However, I thought that we were hearing a paean to the new Jerusalem rather than a discourse on hydrogen.

I wonder whether the Hon. Member could answer two questions. The first one relates to the region from which he hails—western Canada. Would he be in agreement with the idea that any kind of national hydrogen mission or project should be truly national in scope and should have, at least in its first decades, two components—one based on hydrocarbons, with the immense surpluses of natural gas which exist in western Canada, and the second based on the obvious electrolysis involvement with a base in Manitoba through to Newfoundland and abundant hydroelectricity providing the opportunity to create hydrogen from our fresh water sources? Could the Hon. Member give us the guidance of his vast knowledge and experience in that regard?

Also, with reference to the Hon. Member's comment about there being minimal economic benefit from the Canadian space program, has he studied the testimony given before the Standing Committee on Research, Science and Technology in June of last year when Mr. Champagne gave his very strong statements on that subject?

If I may, I should like to quote briefly what Mr. Champagne said:

> Canada's commitment to participate in the United States' space station program creates a unique opportunity for development and application of new technologies appropriate to Canada.

He went on to say:

> The link between space and terrestrial activity is established through hydrogen, a ubiquitous element in the space environment for propulsion and life support, and in the industrial infrastructure for chemical process and energy applications.

Finally Mr. Champagne said:

> There is at present a window of opportunity for Canada to exploit its natural advantages in order to establish a broader key role in space and the corresponding technological leadership in hydrogen technology and its application.

He went on to cite a number of examples of how it could be done.

Given the fact that upwards of 600 tonnes daily of hydrogen go to waste in the atmosphere in western Canada, which would be more than enough to fuel a major hydrogen research program today, and given the fact that the experts in our nation on space and hydrogen have shown the clear linkage between those opportunities, could the Hon. Member give us the benefit of his wisdom in commenting on those statements?

• (1720)

Mr. de Jong: Madam Speaker, I enjoyed the comments and questions raised by my colleague, the Hon. Member for Edmonton South (Mr. Edwards). First, he is concerned about the regional differences and the regional implications for the development of hydrogen. Of course, east of Manitoba, hydrogen would be using the electricity from the hydro projects of Manitoba, Ontario, Quebec and further east. In the West, of course, as the Hon. Member pointed out, there is a fair amount of natural gas. That could be used to create hydrogen through ammonia.

In fact, in the early 1980s when we were still in power in the Province of Saskatchewan, I approached my colleagues in the Government to support research which would use the ammonia many farmers already have on their farms and to do research into the conversion of that so that farmers in Saskatchewan could start driving their tractors on hydrogen. I believe that the technological innovations that would occur in western Canada in the first phase of developing a hydrogen economy could conceivably be different than those in eastern Canada, as one step in the process.

We from western Canada must as well face the fact that not only are fossil fuels running out but there is an environmental problem with fossil fuels. At this time, hydrogen helps western Canada, and particularly Saskatchewan, where there is heavy oil by allowing the utilization of heavy oil.

Eventually, we in western Canada must recognize that fossil fuels are running out, that an environmental time clock is ticking away. We in western Canada would want to see some of the development and technologies necessary to develop hydrogen located in western Canada as well. We would want part of that development pie. That is why I think it is important that we get on the bandwagon.

My colleague has pointed out that Alberta already has a lead in the development and utilization of hydrogen because of the oil industry which can produce the technologies. It is a natural lead, so let us build on that lead that we have in western Canada.

The Hon. Member's second point dealt with the space station. What I was trying to get at was the difference between investing the billion odd dollars involved in a space station and investing in a project like the development of hydrogen. Common sense tells us that there is quite a difference in the pay-back period and the application time. That is not to say that a space station would not have economic benefits and impacts, but I suggest that if it becomes a choice, and in this day and age it very often becomes a choice because of scarce resources, I would definitely choose investing in something like hydrogen over spending $1 billion on making a contribution to a space station over which we have no control. We would be junior partners in someone else's project. As well, doing something that could begin to be a solution to the problem of the greenhouse effect, doing something that would guarantee us sources of energy when the fossil fuels run out, is much more important than investing in a space station.

Mr. Gagnon: Madam Speaker, I would like to thank the Hon. Member for his eloquent portrayal of the problems Canada and the world face with the greenhouse effect and with the rapid transition that we will experience.

I am sure the Hon. Member realizes that the world has been much warmer, geologically speaking. The University of Saskatchewan recently dug up some leaves, not fossil leaves, from Ellesmere Island which showed a climate very similar to the climate now in northern Oregon. Forty-five million years ago, there was that sort of climate at latitude 78 degrees which right now is a very desolate tundra, devoid of much flora and fauna.

I would like to ask the Hon. Member how he sees nuclear energy tying into the bigger picture. I ask that because the Hon. Member has dealt with the making of hydrogen, but if we make hydrogen from fossil fuels, we still have the problem of putting more carbon dioxide into the air, the problem of the greenhouse effect.

The standing committee is currently looking at Canada's nuclear role and will take a look at the experience in Sweden where they are in the process of phasing it out and at the experience in France where they are building it as rapidly as they can. I would be curious to know what the Hon. Member's feelings are on this subject.

Mr. de Jong: Madam Speaker, I wish to thank my colleague from Calgary for the very legitimate question he has posed. Personally, I have always been very uncomfortable about the nuclear industry. On the one hand, when it is operating properly, it creates clean electricity, if we could only know what to do with the waste. On the other hand, we are also taking such a tremendous risk for such a tremendously long period of time with such a large part of the globe.

The accidents that occurred in Three Mile Island and in the Soviet Union will contaminate large areas of the globe for hundreds if not thousands of years to come. It is a gamble. How many more disasters can the earth afford? How many more Three Mile Islands and Chernobyl can we experience? We cannot continue taking those risks.

We must develop sources of electricity other than nuclear sources. As well, the cost effectiveness of the nuclear industry is something we must now look at seriously. Certainly there are many utilities in the United States that wish they had never come across the word "nuclear" because of the economic costs.

My hope is that we can get abundant energy from sunlight through solar cells, from hydro-electric power plants, from tides, from the temperature difference between different layers of the oceans. These are all possible infinite sources of energy. I hope we can develop those, tie them in with hydrogen and indeed find something that is clean, safe and cost-effective.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The questions and comments period has expired. Resuming debate. The Hon. Member for Louis-Hébert (Mrs. Duplessis).

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): First, Madam Speaker, I would like to congratulate the Hon. Member for Windsor—Walkerville (Mr. McCurdy) for the very positive motion he has moved today. I take this opportunity to wish the Hon. Member for Laurier (Mr. Berger) a happy birthday. I also want the Hon. Member for Windsor—Walkerville to know that several of our colleagues, including the Hon. Member for Bruce—Grey (Mr. Gurbin), work very hard on that crucial issue of hydrogen technology.

As Parliamentary Secretary to the Minister of State for Science and Technology, the Honourable Frank Oberle, I am proud to speak to you today about the government's accomplishments to date, the commitments we have made and our plans for the future in this vital field. The federal Government has made a firm commitment to give priority to science and technology and, over the past three years, it has been able to demonstrate its leadership in this field in a number of ways: by launching a major space program, increasing funding to the three granting councils, financing the Canadian Institute for Advanced Research, and forming the Advisory Committee on Hydrogen Opportunities, on which I would now like to say a few words.

• (1730)

The Advisory Committee on Hydrogen Opportunities was established by our government as an instrument to thoroughly analyze a technology with strong worldwide potential and to determine how Canada could develop new expertise. The Committee members are eminent specialists in the private and public sectors. One of the Committee's recommendations has been that Canada set itself the objective of being the first to cross the "hydrogen threshold", that is, to develop and call our own the best available technologies utilizing hydrogen for the production of liquid fuels and other chemical products.

As has been its practice for all major S&T initiatives, the Government is currently holding extensive consultations with those industries concerned with the development of hydrogen-related technologies.

You will no doubt recall that the federal microelectronics strategy, representing some 90 million, was drawn up in the same mannner, in direct co-operation with Canadian industry. Once the consultation process is over, the Government will make a sound decision on development initiatives for this sector. Clearly, though, we cannot put all our eggs in one basket. The National Conference on Technology and Innovation held in Toronto last January gave us an opportunity to assess our progress to date and identify future challenges.

I would now like to discuss the changes brought about by our government to ensure that science and technology assume their rightful role in strengthening the national economy. The agreement for the first national S&T policy was signed by the federal, provincial and territorial ministers on March 12, 1987. With this agreement, the various governments undertook to promote entrepreneurship and to recognize the importance of

R&D for Canada's economic, social, cultural and regional development.

The Government recently prepared a decision-making framework with which it can co-ordinate and direct the $4 billion spent each year on S&T. It was also in March 1987 that the Government launched the new national strategy designed to ensure that Canadian S&T efforts are effectively guided and targetted.

This strategy can be implemented only in a climate of co-operation between the governments and the public and private sectors. Innovaction covers specific programs totalling $100 million. On August 19, 1987, $11 million more were allocated for 1987-88 to the Matching Fund Policy, a program that has been so popular that all the funds have been committed. It is a $700 million co-operation program between the private and public sectors to which the Government has contributed so far $378 million.

To go back to Innovaction: On August 25, 1987, $30 million of new funds went to the Unsolicited Proposals Program and an amount of $7 million was also added for microelectronic research. And on August 27, 1987: $28 millions of new funds over four years for the Industrial Research Assistance Program; and on September 4, 1987: $12.3 over four years for the Technology Inflow Program. There is also the famous $3.5 million Canadian Manufacturing Advanced Technology Exchange program.

Under the *Canada-Quebec Agreement*, the 6.9 million dollars in S&T grants awarded by Ottawa and Quebec to small and medium-sized businesses have generated more than 28 million dollars in business investment. It was also under this 100-million-dollar agreement that the National Optical Institute was established in Sainte-Foy.

The membership of the National Advisory Board on Science and Technology, chaired by Prime Minister (Mr. Mulroney), includes noted scientists, teachers, and industry and labour representatives who provide the Government with pertinent analyses and enlightened opinions about federal S & T policies. The National Advisory Board, the Standing Commitee on Research, Science and Technology and the Council of Science and Technology Ministers all represent organizational measures designed to support and promote S & T initiatives, make us more competitive internationally, and sustain economic growth in Canada.

It is obvious today that tomorrow's jobs and our future prosperity depend on our scientific and technological capital. The technological challenge that faces Canadians today does not come only from inside our borders. We live in a "global village," as Marshall McLuhan said, and all countries will henceforth be interdependent in more ways than one. Science and technology have become the driving force of the new international economic order, and Canada has also entered the race for technological survival.

When we speak of scientific potential, Canada's reputation is already established, and Canadian high technology is already known outside our borders. With free trade, Canada will become a full partner with its neighbour to the south, and not only from the economic standpoint, but also, and above all, from the standpoint of innovation.

The foundations have been laid for the scientific and technological revival that the government promised at the beginning of its mandate.

At the National Conference in Toronto, the Prime Minister announced an additional $1.3 billion for S&T, including $240 million for the establishment of networks of centres of excellence, and 80 million for scholarships in science and engineering.

This week, after the Regional Conference in Vancouver, the Hon. Minister of State for Science and Technology explained just how these scholarships would be awarded.

The networks of centres of excellence will be operational by the end of 1988. They will involve researchers and scientists based in small and large universities throughout the country who will conduct world-class research in areas important to Canada's long-term competitiveness.

The networks of centres of excellence will also help to strengthen links and intensify exchanges between university researchers, industry and government, which is imperative if we want to meet the technological challenge on all fronts.

The networks of centres of excellence will use the latest telecommunication systems, a field in which Canada has a worldwide reputation.

As for university research funded by the three granting councils, a budget of $3.4 billion is being allocated to these bodies over five years.

• (1740)

On the basis of the consensus reached at the national conference and the recommendations made by the participants, we have instituted a series of five regional conferences, the first of which took place in Vancouver at the beginning of the week. The other regional conferences will be held in Regina, Hamilton, Montreal and Saint-John, New Brunswick.

These conferences are pursuing the impetus of the national conference to enable more Canadians from all parts of the country to contribute to the new national S&T perspective and add a regional dimension.

We expect the science and engineering scholarships to offer further encouragement to students to pursue careers in the natural sciences and engineering.

As the Minister of State for Science and Technology announced in Vancouver this week, at least half of the 2,500

scholarships will go to women in order to produce a higher number of women scientists and engineers.

We will thus ensure that our industries will in the future never lack the highly qualified personnel to keep Canada in the forefront of international competition.

Another government initiative is likely to have a marked impact on Canada's future prosperity, because it is aimed at every citizen of the country.

At the Toronto conference, the Minister of State for Science and Technology announced the launching of a $10-million national campaign to alert the public to the importance of S&T to our country's future.

The national public awareness campaign is an important component of Innovaction. This is a long-term campaign involving governments, industry, educators, scientists and non-scientists, creators and users.

It is of vital importance to develop the scientific side of our culture by stimulating the intellectual genius of our citizens and nurturing their curiosity.

As part of this awareness campaign, an enhanced program, which we have redubbed Science Culture Canada, will provide increased assistance to non-governmental organizations initiating various projects and activities aimed at furthering public understanding of the role and impact of S&T.

A new component of Science Culture Canada is aimed directly at young Canadians, our citizens of tomorrow.

We all realize how important it is to inculcate in our young people, and particularly in our young women, a vision for their own future and a desire to contribute to the progress of their country.

At the same time, Canadians will become aware of the growing interaction between science and technology and the country's economic growth. They will no longer see innovation as a threat to their job security, but rather as a challenge designed to improve the quality of life.

Lastly, I will speak to you about the creation of the Department of Industry, Science and Technology, DIST, a new organization that clearly reflects the Government's determination to give precedence to the integration of high technology in order to stimulate the competitive ability of our industry.

DIST will develop a national industrial policy which will stress advanced technologies, as much to assist in reorganizing traditional industries as to encourage activity in strategic new sectors.

Only a concerted effort on the part of the industrial and scientific communities can ensure the integration of technological knowledge in Canadian industry, and one of the main objectives of DIST will be to mobilize potential for action and production and to catalyze efforts.

Our common goal is to improve Canada's ability to compete on an international scale, not only by offering the best we have, but also by diversifying our goods and services.

We assure you that we are fully aware of the fact that the development of new technologies depends, above all, on basic research and on those who devote themselves to it.

During the past two years, the Government explicitly committed itself to improving basic research in Canada through the action of three Granting Councils, and DIST will adopt the same approach.

In conclusion, henceforward, science and technology will no longer be confined to a mere support role for society, because they have become the driving force of our social and economic growth.

In 1986-87, the Government invested $4.2 billion in science and technology, of which $2.6 billion were pumped into research and development. This makes the government the most important source of funding for all the R&D done in Canada.

The initial effects of the national conference already allow us to anticipate that the university, scientific and industrial communities will be equally willing to accept the challenge the Prime Minister gave them when he said: "The government is being challenged to do more, and we willingly accept this challenge! In return, I am asking what you intend to do to establish the new industrial, technological and educational structures that Canada needs to become a leader on the markets of the world."

Thank you for your attention, Madam Speaker.

Mr. Edwards: Madam Speaker, I listened carefully to the Hon. Member's speech. I also read the comments she made last June when she asked Mr. Richard Champagne, and I quote: "If we were called upon to supply hydrogen to the American Space Program, where would our facilities be located and how would the hydrogen be brought to the American astrosupport centres?" Mr. Champagne answered, and I quote: "In the short term we clearly have very important reserves of hydrogen in the west. We have just taken stock in Alberta and we have determined that over 600 tonnes a day are being burnt or left to escape."

I would like to ask the Hon. Member for Louis-Hébert (Mrs. Duplessis):

[*English*]

Given the abundance of hydrogen in the West and understanding that the long-term future of hydrogen development and strategy would be based in hydro-electricity or nuclear energy, is it possible, in the Hon. Member's view, that the initial research and development might be done in the West and may then gradually spread, given the economics of the technology, through to central and eastern Canada? I would appreciate the Hon. Member's comments on that.

[*Translation*]

Mrs. Duplessis: Madam Speaker, I want to thank the Hon. Member for his question. As Parliamentary Secretary, I can inform the Hon. Member that I have no objection to research being done in Western Canada, and more specifically in Alberta, since the Hon. Member is from that Province. I know for a fact that research is also being done in the province of Quebec.

However, in his recommendations Mr. Champagne mentioned the provinces that had the potential for becoming major hydrogen suppliers. He mentioned British Columbia, Manitoba, Quebec and Newfoundland. He added that Ontario could also become a hydrogen-producing province.

Madam Speaker, I think the development and production of hydrogen technology is a discipline of the future, and I believe that both research and production might increase Canada's prosperity, in the near future and perhaps also in the long term.

• (1750)

[*English*]

Mr. MacLellan: Madam Speaker, we have been listening to government Members speak on the question of hydrogen and its importance. I do not think I have heard any greater hypocrisy than that. I say this seriously because of the situation that has existed in the last three and a half years.

When the Government came to power in 1984, there was a plan to spend between $8 million and $9 million a year on hydrogen and electrical chemical research. The spending plan for hydrogen and electrical chemical research this year is $1 million, through the Department of Energy, Mines and Resources.

The Government completely disbanded the research and development projects on hydrogen that were undertaken by the National Research Council. If the Government is so concerned about hydrogen research, why did it take that action? Why have we lost a whole generation of science and research in this country?

[*Translation*]

Mrs. Duplessis: Madam Speaker, I am surprised to hear my Opposition colleague say we are hypocrites. The Hon. Member knows perfectly well that under the Canada-Quebec Agreement, we contributed towards the facilities at the electrochemical centre in Shawinigan, which is also active in this area.

Madam Speaker, I think, I hope and I am prepared to assume that the Hon. Member spoke hastily, and I trust he will take back what he said.

[*English*]

Mr. Russell MacLellan (Cape Breton—The Sydneys): Madam Speaker, my comments were not directed at the Member who just spoke, but were certainly directed at the Government. I certainly do not intend to retract the comments I made because they were directed at the Government. I think that was quite clear.

The fact remains that the Government has destroyed a whole generation of research on hydrogen as a result of its budget- cutting, beginning in November, 1984. Clearly, the Government has destroyed the hydrogen research that was undertaken.

On March 3, 1988, when opening a liquid hydrogen plant in Quebec, the Minister of Energy, Mines and Resources (Mr. Masse) said:

> Hydrogen has the potential over the next 20 years to play a role in upgrading fossil fuels, such as Western Canada's heavy oil. During this time, if we can develop commercially feasible technologies, hydrogen could augment the existing wide range of energy sources available to Canada.

The Government's own news release states:

> Mr. Masse said the Government of Canada plans to develop a long term action plan for hydrogen use following a report from the Federal Advisory Group on Hydrogen Opportunities released on August 26, 1987. The report identified several potential uses for hydrogen and recommended a national hydrogen mission.

The Minister of Energy, Mines and Resources is supposed to know about energy in this country and the tremendous potential of hydrogen.

Let us compare what the Minister and the Hon. Member who just spoke said about the Government's record with what Mr. Larkin Kerwin, head of the NRC, said to the standing committee. After being questioned by the Hon. Member for Windsor—Walkerville (Mr. McCurdy), Mr. Kerwin stated:

> Concerning the hydrogen program, NRC's Energy Division has been closed down, as you know, and all of our alternate energy projects, except those very few that are connected with other divisions, have been closed down.
>
> If we were to start up the Division again, it would take a very long time and a very great amount of money. I know that there is a government commission going around the country at the moment examining the problem of alternate energy sources but if it were to start up again at NRC, it would take us a long time to reassemble this team.

That is incredible when we consider this tremendous energy potential. Hydrogen makes up 75 per cent of the mass of the earth. It can enrich the tar sands in Alberta to enable us to obtain gasoline. Hydrogen can be made with water and methane, as well as through electrolysis.

It is projected that by the middle of the twenty-first century one-third of all our energy will be from electricity, one-third from hydrocarbons, and one-third from hydrogen. Yet what is the Government's record? It has been completely negative, destroying whatever research was going on in this country. It is incredible to hear the Government state what it will do with hydrogen when it has destroyed the programs that already existed.

It is significant to note that Canada can be at the forefront of hydrogen technology, if we have the will to do so. There are five requirements to develop an expertise in hydrogen. First, we need natural gas, which is currently the best source of

hydrogen. Second, we have abundant reserves of hydrogen-deficient hydrocarbons, such as heavy oil, which need upgrading and can be added to hydrogen to become a very valuable resource.

Third, we need a domestic electrolysis industry, with the ability to generate electricity from non fossil fuels.

The fifth requirement is the will to develop state-of-the-art hydrogen technology. I am sure that is possible once Canadians realize the importance of this element and the potential it has for replacing our diminishing non renewable resources.

Furthermore, the only byproduct of burning hydrogen is water vapour. Therefore, there is no environmental problem.

We only need the technology and the will of Government to develop this very powerful source of energy. It is unacceptable for the Government to continue to treat this simply as a topic of science and technology about which people want to hear. The Government must spend money.

This is not a new project. The Government has cut funding from $9 million in 1984 to $1 million this year, yet expects to develop a technology.

The Committee on Alternative Energy, chaired by Tom Lefebvre, suggested that the Government should spend $1 billion on hydrogen research over a five-year period. If the Government wants to take this seriously, it should begin doing something positive rather than stripping away the programs we already have.

The Acting Speaker (Mrs. Champagne): It being six o'clock p.m., it is my duty to inform the House that in accordance with Standing Order 82(12), proceedings on the motion have expired.

[*Translation*]

Pursuant to Standing Order 4, this House stands adjourned until Monday, April 11, 1988, at 11 a.m., in accordance with the provisions of Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Monday, April 11, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDING

[*English*]

PUBLIC SERVICE

DESIGNATION OF PUBLIC SERVANTS' DAY

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board): Mr. Speaker, a number of citizens in the National Capital Region have united to ask that all levels of government in the area proclaim this Public Servants' Day. On behalf of the federal Government I would like to salute the contribution which public servants make to the quality of life in the National Capital Region.

[*Translation*]

The federal Government is the region's biggest employer, employing over 74,000 public servants in many different fields. I am thinking, for instance, of scientists, clerks, meat inspectors, museum curators, architects, marine biologists, veterinarians and word processor operators, to name only a few. They all contribute to the quality of life in the National Capital.

In addition, another 40,000 residents in the region are employed by provincial or municipal governments. The general public does not generally make subtle distinctions between these various levels of government, and that is why, today, I think it is appropriate to take this opportunity and join provincial and municipal governments serving this region in paying tribute to our public servants.

[*English*]

A word of thanks is due to the organizers of this event. With volunteer help they have promoted this day throughout the region so that public servants at all levels of government might be the recipients of a well-deserved tribute. I would also like to extend my thanks and the thanks of the Government, not only to the public servants here in the National Capital Region but to all of those equally deserving Canadian public servants who are working all across Canada and abroad.

Seldom do we have the opportunity or the occasion, as a major employer, to thank our staff. I would like to take this opportunity to do just that. Thank you, ladies and gentlemen, for the quiet dedication and professionalism you have shown in serving the Canadian public.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to join the Minister and all Members of this House in emphasizing the importance of this occasion. As the Minister said himself, it is true the work of Government employees is often not given due recognition by Canadians. There is a tendency to use the old clichés of the Fifties in commenting on their work. It is time we dropped this approach.

[*English*]

Public servants are indeed hard-working people devoted to their work and conscious of the importance of the role they play in the administration of the country.

Over the 15 years that I have been present in this House I have paid particular attention to the preoccupations of public servants and have, on many occasions, drawn the attention of the House to some of the difficulties which they experience as groups and sometimes as individuals. I want to tell them that we always welcome their visits, that we appreciate their advice and will act accordingly.

• (1110)

[*Translation*]

Mr. Speaker, I want to take this opportunity to wish all these public servants a very good day. I think this initiative which was taken by Mayor Durrell and a number of people in Ottawa-Carleton is a good idea and perhaps it should be repeated every year.

If there is anything to criticize, I think it would be the present Government's attitude towards its public servants. I would like to recall that although today we should be celebrating, federal public servants have not forgotten a number of problems they have with this Government. It is ironic that it should be the President of the Treasury Board, or I should say, his Associate Minister, who is thanking our public servants, when we know that this Government has cut 15,000 jobs in the last three and a half years and intends to go on doing so.

Mr. Speaker, what did this Government do when language training programs were cut back and, with them, nearly 50 per cent of the jobs involved? I may remind the Government that these public servants are still on strike and that it is doing nothing. What did the Minister do when negotiations with

Treasury Board on labour relations came to a standstill? What did the Minister do when public servants demonstrated across this country to . . .

[*English*]

Mr. Speaker: I must remind the Hon. Member that his time has expired.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, it is a pleasure for me to respond to the Minister's statement concerning Public Servants' Day. As the spokesperson for the New Democratic Party, I welcome the Government's expression of appreciation for the contribution made by our public servants.

However, I also wish to point out that it takes more than fine words to create and maintain an effective public service. In this respect I very much regret the difficulties in which the Government now finds itself with respect to Public Service bargaining. The new negotiations are stalled over basic issues, such as the number of bargaining units, with the Government rejecting a very cost effective proposal by the Public Service Alliance to reduce the number from 31 to 7.

As well, we have had the adamant attitude of the Government refusing to bargain with its language teachers except on the basis of a majority conciliation report that was rejected by them almost unanimously last September.

Dare say that I wonder about the spirit of Meech Lake when I see this kind of cavalier treatment meted out to those who must implement the policy of getting to our two major language groups service from the federal Government.

Finally, I also believe that any government that has the true interests of its employees at heart would have long ago realized that the pension de-indexation in Bill C-33 is completely out of step with developments in pensions policy in the private sector and should be dropped.

A government which took action on these kinds of issues could result in a Public Servants' Day with real meaning and some real celebration. I hope that will be forthcoming next year.

* * *

PETITIONS

PROPOSED FREE TRADE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my honour to present a petition on behalf of a number of constituents pursuant to Standing Order 106.

These petitioners are concerned that the trade deal signed between the United States and Canada would have a fundamental impact on Canada's economic, cultural and political independence.

They believe that the trade deal suggests that there will be significant loss of jobs, not only in many sectors of the economy but also in many regions of Canada.

Therefore, the petitioners request that the Parliament of Canada obtain a very clear mandate from the people of Canada during a national debate on this issue in a national general election. They are asking for Parliament to dissolve to enable a national general election to take place during which a debate on the trade deal can occur.

PROHIBITION REGARDING KNIVES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, once again I stand on behalf of a number of people in British Columbia and others in cities across Canada. The petition concerns the whole question of killings using knives. There have been two such recent killings in the City of Vancouver.

The petitioners have asked repeatedly that the federal Government amend the Criminal Code to prohibit the carrying of knives by citizens in public places. Exceptions from this ban would only include activities where the use of the knife was integral to the legitimate work or when it was carried for religious reasons, such as with the Sikh religion.

They call on the Government to fulfill its promise to do something about this.

[*Translation*]

REQUEST FOR INSTALLATION OF SUPPLEMENTARY SAFETY DEVICES IN AUTOMOBILES . . .

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, I have the honour of tabling petitions signed by residents of La Doré, Quebec; Fredericton, New Brunswick; Chibougamau, Quebec; Glenside, Saskatchewan; Brome Lake, Quebec, Fertile, Saskatchewan; and Mississauga, Ontario.

If we add their 106 signatures to other petitions I tabled in the House previously, we now have a total of 32,639 signatures. The undersigned are aware of the fact that since 1974, federal motor vehicle safety regulations allow self-inflating bags to be installed in the driver's seat of private vehicles and that this device would reduce the number of fatal and serious injuries.

Wherefore the undersigned humbly pray Parliament to make the following compulsory: First, installing inflatable bags on the front seat of motor vehicles and second, installing adjustable shoulder seat belts for passengers on the back seat of motor vehicles.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

[Questions answered orally are indicated by an asterisk]

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

Mr. Speaker: I wish to advise the House that I have received two applications under Standing Order 29 for an emergency debate. I will first hear the Hon. Member for Ottawa—Vanier.

* * *

MOTION TO ADJOURN UNDER S.O. 29

NATIONAL UNITY—MINORITY LANGUAGE RIGHTS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I rise to seek leave to move a motion under Standing Order 29 that the House do now adjourn. If you find that motion in order, I would be prepared to debate that later this day.

The reason for my motion is that national unity is in peril from the difficulties relating to the recognition and protection of the Canadian duality, the fundamental characteristics of our country which both Saskatchewan and the House of Commons acknowledged by approving the constitutional resolution of 1987.

[*Translation*]

Mr. Speaker, it is a matter of national importance that a debate be held in this House to clarify the manner in which certain provinces interpret the Meech Lake Accord and, especially, to discuss in this House a decision made by the Province of Saskatchewan that would restrict the basic rights of Francophones in that province.

• (1120)

[*English*]

Mr. Speaker: I will hear from the Hon. Member for Kamloops—Shuswap.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I rise on behalf of my Leader, the Hon. Member for Oshawa (Mr. Broadbent), who also gave you notice that he intended to rise today under the provisions of Standing Order 29 to seek leave to move the adjournment of the House for the purpose of discussing what has become a vital national issue.

The whole matter of minority language rights goes to the very core of what Canada is all about. It has been an issue which has been with us from the very beginning. We were pleased during the last recent debate in this House with respect to the Meech Lake Accord to see those potential wounds healed over in term of the division between anglophone and francophone rights.

Eldorado Nuclear Limited

The decision of the Saskatchewan Government to initiate legislation that would compromise francophone language rights in that province has, unfortunately, the potential, at least, to reopen some of these old wounds.

As a Parliament, we believe we cannot shy away from this issue however sensitive it might be. This issue is fundamental to our country. For that reason, we would encourage you, Mr. Speaker, to favourably consider permitting an emergency debate to take place later today to discuss this issue.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker. I just want to point out for the record that I appreciate the difficulty in which my hon. friend found himself where the notice was given by his Leader. Technically, under the rules, the notice and the person speaking to the notice must be the same person. In view of the subject matter and in view of the fact that my friend's remarks were brief, I did not interrupt at that time. I think we should try to respect that rule, if we can, but I appreciate that there are times when one cannot.

Mr. Speaker: I want to thank the Hon. Minister of State (Mr. Lewis). He, of course, correctly put the procedural position. However, the Chair felt, given the subject matter, that it would hear the Hon. Member for Kamloops Shuswap (Mr. Riis).

Mr. Riis: Mr. Speaker, I just want to take a brief second to indicate clearly that it was the intention of my Leader to be here at this moment but he was inadvertently delayed in coming to the House. I want to acknowledge the generosity of the Deputy House Leader for permitting this statement to take place in my Leader's absence.

Mr. Speaker: I thank the Hon. Member for his comment.

I have listened carefully and I am giving the matter, of course, serious consideration. I will reserve until this afternoon.

GOVERNMENT ORDERS

[*English*]

ELDORADO NUCLEAR LIMITED REORGANIZATION AND DIVESTITURE ACT

MEASURE TO ENACT

The House resumed from Tuesday, March 29, consideration of the motion of Mrs. McDougall that Bill C-121, an Act to authorize the reorganization and divestiture of Eldorado Nuclear Limited and to amend certain Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Speaker: I should advise the House that, because of the Ministerial statement, Government orders will be extended by eight minutes beginning at one o'clock p.m.

I recognize the Hon. Member for Winnipeg North (Mr. Orlikow)

Mr. David Orlikow (Winnipeg North): Mr. Speaker, on behalf of the New Democratic Party, I led off this debate, but because of the Royal Assent to certain Bills I did not complete my remarks and I still have left a few minutes of the time allotted to me for my speech.

I want to deal with one more aspect of this proposal which I consider important, that is the downside of this proposal to privatize Eldorado and the Saskatchewan Mining Development Corporation. We heard of the supposedly good reasons from the Minister. However, what the Minister did not tell us is that in order for this privatization to go forward, in order for this stock flotation deal to succeed—and that is all it really is—the public sector will underwrite the risks inherent in this deal by assuming the debt of Eldorado Nuclear Limited and the Saskatchewan Mining Development Corporation.

The federal Government will also assume the further liability of Eldorado's nuclear waste problems at Port Hope at a cost of perhaps $75 million.

This take-back of debt has been described by the financial advisers to the Government as necessary for the success of the flotation. Eldorado's debts are substantial. We have calculated them in the range of $550 million. The federal Government will receive from the newly merged company approximately $250 million, leaving $300 million of debt which must be made up in the sale of shares in the new company before the Government breaks even on its debt obligation alone. This has nothing to do with the accumulative investment in Eldorado in the form of government equity. Therefore, the Government needs a high share price or it will wind up with a brick in its hands, something like the British Columbia resources privatization put through by the Bennett Government which issued shares at $5 and which now trade for about 90 cents. There is no evidence that this privatization deal will be any more successful.

We have to ask ourselves if there is any certainty of a high share price. Uranium markets are currently in chronic oversupply and prices are depressed. If the United States were once more to close its market to foreign producers in response to the distress of its domestic suppliers, conditions would be chaotic and, of course, the trade deal would do nothing for Canadian producers caught in this bind.

We know that uranium producers in the United States, like our friends in the Canadian Government and Canadian business, are gung-ho to see the free trade deal go through, but the reality is that if their interests are pinched, the uranium producers in the United States will become just like any other private corporation. One cannot blame them, when they see the competition they are getting and will get from Canada, for screaming that Canadian producers are being subsidized by the Government and there ought to be limits put on the sale of uranium to the United States. There are no guarantees that the federal Government will get its investment in Eldorado back, let alone cover the debts of Eldorado.

What are the other advantages or disadvantages of this deal? I talked about this in the earlier part of my speech. There are really no job guarantees. In fact, rather the opposite.

The Minister spoke of the rationalization of the two companies. Most companies know what rationalization means. "Rationalization" means being more efficient, and being more efficient means fewer workers, and fewer workers means layoffs. If the Government does not realize this, the unions certainly do. They have a desire to protect the workers in this industry. They are, to say the least, very doubtful about this whole proposal.

I want to deal with one other issue. The claim has been made so often with respect to the uranium industry that somehow Governments which operate companies as public corporations cannot be efficient and cannot look after the interests of their shareholders, in this case, the people of Canada, and that somehow privatization will be much more efficient and so on. Nothing could be further from the truth, as a matter of principle, and particularly when it comes to the uranium industry.

• (1130)

One does not have to be a wild-eyed socialist who believes in public ownership of everything to say that the uranium industry is a perfect example of how private industry is not efficient,and how private industry could only have existed by massive subsidies from the people and Governments of Canada.

Anyone who doubts that claim need only look at an article which appeared in Canada's national newspaper, *The Globe and Mail*, a few days ago on April 9. The article was entitled, "The less-than-holy Roman empire", written by Paul McKay. Mr. McKay has done a much better job than I could hope to do. I wish to put on the record some of the points made by Mr. McKay. It is as devastating a critique of a privately owned corporation as I have ever seen; its lack of concern for the welfare of its workers, its insistence on being guaranteed that in no way would that company lose money, its insistence on the part of its president, that great exponent of the free enterprise system, Stephen Roman, that he could only continue by the most massive continued and constant major subsidies by the public, by the Government of Canada, and by the Government of Ontario through Ontario Hydro.

Let me put on the record some of the points made by Paul McKay in his article:

> Medical records and royal commissions have shown that a pathetic army of the miners Mr. Roman employed at his uranium mines in Elliot Lake, Ontario, have gone to their own early graves because their lungs were needlessly poisoned with radioactivity and mine dusts—a company that refused to spend more than a pittance on mine safety equipment and a wilful ignorance of study after study proving uranium miners were being ravaged by cancer and lung disease.

Let me ask a question. What assurances can we receive from the government that when we get rid of Eldorado Mining as a Crown corporation, where hopefully there was some consideration for the workers who worked for that company, the type of attitude and approach followed by Mr. Roman in Denison Mines will not be the policy of a new privately owned company, with the same complete disregard for the welfare of the workers shown by Mr. Roman?

Let me further quote from the article:

> The truth is that Mr. Roman's uranium empire was founded on no-risk, guaranteed, cost-plus government weapons contracts, that his empire would not have survived its first 20 years without more than $1 billion in government subsidies, sweetheart contracts and special bail-outs, and that his company was pulled out of its last major tailspin with the help of a secret international uranium cartel.

This from a company whose president never got tired of preaching the benefits of the free enterprise system and condemning government intervention in the affairs of privately owned companies.

Let me further quote from the article:

> ... what the federal government, through Crown-controlled Eldorado Nuclear Ltd., was willing to sink into uranium properties. The package of subsidies included up-front development money, guaranteed sales at guaranteed prices, tax holidays, extravagant depletion allowances, millions of dollars' worth of free research and development work, and no capital gains tax if the property was sold within five years.
>
> In short, Eldorado was promising a no-risk, no-tax, cost-plus contract if Mr. Roman could get his mine into production by 1957.

It is lucky for the Government, the Liberal Party, and for those believers in the free enterprise system that the type of facts which we know about this situation are not known by most ordinary Canadians. If they did know those facts, we would have a revolution about the type of unfair tax system which we have in this country.

One Member of Parliament called the deal to which I referred "the biggest piece of pie ever handed to private industry in the mining industry in Canada". Every ounce of the uranium produced by Denison Mines went into United States nuclear bombs; the amounts and prices were guaranteed.

The Government of France wanted to make a deal with Mr. Roman. It wanted to buy 50,000 tons of uranium over the next 25 years at a price in the $700 million range. Mr. Roman had a lot of trouble with that because the Government of France did not want to give the assurances which the then Canadian Government insisted upon, that the uranium would not be used for military purposes. The then Government of Canada said to Mr. Roman that it would not permit that deal, but that it would arrange it so that Ottawa, the Government of Canada, would buy lots of uranium, stockpile it, and hope for sunnier days. The biggest beneficiary of the two Government's stockpile programs in the 1960s, which were worth a total of $100 million, was Denison Mines owned by that great exponent of the free enterprise system, Mr. Roman.

In late 1970, a third stockpiling program worth $39 million was announced. A new Crown corporation, Uranium Canada, would be created to run it. In early 1972 there was a situation, because of the falling price of uranium, where the Government officials set in motion the notorious uranium cartel which, through a system of phoney price bids and market quotas, triggered a 700 per cent increase in the world price of uranium in less than four years.

Who was the major beneficiary? Mr. Roman. It was the biggest sweetheart deal of them all. A 30 year cost-plus multibillion dollar contract was arranged to supply uranium to Ontario Hydro, not at the price it should have been if the free enterprise system was working and where because there was a surplus of uranium the price should have come down; oh, no. Mr. Roman was very happy to participate in the government cartel which gave him a guaranteed price far higher than the price should have been.

Mr. Blaikie: Socialism for the rich.

Mr. Orlikow: My colleague, the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) states "socialism for the rich". That is what we can expect from Liberal and Conservative Governments. Socialism for the rich and—

Mr. Blaikie: Free enterprise for the poor.

Mr. Orlikow: —free enterprise for the poor.

Denison Mines found itself with a gold-plated deal that it still enjoys today. In making this deal hydro was betting that awesome amounts of uranium would be needed in the future. It was prepared to give incentives to ensure reliable long-term production for the deal. Ontario Hydro is now paying three times the world market price for the privilege of obtaining uranium mined in Ontario.

I notice, Madam Speaker, that you are telling me that my time is coming to an end. What we have here is a situation where the people of Canada have paid hundreds of millions of dollars, most of which went to Mr. Roman and Denison Mines through this agreement. The people of Ontario are paying through the nose; paying higher prices for electric power than they should be paying because Ontario Hydro was willing to make an arrangement wherein it paid far more than it should have for the uranium used in its atomic power plants.

• (1140)

We said at the beginning that the deal was a bad deal for the people of Canada. We are opposed to this privatization proposal because it is not in the interests of the people of Canada, nor in the interests of the people of Saskatchewan. We intend to oppose the Bill in every way we can.

Mr. Blaikie: Questions or comments, Madam Speaker—

The Acting Speaker (Mrs. Champagne): There are no questions or comments after the 40-minutes speeches. The

Hon. Member for Winnipeg North (Mr. Orlikow) was the first speaker for the New Democratic Party.

Miss Aideen Nicholson (Trinity): Madam Speaker, the Bill before us respecting the proposed Eldorado Nuclear Limited reorganization and divestiture Act was introduced in the House by the then Minister of State for Privatization and Regulatory Affairs on March 29, an agreement having been reached between the Government of Canada and the Government of Saskatchewan in February to merge and privatize the assets of Eldorado Nuclear and the Saskatchewan Mining Development Corporation.

In outlining the reasons for the merger the Minister stated three criteria which she had in mind; first, that the Crown corporation was no longer serving a public interest or public policy function which needed to be carried out by government. Second, she stated the view that privatized corporations should be given what they need to be viable after privatization. I will return to this point, because it seems as though rather a lot is being given to the Government of Saskatchewan in this deal and one must question whether it is in the best interests of Canadians. Third, the Minister said that in arriving at the decision the interests of the employee and of public safety and the rights of Canadian taxpayers to have their financial interests protected were all considered. These are good principles, but we will want to ensure at committee that the rhetoric is in fact matched by actions on the part of the Government.

In 1983 the Liberal Government of the day transferred the shares of Eldorado Nuclear to the Canada Development Investment Corporation, and was also considering privatization. I myself consider that if the private sector can do well and responsibly anything that government is now doing, there is certainly a strong argument to transfer that function to the private sector.

However, with this Government, which on a number of occasions seems to be operating on the basis of ideology—rushing to privatization without careful examination of the economic costs, without careful consideration of environmental and other public policy goods—we will want to examine this transfer very carefully, indeed.

Eldorado Nuclear has been in existence for 61 years. It is the oldest uranium producer in the world. It is also the only integrated producer in Canada, which means that it can process ore to create uranium products for use in Canadian reactors to serve Canadian energy needs, as well as for export. It has new, modern, and efficient plants and owns and has interests in uranium mines.

The other partner, the Saskatchewan Mining Development Corporation, is also a large supplier of uranium, producing 7 per cent of the western world's capacity in 1986. It has sales contracts which extend well into the next decade. It has emphasized exploration and has some of the world's largest commercial reserves.

In her speech on March 29 the Minister said that a merger between the two would produce a company which would be not only viable but would also have the potential to grow and develop because of the amalgamation of assets including reserves, production facilities, and research.

We will have questions about this, to which I will come in a few minutes, because the deal, on the face of it and on the Minister's own information, will cost Canadian taxpayers a fair amount. That is not quite consistent with the very rosy picture being given of the benefits.

The Minister says that she wants control of this new company to remain in Canadian hands, and Article V of the Bill imposes constraints on the issue, transfer, and ownership of voting securities in the new company. We will want to examine these points very carefully to ensure that in fact Canadian ownership of this important resource is protected.

The Minister also pointed out quite correctly that the rules concerning waste disposal and the rules arising out of Canada's adherence to the non-proliferation treaty, the international treaty concerning control of nuclear energy products, apply equally to the private sector and to the public sector. However, the fact that the rules are in existence and the way they are applied are two different things, and we will have further questions about it.

The intention in the Bill is to set up a task force which will order the transition as we face the amalgamation of a Crown corporation of Canada and a Crown corporation of Saskatchewan.

In her speech introducing the Bill the Minister said that she was very proud of the two-stage merger and privatization process which she was proposing for Eldorado Nuclear. It will be important to see whether that pride is in fact justified or whether this will be another case of misplaced enthusiasm for privatization without the adequate mechanisms in force to ensure that it really is a benefit to Canadians.

On the face of it, as our energy critic, the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) pointed out, it is not strictly a business proposition. The deal would appear to be loaded in favour of the Province of Saskatchewan which is receiving a multimillion dollar package, courtesy of the federal Government. I have no objection to the Government deciding as part of a program for regional development to make a grant to the Government of Saskatchewan, but it should be clearly identified as such. It should not be disguised as a commercial transaction which is of equal value to all taxpayers in Canada.

• (1150)

Furthermore, when we look at the prices we find that Eldorado Nuclear has been undervalued and by an interesting process. For the purpose of this transaction, the assets of Eldorado Nuclear are placed at $915.9 million, while the assets of the Saskatchewan Mining Development Corporation are valued at $973.2 million. The Government of Canada will

have a 39.5 per cent share of the new company while Saskatchewan will have a 61.5 per cent interest. The new company will issue promissory notes valued at 40 per cent of the fixed assets to cover all of the debt owed to the Saskatchewan Government and only $230 million of the $570 million owed to the Government of Canada, so the promissory notes cover all of the debt of the Province of Saskatchewan but only about half of the debt of the Government of Canada. It seems that after this company is rolled over into one corporation and eventually sold to the private sector, the Province of Saskatchewan will have recovered all of its debt and losses while the Government of Canada will still be out $100 million.

It appears that in arriving at a value the two companies were evaluated from a discounted cash flow basis rather than from an asset basis. The Saskatchewan Mining Development Corporation had a lower operating cost, primarily as a result of lower royalties but, interestingly, Eldorado was determined to be lower in value as a result of its less profitable refinery business. The refinery business was regarded as a detriment to the value of Eldorado Nuclear.

In the publicity surrounding this merger the two governments of Canada and Saskatchewan have said that one of the advantages of the merger is the capacity to process uranium in house. Let me quote directly from the joint press release:

> A merger—will result in a company with an improved balance between its mining and refining capacities.

This is very puzzling, Madam Speaker. On the one hand the value of Eldorado was downgraded in this transaction because the refinery was not profitable. On the other hand we are told that one of the great advantages, one of the great potentials for future profits of the merged company is the fact that the refinery exists. Which way is it? Is the refinery an advantage or not?

There are a number of other questions of this kind. There are clauses which seem, worrisomely, open ended about what the Government of Canada will put into this transaction. The Bill also leaves the Government of Canada liable for any debt or liability of Eldorado. There is no indication that there is legislation in Saskatchewan which leaves the Saskatchewan Government liable for any debts or obligations of the Saskatchewan partner.

We are left with many questions. What will be the actual cost to the taxpayers of Canada? What is the Government's position on disposal of low level waste? What is the commitment of the Government to ensure safety of handling of these materials at every point?

This merger will create the world's largest uranium producer with assets of $1.9 billion, but that market value is probably greater than Canadian investors can absorb. While the Minister has talked about the possibilities for Canadians to invest in this corporation, it is all very vague. At first blush we are left to wonder if there is any economic value whatever in this merger to the taxpayers of Canada, whether the merger achieves anything except greater concentration in an industry which already has high concentration.

The new corporation will be responsible for disposing of low level radioactive wastes left by its predecessors up to a cost of $25 million and it is not clear who bears these costs. It is not clear that the question of safety has been addressed or will be addressed.

The Minister reported that the sale of shares would cover all of the debt owed to the federal and provincial Governments, but this is not clearly required in the legislation. In fact, a single strong shareholder with 25 per cent of the voting share could, to use the Minister's words, "guide" the new corporation, "under certain circumstances". This question of Canadian ownership is worrisome and needs to be addressed much more carefully than it is in this Bill.

Complete divestiture by the two governments is expected to be complete by 1995. I would stress that I am not against privatization in the uranium industry particularly. It is a cyclical and vulnerable industry and it seems reasonable that risks should be borne by private investors and not taxpayers, to a large extent. But this Bill before us is not achieving that end. It leaves the taxpayer holding a big burden while removing some of the controls of Government.

The whole question of the use and management of uranium and the disposal of waste products is probably one of the most important and serious environmental issues facing this country and it gets little or no attention in this Bill. By 1995, when it is expected that the whole matter will be in the private sector, we are asked to take it for granted that the private sector will have adequate standards to protect the life, health and safety of Canadians. There is no indication in this legislation that the Government will deal with that problem effectively.

While we will not oppose the principle of the Bill at second reading, that is, the privatization, we will certainly want very considerable amendments, standards and safety requirements built into it at committee stage, not only to protect the Canadian taxpayers' pockets but also to protect issues of safety and environmental control.

• (1200)

Mr. Kilgour: Madam Speaker, the Hon. Member indicated that she was not opposed to privatization in principle. Would she tell the House which companies now in the public sector she would be favourably disposed to privatize, if any?

Miss Nicholson: Madam Speaker, that is beyond the scope of the present Bill.

Mr. Orlikow: Madam Speaker, I would like to direct a question to the Hon. Member. We New Democrats, who are not wedded 125 per cent to the virtues of the free enterprise system, understand that when an important sector is facing difficulties, beyond its ability to deal with them, it is sometimes necessary for the Government to step in. For example,

we support proposals which stabilize the price farmers get for grain.

I would like to ask the Hon. Member why the former Liberal Government, when it was in office, agreed to participate with a number of other countries in a cartel which kept the price paid for uranium ore at a very high level. As I indicated earlier when I quoted from a speech reported in *The Globe and Mail*, the price was 700 per cent higher than it should have been.

Not only did the Liberal Government participate in that cartel, but at that time, and since then, it used every method it could, legal and otherwise, to keep the details of the cartel arrangement secret—not just at the time but ever since. The people of Canada still do not know why the Government participated in that cartel which had such a deleterious effect on Canadian people because of the price they had to pay. Why did it do that at that time and why has it continued to block every effort to make the details of that terrible cartel public?

Miss Nicholson: Madam Speaker, I was not the Minister of Energy or the Minister of Finance in the Liberal Government at the time the arrangements on pricing the Hon. Member discusses were entered into. I have no information other than that which has been made public, but I certainly would take issue with his statement that the Liberal Government of the day used all means, legal and illegal, I believe he said—

Mr. Orlikow: I did not say that, I said otherwise.

Miss Nicholson: "Otherwise"; well, I think I would certainly take strong exception to the suggestion that the Liberal Government of the day had acted in any way outside the law.

As for the Hon. Member's statement that we are now withholding information, may I point out that we are not in power. The administration of the Freedom of Information Act is in the hands of the Government of the day, not in the hands of Liberals.

Mr. Kilgour: Madam Speaker, the question raised by the Hon. Member for Winnipeg North (Mr. Orlikow) concerns a very important matter. I would like to add to his question.

The Hon. Member from Toronto will perhaps know that the cartel that was set up by the Government of which she was a supporter cost Ontarians, for example, a great deal of money in terms of the cost of hydro. She will perhaps know that the two assistants to now Senator Austin were charged criminally, as I recall, and the Senator who was then the principal officer of the cartel was not charged. Perhaps she would make a comment on that.

Does the Hon. Member realize, for example, that an Order in Council was passed barring Canadians from talking about that cartel? In short, it was one of the sorriest moments in Canadian history for those of us who believe that Governments should not break the law in the name of trying to enrich a Crown corporation. Does the Hon. Member have any sensible comments to make on any of those matters I have just raised?

Miss Nicholson: Madam Speaker, may I point out that the Bill before us is a Bill arranging for the amalgamation of a Crown corporation administered by the Government of Canada and one administered by the Government of Saskatchewan. I cannot see the ancient history that the Hon. Member is describing as having any relevance to this Bill.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

Some Hon. Members: No.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Madam Speaker, I thought that someone from the government side might want to rise to defend what they are doing, but I suppose I can understand that they might not want to do that.

I begin by acknowledging a certain ambiguity that I have experienced in this debate. We have here a classic example of what is wrong with privatization and particularly what is wrong with privatization as it has been implemented by this Government.

This is a classic case. The people of Canada and the people of Saskatchewan, through the Saskatchewan Mining Development Corporation, invested many, many millions of dollars over the years in these two corporations. As a result of the ideological commitment of this Government to privatization and the ideological commitment of the Saskatchewan Government to privatization, these two Crown corporations are to be merged and then privatized through the sale of shares in a way that involves the Canadian people and the Saskatchewan people, the Saskatchewan people being in double jeopardy because they have contributed to both corporations. These people are now picking up most of the risk because all the debts and liabilities are being picked up by the Government in order to make this particular privatization possible.

We see that this is not a case of the Canadian taxpayers benefiting from privatization. It is a case of whoever comes to be the shareholders and particularly the majority shareholders in this new company benefiting form the investment that has been made over the years by the Canadian people and the Saskatchewan people in these two corporations.

Having said that, I want to make it clear that it is not appropriate to be against privatization in every and all cases. I recall that not so long ago, in my own riding, a decision was made by the Manitoba Government to privatize Flyer Industries. In my judgment, at the time that decision was made, that was the thing to do. It was regrettable that the corporation faced the difficulties it did as a publicly-owned corporation, and some of the difficulties it faced were as a result of the fact that it was a publicly-owned corporation. These difficulties existed not through public ownership in and

of itself but because, as a result of it being a publicly-owned corporation, other and more powerful private companies in the bus market-place made life very difficult for that publicly-owned corporation.

• (1210)

One recalls that at one point in the 1970s the Ontario Conservative Government made it clear to municipalities, which were looking for transportation grants, that if they wanted grants for the purchase of buses they had better buy their buses from General Motors rather than from Flyer Industries in Manitoba, which was publicly owned. The last thing that the Conservatives wanted to see succeed was a publicly-owned bus company.

However, I stray from the point. We are talking about the privatization of Eldorado and the Saskatchewan Mining Development Corporation. I could not resist getting in that point about Flyer and the way in which the bias against public ownership on the part of the Conservative Party has, from time to time, led various federal and provincial Governments of their ilk not to let the market-place work, and publicly-owned companies to compete freely, but to try to skew the market-place in such a way as to guarantee that these corporations would not succeed as well as they might in order that they could then point, with all due sanctimoniousness, to the fact that these corporations had not done as well as some had hoped. They then blamed it on public ownership instead of on their own intervention in the very market-place they say ought not to be intervened in.

On the question of privatization, I had the privilege of being in the British House of Lords one afternoon when the Earl of Stockton, the former Conservative Prime Minister of Great Britain, Harold MacMillan, now deceased, was giving a speech. He was speaking about the privatization program of Margaret Thatcher. I was very impressed with the ability of the former Prime Minister at the age of 92 to deliver a 20-minute speech without notes of any kind.

In his very articulate comments on the Government's privatization programs, he referred to the privatization of British Crown corporations being comparable to selling off a family's silver for short-term fiscal goals, creating a longer term situation of poorness in terms of assets and one's ability to determine one's own economic destiny, et cetera.

It was a very good speech and a good analogy of what this Government has been tempted to do. In many respects it has been selling off the family silver. Some of the privatizations with which the Government has gone ahead have been particularly ill-advised and have certainly fallen into the category of selling off the family silver. However, I am not absolutely sure about this one. This privatization shows what is wrong with privatization in the way in which the public picks up the risk and the private shareholders get the benefit.

Anyone who has been in this House for any time knows that I am not a great fan of the nuclear industry, uranium mining, or nuclear power, all of the things involved in the economy with which these two corporations are tied. I would be less than frank if I did not say that I would just as soon that many of the things in which these corporation are involved were not happening, whether privately or publicly-owned.

One of the problems with the nuclear industry in this country has been that it has been so wrapped up in the public sector and the Government. Indeed, it was so close to both the Liberal bureaucracy and the Liberal Governments of the day that it is still impossible for Liberals in this House to say anything critical about the nuclear industry. That is their baby.

We had hoped that the Conservatives might have been more critical. They made a number of promises back in 1979, that they would have a full-scale inquiry into the nuclear industry in Canada. They made the same promise again in 1984. We pressed them on that in 1985 and 1986 and all we could get from the then Minister of Energy, who has since then been through several portfolios until she finally landed up in the Treasury Board, was that she would ask AECL whether it thought an inquiry was a good idea.

I think one must see the irony in a cabinet Minister of a Party which once promised an inquiry into this very Crown corporation and many of its activities rising in the House to say that she was thinking about an inquiry but was going to check with the Crown corporation to see whether or not it thought it was necessary. The Hon. Member can check the record. That is exactly what the Minister said.

It was very soon after that that we lost hope that the Conservatives would be able to muster the critical distance from the nuclear industry which we had hoped they might muster given some of the promises they made when the Liberals were in office. We then launched our own inquiry. We have been to several cities across the country and hope to have a report very soon which will make very clear the view of the NDP on a wide variety of issues pertaining to the nuclear industry.

I would not be crazy about many of the activities in which these two Crown corporations are involved whether they were done by a publicly or privately-owned company. This may be only wishful thinking, but I hope that one of the by-products of this privatization would be that the Government of Canada and other Governments, to the extent that the nuclear industry is privatized—in this case these two mining corporations—might be able to feel less attached to the whole industry.

I do not have any grounds for that wish because, as the Hon. Member for Winnipeg North (Mr. Orlikow) pointed out in such detail, the private corporations in this industry have basically been able to do whatever they wanted to over the years and to attain whatever public governmental support they happened to need, whether in the form of direct subsidies, price fixings through cartels, or whatever.

So certainly there is no basis in history for hoping that the private nuclear industry will be treated with any greater critical attention than was the public sector. In fact, just the opposite has been true. The private companies have been able to operate with even less attention. However, I am hoping that at some time, some Government of Canada will turn its attention to the nuclear industry in the way that we have been calling for for some time and that it may be freer to do that if, in the case of uranium mining, these companies are completely in the private sector.

• (1220)

There is absolutely no doubt that there is a need for a full scale inquiry into all aspects of the nuclear fuel cycle in Canada. This is something that the Conservatives promised time and time again but have not fulfilled. This inquiry should include questions of reactor safety, emergency planning and other post Chernobyl questions that have not been addressed.

The only place where any of the more difficult questions pertaining to the nuclear fuel cycle have been addressed is in some of the committees of the House. The Standing Committee on Environment and Forestry, largely at my own initiation some time ago, began a study of the disposal of high level radioactive waste. It published a very good report entitled *The Eleventh Hour*. I recommend it to all Members of the House who should be interested in this whole question of the disposal of high level radioactive waste.

As well, I notice that the Standing Committee on Energy, Mines and Resources is involved in a study of the economics of nuclear power. These matters are being discussed as a result of parliamentary reform because the committees have initiated these studies on their own. It is a credit to the reform that these things are happening, but we still have not seen the Progressive Conservative Party live up to its commitment to have a full scale inquiry into the nuclear fuel cycle in Canada. We will probably not see that inquiry as we enter the last stages of this Government.

If there is a shred of integrity left in the Government it will call an election before it attempts to implement the Canada-U.S. free trade agreement so that Canadians will have an opportunity to make some judgment on an agreement about which there was no intimation in the 1984 election. If the Government has any respect for democratic principles, there will be an election before that agreement happens.

Of course, this means that the Conservative Party will have gone through its four years in office without living up to its promise in 1984 to have an inquiry into the nuclear fuel cycle in Canada.

There are many other issues I could speak about, but it would require more time than I have available. I know that a Member from the Liberal Party wishes to speak and I hope that I will be able to entertain some questions.

Mr. Kilgour: Madam Speaker, will the Member tell us the names of any public sector companies that NDP governments in British Columbia, Saskatchewan or Manitoba have privatized? While doing so, will he tell us which companies in the federal sector his Party would like to de-privatize if they had the chance to do so?

Mr. Blaikie: Madam Speaker, I gave an example.

Mr. Blenkarn: You were going to privatize the banks.

Mr. Blaikie: I thought the banks were privatized. The Member is the Chairman of the Finance Committee and is talking about privatizing the banks. I would have thought he would have realized by now that they were in the private sector.

In any event, the Member for Edmonton—Strathcona (Mr. Kilgour) asked me which companies provincial NDP governments have privatized. I cannot speak for British Columbia or Saskatchewan, but in the course of my speech I gave the example of a company in Manitoba, Flyer Industries, which was privatized. It was sold to a Dutch company which manufactures buses.

At this time the Manitoba Government is trying to find a buyer for MANFOR Industries in The Paw. Unfortunately, I would imagine that those negotiations are somewhat in limbo as a result of the election.

Far from being philosophically rigid about privatization, NDP governments have shown, quite rightly, a willingness to consider where privatization may or may not be appropriate. Obviously there is a difference between us and the Conservatives in that we do not have a bias against public ownership. We see it as a very positive, creative instrument for Canadians to determine the nature of their economy and to have more influence in economic decision-making.

Furthermore, where it is seen to be the best course of action, NDP governments have seen fit to privatize.

Mr. Orlikow: Madam Speaker, the Provinces of Manitoba and Québec, to mention two, have great potential to produce hydro-electric power by building dams and generators. Both provinces are understandably involved in negotiating with American states to their south for the sale of that power.

According to the news last night, the Government of Ontario is now making a decision to spend up to $500,000 to re-equip and improve safety in some of its nuclear power plants. Rather than rebuild those nuclear power plants and build new ones, would it not make better sense for the safety of Canadians for the Ontario Government to get into serious negotiations with the Provinces of Québec and Manitoba to buy the power it needs from those provinces, which is produced by hydro-electric projects?

Mr. Blaikie: Madam Speaker, the Hon. Member for Winnipeg North (Mr. Orlikow) points to a problem with the organization of energy production in Canada, particularly

when it comes to the production of electric energy. Every province is committed to its own strategy for the production of electric energy. There is very little co-ordination or effort to seek what might be best for the country as a whole or for a particular region in order to achieve some co-ordination.

At one point there was talk in western Canada of a western grid. Negotiations seemed very close to fruition, but apparently fell apart.

Rather than asking how we can sell and exchange energy between Canadian provinces in a way that is most beneficial to the Canadian environment and the safety of Canadians, every province is committed to its own somewhat isolated energy strategy. The hydro producing companies are selling hydro-electric energy to the United States while neighbouring provinces are building more nuclear reactors to get electric energy which they may well have been able to obtain from Canadian neighbours and avoid what I regard as the undesirable prospect of having to build nuclear reactors. So there is not that kind of co-ordination.

• (1230)

There is a lot of confusion surrounding the whole question of hydro exports. One of the areas of confusion, of course, is with respect to the whole free trade agreement and the way in which the Government is trying to make Canadians believe that through this free trade agreement they have scored some kind of victory over the coal lobby in the United States, that we will now be able to make sales to the United States of hydro exports that we would not have been able to make otherwise. The fact is that the Government was responding to a very small group of Congressmen from coal states who had the idea of having some kind of legislative prohibition against Canadian hydro exports to the U.S. That group would not have gone anywhere. It had absolutely no prospect of success. Yet, in response to that feeble threat by a small group of American politicians, the Canadian Government entered into this agreement. Now it wants us to believe that we have new opportunities to sell hydro to the U.S. because of it.

The fact is that the coal lobby actually won in this agreement. The coal lobby was very worried about these coal contracts with Ontario Hydro which will come up for renewal in 1990 and 1991, contracts with American coal producers in Pennsylvania, West Virginia, or wherever it may be. They were worried that by that time Canadians would have gotten things together and would be prepared to buy low sulphur western Canadian coal, which would be of benefit to coal producers in western Canada and to everyone employed in transporting that coal from western Canada. It would also be of benefit to the Canadian environment in terms of burning low sulphur coal as opposed to high sulphur coal.

However, in order to do that, every study has shown that there would have to be some kind of subsidy, something like we have with respect to the transportation of grain, in the nature of about 2 per cent. The free trade agreement will make this impossible. It will make impossible the very transportation subsidy that might have made possible the dreams of many of the western Canadian Conservative Members of Parliament who for years have asked why Ontario will not buy low sulphur western coal. Now, as a result of the free trade agreement, about which they are all frothing at the mouth so positively, their dream of selling low sulphur western Canadian coal to Ontario does not have a snowball's chance in hell. It will be their fault. It will be on their heads.

Hon. Bob Kaplan (York Centre): Madam Speaker, I want to begin by assuring members of the Government that we in the Official Opposition are not planning to protract this debate to any great extent. We have had two speakers and I have a few words to add. I do not think I will take even my full 20 minutes. I will, of course, be happy to participate in the question period, then we will be happy to see this Bill, which we generally support, move ahead.

I want to indicate, however, that I have very grave reservations about the Government's privatization policy as a whole. I was intrigued by the question asked by the Hon. Member for Edmonton Strathcona (Mr. Kilgour) of the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie). He asked what it was that the Government has privatized that should not have been, and what has not been privatized by former Governments or by New Democratic Governments which should have been? It is an interesting question.

I think it is very easy to characterize the position of this Government. It has a very limited view of public purpose, even in Government itself, let alone in Crown corporations. It is slavishly addicted to the market-place in the belief that the solutions the market-place provides are always right. Indeed, underlying the free trade agreement is the idea that if only the provincial governments of Canada can be forced to live with market rules, without the power to mitigate them in anyway, that somehow or other it will produce a better life for Canadians. It may certainly produce some greater efficiency. I am not challenging that. I think the great thing the market does provide is a discipline about production. However, there is more to life than that. There is even more to business than that.

I think that if the Government has made an error in its privatization approach, it is the error of thinking that no matter what it is, the market-place will do it better than planning by Government or planning by others to try to achieve other objectives than just the efficiency for which market operations are quite rightly famous. We in the Official Opposition feel it is wrong to begin with the ideology that everything should be privatized. We have objected to the privatization of certain aspects of Correctional Service Canada. We have objected to some other privatizations the Government has proposed.

For us it is a practical question. The question has to be to look at the Crown corporation and ask if there is a public purpose for it that cannot be achieved or that will be lost if the

corporation is privatized? When the Government asks that question, and it looks at Crown corporation after Crown corporation, it will tend to come to the conclusion that they should be privatized, because the Government does not have a public policy purpose for Crown corporations.

For example, we have a business in Petro-Canada, but it is also a business that was established by Government to achieve a certain public purpose in addition to complying with the market-place, to being efficient and to providing a service like the service provided to the public sector. We wanted Petro-Canada to be a force in the operations of a number of private companies, which certainly operating together do not follow the typical or theoretical rules of the market-place because they are few in number, they are huge and are in fact a classical oligopoly. We wanted Petro-Canada to be out there, to be, among other things, the honest broker in the field, the corporation that would set the standard and compensate for the limitations that existed in that particular sector of our economy where so few companies together handle such an enormous volume of business.

De Havilland was another example of a corporation which was privatized. I have to say that I think the discipline of the market-place will help de Havilland. It has already begun to help. But when de Havilland was held by the Government it had a public purpose objective as well. That public purpose objective is lost now that it is owned even by a very good multinational corporation which is based and directed from the United States. The public objective which was lost was having a domestic indigenous aerospace industry in Canada, run by Canadians and achieving national objectives in its operation.

No one can say that however successful de Havilland is from now on—and I am one of those who want it to be successful and who support it—it will ever achieve that public policy objective that we had in mind when it was held in the public sector and which might have been achieved in the private sector if it had been sold to a Canadian control group.

The Eldorado Corporation is about to be put into the private sector. I think the role it has played over the years when it was in public hands justified, to a certain point, keeping it in public hands, but, as I have indicated, our energy critic and our caucus have examined the proposal and we consider it to be a proper evolution of Eldorado Corporation.

• (1240)

At the same time I have to say that we are very disappointed that the environmental problems caused by the use, production, exploration, or mining of uranium have not been satisfactorily addressed by the Government. We had looked forward to a continuation of work in trying to find methods of dealing with nuclear wastes that had not been found to date. We had hoped that that would continue to be a high priority.

There is nothing in this proposal to indicate that that will be a high priority and that any more than the normal concern of a private corporation will be shown to a problem of national importance and one which would have benefited from continuing high profile responsibility in the hands of the federal Government.

Like some of the others for which this Government has been responsible, we fear that this privatization is more ideology than a practical consideration of the best interests of the Canadian economy and the best interests of the corporation being privatized.

When privatization occurs, it gives the Conservative Government the opportunity to turn to its friends and give them contracts to bring them on board into the operation. I do not have to be more specific in reminding this House that the Government has abused privatization in the past as a way of rewarding friends and giving them opportunities which would not otherwise be available.

One of the other motives of privatization, which is not a legitimate motive, and which the Government has used in the past, is the use of privatization as a way of appearing to reduce the size of the Public Service. Technically, the size of the Public Service or those employed in the public sector are reduced when a Crown corporation is sold or when a government operation is privatized. Unless there is an actual reduction in that activity, I do not think the Government is justified in claiming the credit for honouring its campaign promise to reduce the size of the Public Service.

The most scandalous example of this is what the Government has done in Correctional Service Canada where people who were working in the service as parole administrators or people in charge of half-way houses owned by the Government have been fired and rehired by organizations established through public funding purportedly to continue the same type of service, but in some cases in a less effective and efficient manner than was being done while the operation was entirely within the Government.

In a case like that, what is achieved is not a cost saving or a reduction in the number of people who are being paid for their services out of tax money, but the appearance that the Public Service has been reduced in numbers because those who were formerly in the Public Service are now under contract to the Government directly or indirectly and doing exactly the same thing. Privatization has become a pretty shabby business in the hands of the Government.

In conclusion, I simply express the hope that that will not be the case in this privatization, in this merger, and in the underwritings and the share offerings that will subsequently take place, but that it will be run on an above-board basis, and that in the long term it will bring benefits to the users of nuclear fuel and to the production of nuclear fuel.

Mr. Orlikow: I wish to ask the Hon. Member two questions. First, I wish to ask his views on the feelings of the union representing the de Havilland workers about privatization. While it has apparently meant more jobs at this time, what we have are more jobs in the production and assembly of the

aircraft. In fact what has been lost by this privatization is the ability of that company when it was owned publicly to do the research and development which is so necessary if the industry is to continue to develop and prosper in the future. I would like the Hon. Member to comment on that.

Since the Hon. Member was a member of the Cabinet in the former Liberal Government, I would like him to explain, if he can why the former Government participated in that cartel, together with countries such as the United States, Australia, and other countries that were involved, to keep the price of uranium ore hundreds of percentage points higher than it should have been? This cost the Canadian public hundreds of millions of dollars. Because Ontario Hydro was purchasing so much of that uranium for its atomic power plants, it cost the people of Ontario. Why did the then Government participate in that cartel? Even more, not only did it participate in the cartel, it used every possible method, and certainly every possible legal method, to keep secret the details of what went on, the arrangements made in that cartel and that cartel agreement, to keep the facts from the Canadian public?

Mr. Kaplan: Let me answer the last question first. Unfortunately, I do not have great first-hand knowledge of the facts in the nuclear cartel situation. I followed it with considerable interest, as did the Hon. Member, but I am not in a position to discuss the Government's motives, or the methods that it used.

It is obvious to anyone looking at it from the outside that one of the advantages of keeping a price artificially high is to encourage the continuation of exploration, development, and stockpiling of the resource. If prices are lower that will occur less. If prices are higher, that will occur more. I would assume that the primary purpose of having the cartel was to ensure that there would be continuing exploration and development of what is a very key resource in the nuclear age in which we live.

On the question of the concern about research and development, I am obviously as concerned as the Hon. Member that there be a high level of research and development at de Havilland. With the company in private hands, as it is now as a result of the action of the Conservative Government, there is less government control of that. Whether research and development occurs in Canada, in the United States, or at all, in relation to this propeller technology aircraft at de Havilland, no longer depends on the Government of Canada. It has given up the right to control that, because it is no longer the shareholder and it no longer appoints the directors of the company. That is one example of a consequence of privatization. However, I hope that the Government is calling on de Havilland, under the contract of purchase and sale which does give some rights to the federal Government and some continuing responsibilities, to assure that a high level of research and development does occur in Canada.

I can tell the Hon. Member that I have recently attended at the plant at de Havilland, and in the next few weeks a number of Members of Parliament elected in the area of the plant will be there. The amount of research and development that goes on there is impressive. One hopes that it will continue and, if possible, will increase.

On the other hand, the new element introduced into de Havilland that I support, but that I admit might be controversial, is that it is beginning to do more assembly and fabrication of other aircraft than those it is making from beginning to end in the plant. I consider that to be a good insurance policy for the corporation. After all, a one-product company is as vulnerable as that product. While de Havilland's current plane is a very big winner or a very big success, in due course it will start to become obsolete. I hope that that is a long way down the road, but when that time comes I think the union and the Member of Parliament representing the area, myself, will be very happy that the company has other lines of activity which provide high paying jobs for very highly trained people who work in the plant.

• (1250)

I am not sorry that it has gone into the assembly business to the extent that it has, and I am not sorry that it is more than just a one-product plant. However, there is something discouraging, I must say, about making parts which fit into somebody else's aerospace vision or into planes being designed, assembled, and flown out of other factories than the ones de Havilland has in Canada.

I remember visiting other aircraft plants in that area of Toronto which were making tail assemblies, for example. That was the whole thing the company was about or the plant was involved in. One had to be somewhat saddened that the Canadian aerospace industry had the type of truncation that it would not be doing something where creative energy or vision or research and development could enhance what it was doing. It was just making as many tails as were needed for planes which had been designed elsewhere and which were being sold and marketed elsewhere, and so on.

That is the danger of the Mulroney trade deal. It is the kind of thing that we can see happening to our plants. As the takeover of American companies continues—and the agreement encourages takeover by American companies—it could lead to a lack of autonomy about Canadian entrepreneurship, Canadian economic creativity and invention, and so on. It is a very discouraging possible result of continentalism.

As long as the plant is designing planes and making them more or less from beginning to end, and as long as there is no suggestion that it will stop doing that, I will continue to support what is happening at de Havilland. As the Dash-8 meets its market and as new designs and so on come on, I hope they will come from de Havilland, not that de Havilland will merely be a piece maker for someone else's ideas.

Mr. Kilgour: Madam Speaker, the Hon. Member is also a lawyer and I should like him to tell us, if he would, how he feels about the fact that two bona fide officials were charged as junior officers in Uranium Canada, that an Order in Council was passed indicating that Canadians could not

discuss that very important issue, and why the head of Uranium Canada, now Senator Jack Austin, was not charged when he in fact was the head of the company in which the two officials were charged.

Mr. Kaplan: Madam Speaker, I think the Hon. Member who asked the question knows that the decision about laying charges is not the province of a Cabinet or of Ministers in the aggregate. It is the unique and exclusive responsibility of the Attorney-General who is not to consult with his colleagues when decisions like that are being taken.

I think the implication in the question is that somehow or other I, as a former member of the Government, should have to defend a decision not to charge Senator Austin. If that is his point, as if it were a government decision, it is a misleading question and I would want to reject that aspect of it.

So far as the rest of the question is concerned, the Order in Council and so on, I really had no personal contact with the issue. I have nothing to add to the very full answers which were given to that question at the time it was asked of the Ministers in the Trudeau Government who were responsible for establishing the cartel.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, it is interesting that we should come back after the break to yet another sign that the Conservative Government continues to pursue its ideological course toward defeat.

The interesting question which arises when one starts to discuss privatization and public ownership is in fact the one which the Hon. Member for Edmonton—Strathcona (Mr. Kilgour) raised some time ago—which kinds of companies, which sorts of enterprises would one want to see as private sector enterprises, and for what reasons would one want to see them in the public sector?

As a country we have had to make such choices on many different occasions throughout history. Ironically, earlier Conservative Governments often made the choice to put a company into the public sector for specific and important national reasons. It is for that reason that I find it especially unfortunate that the Conservative Government has taken an entirely ideological approach to reduce, for the sake of doing so, the number of companies held by the public as opposed to those in the private sector.

What is also interesting is that the approach it has taken in this area, as in so many areas, has been one of ideologically based nibbles. Yet it refuses to stand up forthrightly and take a position that reflects what it actually believes in terms of significant, large public enterprises, such as Air Canada, Petro-Canada, Canadian National, and CBC. There has not been any effort, despite ideological small harassments, to move against significant public enterprises, because it is so clear that public opinion is in favour of keeping public enterprises such as Air Canada, CBC, CN, and Petro-Canada in the public sector to ensure that they continue to serve the public as they have done in the past. Still, steps have been taken such as this one in respect of Eldorado and a series of earlier smaller steps in respect of other companies in the public sector.

If one had a philosophy respecting the public sector of trying to assess which firms should be in and which should be out, it seems to me—and perhaps this is the last point I will make before the luncheon break—that a company with so much associated with it in terms of safety, in terms of environmental concerns, and in terms of the tremendous contribution of the Government to setting it up in the first place, is the kind of firm which one would inevitably say must be within the public sector.

May I call it one o'clock, Madam Speaker.

• (1300)

The Acting Speaker (Mrs. Champagne): Because of the Minister's statement earlier, the House will sit until eight minutes past one o'clock. The Hon. Member if he wishes may continue.

Mr. Langdon: Mr. Speaker, if I can pursue this point somewhat further, of all the companies which one might choose, a company which is dealing with nuclear matters is a company which should be under the most careful, most controlled scrutiny from the Government. A company which has received, as Eldorado Nuclear has, the tremendous support of government in assistance, both with respect to capital, development and marketing, through the cartel arrangements which have been discussed back and forth, that too is surely a company which should be kept within the public sector as something which the Canadian people have built and something from which the Canadian people should receive the returns.

Finally, of course, it is a company which potentially has an environmental impact that is frankly dangerous, that can damage communities and hurt workers. That too, is a company which has to be kept within the context of community ownership rather than allowed to go to the private sector where it will not have to face the same kind of responsibility to the community as a whole.

I think on that basis it is very curious that one would find this company chosen as a company to privatize. I think there are other considerations which also make it very difficult to justify the sale of this company to the private sector. One of those considerations is the simple fact that the workers, who work not just those for Eldorado but for the sister company, which will be joining it as part of the scheme, have come out absolutely and adamantly against putting this enterprise in the private sector. They have done so for the best of reasons; for reasons of health and safety for themselves as workers and for future workers as well. They have pointed to the fact that up until recently statistics have shown that for those who are within such plants as the processing plants of Eldorado Nuclear, those who are actually mining uranium, the rates of danger with respect to cancer and with respect to other

consequences of radiation are significantly greater than for any other group within the economy.

So I think it is an important consideration in our decision making with respect to this privatization that we take into account that those who belong to both trade unions, the group which come from the United Steelworkers and the group which come from the energy and chemical workers, have adamantly opposed this privatization.

I think it is crucial for us to recognize that this is a tremendous sweetheart deal being offered to the private sector. There is, for instance, with respect to environmental considerations, the fact that the refinery at Port Hope essentially will be bailed out by the federal Government. With respect to the costs of dealing with that dumpsite, only the first $2 million worth of costs will be covered by the newly privatized company. For the next $98 million worth of potential problems, 76.5 per cent will be covered by the federal Government. Anything which is above that $100 million mark will be borne by the federal Government entirely. That is not the reality of private enterprise with its risks and its uncertainties. That is instead a kind of public enterprise which is really being handed to a small group of people who will receive shares in this newly privatized company.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The Hon. Member may continue later.

It being 1.08 p.m., I do now leave the Chair until 2 p.m. this day.

At 1.08 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

IMMIGRATION

CRITICISM OF PROPOSED LEGISLATION

Mr. David Berger (Laurier): Mr. Speaker, if the Conservatives are looking for someone else to blame for the shmozzle in refugee and immigration matters, they might remember the famous words of Pogo who said: "I have seen the enemy, and it is me".

The legislation before Parliament today has been denounced virtually unanimously by knowledgeable observers: the Canadian Bar Association, the churches, Amnesty International, Rabbi Gunther Plaut, the Canadian Jewish Congress, and the Canadian Labour Congress, to name only a few. The new Minister of Employment and Immigration (Mrs. McDougall) has the chance to start things off on the right foot. She should

listen to these observers, suspend the deportation orders, and bring in substantial amendments or entirely new legislation.

* * *

[*Translation*]

SPORT

TRIBUTE TO MARIO LEMIEUX

Mr. Claude Lanthier (LaSalle): Mr. Speaker, the regular season of the National Hockey League has just ended and a new leading scorer, namely Mario Lemieux, centreman for the Pittsburg Penguins has been crowned. That young athlete who is a native of Ville-Emard in the constituency of LaSalle which I have the honour to represent in this House continues to astonish experts and hockey fans thanks to his natural talent as a brilliant hockey player. When we see him play with such spirit, we cannot but expect that his feats will soon become legendary.

He thus belongs to a very select group of Canadians with Maurice Richard, Wayne Gretzky, Bobby Orr and Guy Lafleur who have reached the greatest fame and are now the pride of all Canadians.

I invite all my colleagues of this House to join me to pay tribute to Mario Lemieux for his masterful performance throughout the season and to extend to him our sincere and well-deserved congratulations as world champion of scorers. Well done Mario Lemieux of Ville-Emard!

* * *

[*English*]

EXTERNAL AFFAIRS

NICARAGUA—UNITED STATES TRADE EMBARGO

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, now that the leaders of both the Sandinista Government of Nicaragua and the Contra rebels have entered into formal peace negotiations, I would like to express my concern about reports that the Government of the United States is considering strengthening the trade embargo against Nicaragua.

Until now, some Nicaraguan products such as coffee have been allowed to enter the United States legally through a third country. In the case of coffee, Canada happens to be one of those third countries. Therefore, it is clear that the proposed sanctions may have a detrimental effect on some Canadian interests. In short, these trade sanctions would make it illegal for Nicaraguan products of any type to be exported to the United States.

I urge the Government to oppose the actions of the Reagan administration. The Nicaraguan Government has clearly shown its willingness to resolve its differences peacefully with

other political factions in Nicaragua namely, the Contra rebels. By imposing further trade sanctions, the United States might destroy the spirit of the peace negotiations. Furthermore, in my opinion and in the opinion of my colleagues, such sanctions would also cause unnecessary economic and political hardship for the Government and the people of Nicaragua.

* * *

ABORTION

CALL FOR LEGISLATION TO PROTECT CONSCIENTIOUS OBJECTORS

Mr. Alan Redway (York East): Mr. Speaker, the abortion legislation in the United Kingdom and in many American states stipulates that no health care provider is under any contractual, statutory, or legal duty to participate in a procedure terminating a pregnancy if he or she has a conscientious objection, unless it is necessary to save the life of or prevent permanent injury to a pregnant woman.

Any Canadian legislation dealing with abortion must contain a similar clause to ensure that our health care providers are not required by law to act contrary to their own consciences either.

* * *

[*Translation*]

EMPLOYMENT

REQUEST FOR MORE JOBS FOR YOUTH

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, unfortunately, the Conservative government, through the Minister of State for Youth (Mr. Charest), has decided to cut 2,300 summer jobs for students on the Island of Montreal and in Laval. Last year, the 23 ridings on the Island of Montreal and in Laval obtained more than $10 million for summer job creation under the Challenge 87 program, but this year, unfortunately, there will only be $6 million, a cut of $4 million, which represents a loss of 2,300 jobs that college and university students will not have this summer. Last year, there were 6,400 jobs; this year, there will be only 4,100.

Mr. Speaker, I conclude by asking all members, both Liberals and Conservatives, for the 23 ridings of the Island of Montreal and Laval to put pressure on the Minister of State for Youth to correct this injustice and act fairly towards our young students from Montreal and Laval.

EXTERNAL AFFAIRS

CONDOLENCES TO FAMILIES OF ISLAMABAD VICTIMS

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, I would like to offer my constituents of Pakistani descent who live in my beautiful constituency of La Prairie my sincere condolences for the innocent victims of Islamabad in Pakistan, their brothers and sisters who were killed following the explosion of an ammunition dump.

To their families and friends and to the Pakistani Government, I would like, Mr. Speaker, to offer, on behalf of the Canadian people and my constituents, my compassion and my efforts, if they wish, to ease the misery of those innocent victims.

It is sad to see, Mr. Speaker, a war arsenal destroy in a time of peace so many human lives. It is a truly sad day. We are praying for them.

* * *

• (1405)

[*English*]

EDUCATION

B.C. INSTITUTE OF TECHNOLOGY—REDUCED PROVINCIAL FUNDING

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, the Canadian Federation of Independent Business reports that nearly half of its 80,000 small and medium-sized businesses experience a shortfall of qualified labour.

We know that British Columbia has the lowest percentage of high school graduates advancing to post-secondary education of any province in Canada. Yet the British Columbia Government has just announced that it will actually reduce funding to the B.C. Institute of Technology. This prestigious and internationally renowned training and skill development institution should be provided with additional funds, well above the rate of inflation, to ensure that British Columbians receive the necessary education and training to enable them to assume their rightful place in the knowledge based economy of the future.

Instead, the British Columbia Government cuts educational funding for BCIT and, in spite of increasing enrolments, fails to fund its colleges, universities, technical and vocational institutions adequately. By this action the B.C. Government handicaps and limits as well as discriminates against its citizens and makes it impossible for British Columbians to have the same opportunities as Canadians from other provinces and territories.

[*Translation*]

IMMIGRATION

REQUEST THAT PRESSURE BE EXERTED ON SENATE

Mr. Gilles Bernier (Beauce): Mr. Speaker, the Government of Canada must apply the law in the case of illegal Turquish or other refugees. We Canadians live in a law abiding society, otherwise we would face anarchy.

Mr. Speaker, we live in an open and generous country: never have our doors been closed to immigrants and genuine refugees, but we cannot welcome those who enter Canada by resorting to illegal schemes, because they take the place of men and women who have gone through normal channels and are waiting.

Parliament passed two immigration Bills aimed at substituting order for the immigration chaos which the former administration did not have the courage to eliminate. However, the Liberal bigwigs in the Senate have been filibustering and sitting on these two pieces of legislation for the past nine months.

Mr. Speaker, I too feel compassionate towards these courageous Turquish workers who sold all their possessions in their country to pay their lawyer and the organization which brought them here illegally and who had long since settled in Quebec with their children.

To those who blame the Government I say blame the Senate. Walk on the Senate and into the office of John Turner who has lost control over his highly-paid and utterly inefficient Senators who have been repudiated by most Canadians.

* * *

[*English*]

ABORTION

MEMBER'S POSITION ON ISSUE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, one of the most difficult issues with which Parliament will probably ever deal is that of abortion. MPs in all Parties have taken or will have to take a position on this very important issue.

I had taken a position on abortion, and I am now going to do something which is probably politically frowned upon by many people. I will admit publicly that the position I had taken was wrong and that I now believe that abortion is wrong. I informed my constituents last Saturday that I intend to vote against abortion in all cases except where the mother's life is in danger.

That was not a decision which was easy for me to take. I want to thank my colleagues in this House, in particular the Members for York South—Weston (Mr. Nunziata) and London East (Mr. Jepson), and many others who, either knowingly or otherwise, have influenced me to make this decision.

I want to thank my constituents and all the people who stood by me and had the patience to put up with the wrong position which I held.

* * *

OFFICIAL LANGUAGES

OPPOSITION TO BILL C-72

Mr. Ron Stewart (Simcoe South): Mr. Speaker, it is a great time to be a Tory. The Government has created over one million jobs, most of them permanent. Unemployment is down, housing starts are up, and fairer taxation is on the way.

We have made but one grave error. We have adopted the Liberal policy of Pierre Elliott Trudeau on language. Bill 101 in Québec continues to humiliate over one million Anglos in that province and 88 per cent of all Canadians, and no one decries it—a unilingual Québec and bilingual Canada.

Congratulations to Grant Devine for not allowing a mere 23,000 in a population of over one million to push him around.

Bill C-72 is reverse discrimination. It makes second class citizens of Anglophones. It dead ends promotion in the Public Service, and it creates a bad judiciary and a language czar above the law. We cannot afford any of it.

I call on the Prime Minister (Mr. Mulroney) to see that it is drastically amended or let it die in committee. Bill C-72 is wrong. We can then go on with building this great nation by passing free trade legislation and electing a PC Government for the next four years.

* * *

• (1410)

THE ADMINISTRATION

CABINET SHUFFLE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, it was appropriate that Canada's print media reported the recent federal Cabinet shuffle on April 1, April Fools' Day.

While the joke was on the Canadian people, it was also on the Québec caucus of the Conservative Government. The joke on Canadians was the suggestion that, by shuffling a deck of jokers, the Prime Minister (Mr. Mulroney) could deal himself a hand of aces. In fact the Prime Minister revealed once again his incapacity for leadership. He lacked the courage to discard some wild cards, like the Minister of Fisheries and Oceans (Mr. Siddon).

[*Translation*]

But the biggest joke was on Quebec's Conservative caucus. The Prime Minister is telling his 50 Quebec Members that they are incompetent.

Lucien Bouchard, the messiah from Paris, is also a friend of Brian. He is a big catch, a big fish.

The other Members are humiliated, isolated on Government benches with an April Fools' Day joke called Lucien Bouchard!

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

IMPORTANCE OF SOIL CONSERVATION

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, the degradation of our fragile soil is a matter of great concern to all Canadians. The production of food to feed a hungry world is highlighted by soil conservation groups not only in Canada but all over the world.

We often say that we are living in the age of information, to indicate the vast knowledge we have at our disposal today. This knowledge points out how many of the accepted cultural practices are in fact very detrimental to the long term health of the land.

Canadian farmers recognize that they are the present-day stewards of the land and are becoming increasingly aware of their responsibilities to preserve and, in fact, enhance the productive capability of the soil so future generations may enjoy the abundance of food as well.

I want to recognize all of the individuals and various groups who are soil conservation advocates, as well as their theme, because "soil conservation is everybody's business".

* * *

INCOME TAX

NORTHERN ALLOWANCES—VALUATION OF HOUSING IN YELLOWKNIFE

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, although the 1986 changes to the Income Tax Act which sought to ameliorate the high cost of living in northern Canada by altering the tax treatment of certain northern housing and travel benefits have been of net benefit to northern taxpayers, many administrative details are still causing serious troubles.

In particular, the insistence on using so-called market housing prices in the city of Yellowknife, where no true market currently exists, results in people there having to pay many thousands of dollars more tax than someone living a few miles away.

This is most unfair and the problem must be solved by assigning the same deemed values to Yellowknife housing as is the case in all other territorial locations.

* * *

IMMIGRATION

TURKISH NATIONALS—UPHOLDING OF LAWS URGED

Mr. Jim Jepson (London East): Mr. Speaker, hats off to the Minister of Employment and Immigration (Mrs. McDougall) for not succumbing to immediate pressure to allow the illegal Turkish refugees to stay in Canada. Why should these Turkish refugees be allowed to queue jump and break the rules when there are thousands of other immigrants and refugees who have followed the due process of the law and have to wait and take their turn?

I urge the Department of Immigration to carry out the law and pick up these lawbreakers and deport them to Turkey immediately.

Let the CBC *Journal* cameras and *Toronto Star* photographers follow them right to the plane's ramp if they want. It is time the media report the news and stop acting as political lobbyists.

Keep up the good work, Barbara.

• (1415)

ORAL QUESTION PERIOD

[*English*]

OFFICIAL LANGUAGES

PROPOSED SASKATCHEWAN LEGISLATION—PRIME MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. Bill 2, tabled in the Saskatchewan Legislature last week, is a suppression of existing rights in favour of the French-speaking minority in Saskatchewan. The action of the Devine Government must be viewed as a backward step in terms of national unity. The Saskatchewan legislation runs directly counter to and contravenes the fundamental purpose of the Constitution of Canada which, after all, is to protect the basic rights of all Canadians.

Last week the Prime Minister wrote the Premier a somewhat ambiguous letter in which he said to the Premier of Saskatchewan that the Bill can be viewed from two different perspectives. He said it can be seen as open and generous because it implements long neglected rights and guarantees.

But he said, on the other hand, that the Bill can be seen as diminishing existing language rights.

What exactly is the position of the Prime Minister of Canada? Would he clear up some of the ambiguity in his letter and tell us whether he supports the Saskatchewan legislation or not?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have responded to that question in the very letter from which my right hon. friend quotes, where I go on to point out the position of the Government of Canada which had already been stated by the Leader of the Government in the Senate, the Hon. Lowell Murray, who expressed the disappointment of the Government in respect to the legislation tabled and the wish that the Government of Saskatchewan would go much further in the protection of minority rights.

I am happy to tell my right hon. friend that conversations and meetings have already been initiated in this respect. Progress is in the process of being made, and I hope we will continue to make substantial progress in respect to the protection of minority language rights in Saskatchewan and, indeed, elsewhere in Canada, because it is a vital dimension of our citizenship.

TEXT OF MEECH LAKE ACCORD

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, while I welcome the tone of that reply, I want to be more specific. I have taken the view that the so-called Meech Lake Accord, which was enshrined in the Constitution amendment of 1987, was meant to enhance minority language rights in this country. Premier Devine seems to think otherwise.

I want to refer the Prime Minister to Section 2 of that Constitution amendment of 1987. It states that the existence of French-speaking Canadians is a fundamental characteristic of Canada. It goes on to say that it is the role of the Parliament of Canada and the provincial Legislatures to preserve the fundamental characteristic of Canada.

Does the Prime Minister agree with my view that the legislation introduced by Premier Devine contravenes both the letter and spirit of the Meech Lake Accord as enshrined in the Constitution amendment? If he does, why did he not say so more bluntly, more specifically, and more categorically to the Premier when he wrote to him last week?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I agree with my right hon. friend's assessment of the Meech Lake Accord, that it enhances minority rights. It does indeed. The Meech Lake Accord takes the protection of minority rights a step further. I can say, I think quite categorically, that had the Meech Lake Accord been passed and accepted and was part of our constitutional formation as we speak, it would be infinitely more difficult for any provinces to pass restrictive legislation and would ensure our minorities of the possibility to invoke another serious argument against any restrictive legislation. So I am in agreement with the legal assessment given by my right hon. friend.

I have already indicated to my right hon. friend that, pursuant to a decision of the Government of Saskatchewan, we initiated discussions with the province yesterday. The Deputy Prime Minister, the Minister of Justice, and the Minister of Indian Affairs and Northern Development met, at my request, in Saskatchewan with leaders of the Saskatchewan Government in the interests of promoting discussions which will result in much greater justice, fairness, and equity for the French-speaking minority in Saskatchewan. I hope my hon. friend will encourage that process.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I am glad the Prime Minister endorses my opinion of Section 2 of the Constitution amendment. It is an amendment which, after all, was introduced into the Legislature of that province by the Premier of Saskatchewan and was adopted by that province. In other words, the Premier is contravening an amendment which his own Legislature has adopted.

• (1420)

[*Translation*]

Mr. Speaker, our Party critic, the Hon. Member for Ottawa—Vanier, wrote to the Prime Minister on April 8 and asked for a unanimous resolution by the House of Commons, urging Saskatchewan to drop Bill 2. As you know, Mr. Speaker, the Liberal Party has asked for an emergency debate by Parliament on Saskatchewan's language bill.

Why is the Prime Minister, through the Hon. Lowell Murray, refusing to support a unanimous resolution by the House?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I believe that in the circumstances such a resolution would be premature. Important meetings are taking place at this very moment between the Government of Canada and the Governement of Saskatchewan. We are trying to find an appropriate and honourable way to deal with a difficult situation, and in the circumstances, I would urge the Hon. Member to consider, for instance, a comment by Premier Devine quoted in Saturday's *Le Devoir*: "Saskatchewan will be bilingual . . . at its own pace", which, if I am not mistaken, is similar to the position taken by Premier Peterson of Ontario.

These situations are not perfect or ideal, but such positions are nevertheless encouraging and deserve serious dialogue on our part, and we intend to do just that with the Government of Saskatchewan.

In the circumstances, I feel that a resolution at this time might be premature. However, we intend to engage in a very serious dialogue with the Government of Saskatchewan in order to solve this problem.

NATIONAL UNITY—PRIME MINISTER'S POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to point out to the Prime Minister that the comparison with Ontario is not correct. As far as I know, there was no law in Ontario that for 83 years guaranteed access to the legislature or the courts.

In Saskatchewan, such a law existed, and that is the point. In Saskatchewan, there is a clear-cut loss of rights, and that is why we are raising the issue.

Perhaps I may remind the Prime Minister of what he said in this House on October 6, 1983.

He said, among other things, that the House has a duty to protect language minorities wherever they may be, because, and I quote:

> There is only the sanctity of minority rights. There is no obligation more compelling and no duty more irresistible in Canada than to ensure that our minorities, linguistic and otherwise, live at all times in conditions of fairness and justice.

My question to the Prime Minister is this: How can he reconcile what he said at the time with the action taken by the Saskatchewan legislature with Bill 2, which abolishes Francophone rights recognized since 1905 when the province was created? How does he reconcile this with a decision that is regressive and extremely damaging to our national unity?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not expect to reconcile positions that are sometimes totally divergent. One hundred and twenty years ago, Canada's Prime Minister had to deal with problems on the language front. That is still the case today, and I assume it will be a hundred years from now. It is part of the very nature of our federation. Language problems will always be there to upset us, to trouble us and also to divide us. We must show maturity, leadership and generosity in dealing with these issues, and that is what we want to do. That has been, I believe, the admirable attitude of the Hon. Member for Ottawa—Vanier since he became a Member of this House. I think that has been the position taken by the Leaders of the three political parties in this House, and we intend to maintain the same maturity and dignity in dealing with difficult problems.

We have a problem today, I agree. We will have problems five, ten and fifty years from now. However, there will always be people with the leadership and the resolve to deal with these questions in the appropriate manner, and I can assure the Hon. Member of my Government's clear commitment in this respect.

QUERY WHETHER PRIME MINISTER WILL COMMUNICATE WITH ALBERTA PREMIER AND FRANCOPHONE MINORITIES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I may remind the Prime Minister that in the judgment rendered on February 25, the Supreme Court acknowledged that the situation in Alberta might be similar, in other words, that Section 110 also applies to Alberta. Since an ounce of prevention is worth a pound of cure, I wonder, and I realize he is sincere when he says that he is going to try and help the language minorities, I wonder whether today, the Prime Minister will immediately consider calling his provincial counterpart in Alberta, Mr. Getty, to make him see reason, offer him the federal Government's assistance and give him every necessary technical and financial support, and does he also intend to meet the minority groups that stand to be affected by the possibility of regressive legislation in Alberta?

Right Hon. Brian Mulroney (Prime Minister): We certainly do intend to meet with the minority groups. We have already been in touch with the authorities in Alberta as well as Saskatchewan. I mentioned in my letter, on page 3: . . .

• (1425)

[*English*]

> For its part, in addition to the items already on the agenda of the first constitutional conference to follow ratification of the Meech Lake Accord, the Government of Canada intends to address the issue of minority language rights in their broadest context, so as to build on the achievements of the Constitution Act of 1982 and the 1987 Constitutional Accord.

There is only one way to protect minority rights in this country, Mr. Speaker, and that is to entrench them in the Constitution. We had a chance in 1982 to do it perfectly, and we failed to do it perfectly. But we have built on it, and there were improvements.

In fact my hon. friend, who is perfectly consistent on this very important matter, as I recollect voted against the 1982 Constitution Accord because it failed to protect French-speaking minority rights in the Province of Ontario. He has been perfectly consistent throughout the piece.

Improvements were made in 1982. Improvements are being made in 1987. But there is only ultimately one way to ensure the sanctity and the irreversible nature of the protection of minority rights and that is to have them in the Constitution. That is the commitment of this Government. That is what we have been working toward. Tomorrow we maintain the dialogue with the Province of Saskatchewan in a sensitive and important area to make progress on behalf of a French-speaking minority in the Province of Saskatchewan.

The Premier of Saskatchewan has indicated, and if I may say to his credit, a degree of openness that he has put on the record that is encouraging, and to which we ought to respond in a mature and thoughtful way.

On behalf of the Government of Canada I propose to engage in that dialogue, with a view to providing excellent protection for our French-speaking minorities in Saskatchewan and elsewhere, for language minorities across the country, English-speaking and French-speaking. That is in the traditions of this House, that is what all Members seek, and that is to what this Government is committed.

Some Hon. Members: Hear, hear!

POSITION OF SASKATCHEWAN GOVERNMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, as the whole country now knows, in Bill 2 the Government of Saskatchewan has replaced existing rights with the discretionary authority of the Government of the day. Most Canadians will think that this is an unacceptable course of action in a country that is deeply committed in principle to both official languages.

I want to ask questions on this that arise in part from the letter that I sent to the Prime Minister on Friday and to which he replied on the same day. In his reply the Prime Minister said: "The position of the Saskatchewan Government is evolving".

Considering that the Minister of Justice in Saskatchewan has said that there will be no amendments accepted to Bill 2, and since on the weekend the Premier of Saskatchewan, to use his words, said that he had pushed his caucus to the limit on this matter, will the Prime Minister please tell us concretely what he, the Prime Minister, thinks the Premier of Saskatchewan should do?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that the Premier of Saskatchewan should do what, for example, the Premier of Ontario should do, and the Premier of Quebec, and the Premier of British Columbia, and everyone, which is to ensure absolute equality and perfect protection with fairness for every citizen before the law in Canada. That is what I believe should be done. That is my vision of Canada and a perfectly bilingual society. I know it is not for tomorrow. I know we are not going to get that tomorrow no matter how hard we try. What is important is to build on the progress and the attitudes that do exist.

I submit to my hon. friend that the comments of the provincial Minister of Justice are different from the information that was imparted to me by the Deputy Prime Minister, who had an excellent meeting yesterday with representatives of the Government of Saskatchewan. There is an encouraging attitude on the part of members of the Government of Saskatchewan.

In fairness to the Premier of Saskatchewan I would urge the Leader of the NDP to read the front page story in *Le Devoir* in which the Premier of Saskatchewan is quoted directly in response to the following question.

[*Translation*]

"Are you saying that in time, in ten or fifteen years, Saskatchewan will be completely bilingual?", Mr. Devine was asked. The answer: "Absolutely!", he said, without hesitation. Mr. Devine has said quite clearly that his province will become bilingual, and so forth. I think these comments are encouraging and deserve to be met with serious dialogue on our part. That is what we intend to do, bearing in mind the interests of minority groups, the interests of the unity of this country, and the interests of Saskatchewan as a province that signed the Meech Lake Accord and has a fundamental commitment to the principles of that Accord.

• (1430)

[*English*]

REQUEST THAT PRIME MINISTER INTERVENE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, one hopes that the long range forecasts of the Premier of Saskatchewan, as quoted in today's *Le Devoir*, turn out to be the case. However, I say to the Prime Minister with care—and I am sure that he would agree—that minority rights are important now, in the short run, not just the long run as well.

In that context the Prime Minister knows very well that just five years ago he, as the then Leader of the Opposition, the then Prime Minister, and myself met, discussed, and agreed to a resolution which had some substance to it. It was not just a body of generalities but exercised a concrete role.

Apart from the generalities with reference to rights a way down the road, is the Prime Minister prepared today to urge the Premier of Saskatchewan to do one of two things and to do them this week, publicly: first, say that he will accept amendments to Bill 2 or, failing that, say that he will not proceed with Bill 2 at this time?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I want to tell my hon. friend, because I participated in it as well, that in October, 1983, the debate on the Manitoba minority language situation in which all three Party Leaders participated took place pursuant to a Supreme Court decision in 1979. The debate took place some four or five years later. The object of the resolution in 1983 on which we both spoke was to endorse on behalf of all Canadians the essence of the agreement reached by the Government of Canada and the Government of Manitoba with the participation of the *Société franco-manitobaine* on May 16, 1983.

What had happened was that a decision of the Supreme Court had intervened. There followed discussions and negotiations between the interested parties, and the House of Commons was called upon to endorse that agreement.

What we are seeking now, as quickly as we can, is that kind of agreement that will find favour with the—

[*Translation*]

... Société franco-manitobaine, Société des Canadiens français de la Saskatchewan ...

An Hon. Member: Société des Fransaskois.

Mr. Mulroney: ... of the Government of Saskatchewan and representatives of the parties in this House.

That is the difference between the situation at the time and the situation we have today, which in no way affects the merits of the Saskatchewan case.

POSITION OF SASKATCHEWAN—GOVERNMENT POSITION

The Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Saskatchewan Francophone representatives indicated very clearly before the weekend that the present Saskatchewan Government had not given any serious consideration to their concrete proposals, none whatsoever! My question to the Prime Minister is very simple: Does he agree with the Saskatchewan Government's present approach? If not, could he suggest a different approach, one of greater openness, to the Premier of Saskatchewan?

The Right Hon. Brian Mulroney (Prime Minister): My ultimate goal, Mr. Speaker, is not necessarily to seek as solution which would bring about confrontation, although I would favour that if it were conducive to any improvement of the situation. What I am seeking is an honorable and effective settlement for the francophone minority in Saskatchewan, for the 23,000 to 25,000 French-speaking Canadians who live their daily lives in Saskatchewan, far away from Quebec, who live in that part of the country and who are entitled to be heard and defended, along with their interests, at all times and in all circumstances. It is a situation which has been left unattended for a hundred years. The Supreme Court has spoken on the issue. As soon as the decision was made public, the Canadian Government undertook discussions with the Government of Saskatchewan and the representatives of the French Canadian societies in Saskatchewan. The results of a meeting held yesterday in which three senior federal cabinet Ministers took part appear to be encouraging. It is a process which I think should be supported by all Members of this House in the hope that an acceptable, just and equitable settlement is found for the francophone minority and for all the people of Saskatchewan.

* * *

[*English*]

IMMIGRATION

REQUEST THAT MINISTER REVIEW PROPOSED LEGISLATION

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Employment and Immigration. First I congratulate the Minister on her new responsibilities—

Some Hon. Members: Hear, hear!

Mr. Marchi: —and express the hope, on behalf of many, many Canadians, that she will address the challenges of her immigration portfolio with an open mind and with a view to finding fair and humane solutions to the many problems plaguing the immigration system.

On this note I should like to ask the Minister if she will take advantage of her unique opportunity as the new Minister of Employment and Immigration to review carefully the Government's immigration policy, particularly the two refugee Bills before the Canadian Senate, which have been vetoed by every non-governmental organization, with a view to amending these Bills so that together we can begin fairly and effectively to untangle the current mess and nightmare within the Department of Immigration.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, those Bills are very important to the refugee determination process, as the Hon. Member knows. I would not expect to introduce a Bill on a subject which is as sensitive and as important to Canadians without there being some controversy about it. That does not mean that the Bill should not be passed.

We have a big problem. We have 48,000 refugee claimants in Canada. We want to expedite the process and make it better. That is what those Bills are designed to do. They go together in order to do that, and we would appreciate the co-operation of the other place in order to get that done.

TURKISH NATIONALS—REQUEST FOR APPLICATION OF HUMANITARIAN CRITERIA

Mr. Sergio Marchi (York West): Mr. Speaker, my supplementary question is for the same Minister. It concerns the more immediate immigration dilemma faced by the Turkish claimants.

While we on this side are not advocating the granting of refugee status, nor are we counselling them to break the law by ignoring deportation orders, nonetheless we believe that there is a compromise solution for the Government to take.

Given that last year the Government landed 27,000 individuals through its humanitarian program, and landed a further 16,000 individuals through ministerial permits which waived all necessary and regular processing, at the very least will the Minister consider applying the criteria of her Department's humanitarian program to these Turkish claimants on an individual basis, which will retain the ability of the Government to protect itself from health and security hazards, as one attempt to salvage and break the escalating human and emotional log jam?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I met with the Turks who are on their way to Parliament Hill on Friday night, and I explained directly to them, both individually and collectively, the process under which our legal system for immigrants operates.

I pointed out to them that it was not just these laws that are important but that one of the reasons people like to live in Canada is that it is the rule of law which is the most important contributor to fundamental justice.

There were 2,000 Turks who arrived in Canada. Several hundred of them have already returned to Turkey. Since the march began two others have gone back to Turkey.

What I have committed is that if they return and make application as other hopeful immigrants do, I will not exercise

my power, as my predecessor in this portfolio said, to stand in the way of their return as legal immigrants once they have been through that process.

* * *

• (1440)

TRADE

EXPORTS OF URANIUM—UNITED STATES SENATE BILL

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Prime Minister. The United States Senate has actually passed a Bill that imposes penalties on U.S. utilities that use significant amounts of Canadian uranium. Does the Prime Minister agree with me that this Bill goes directly against the standstill clause in the U.S. trade deal?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the short answer to that question is yes.

I would remind the Hon. Members that this Bill has just passed the Senate. It still has many steps to go. Congress is really not interested in this particular Bill, and we believe that not only does it violate the standstill agreement in the free trade deal but it also violates the requirements under GATT.

CANADIAN POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the vote was 62 to 28. That suggests that there was a considerable amount of interest.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Langdon: Has the Prime Minister been in touch with his ambassador to the United States concerning this piece of legislation, and what instructions have been given to him to stand up and fight for Canada and for Canadian producers of uranium who are going to be hit by this attack?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, all of a sudden there is a new found interest from the NDP in the Canadian uranium producers. It is kind of encouraging. Isn't that something new and different?

Some Hon. Members: Hear, hear!

Mr. McDermid: I might say that the Canadian Government has made very strong representation in this regard and will continue to do so. I can tell the Hon. Member that the administration is opposed to this legislation. I will repeat again that we feel it is in violation of the GATT rules and not only of the free trade agreement.

[*Translation*]

CANADIAN NATIONAL RAILWAYS

MANUFACTURE OF LOCOMOTIVES—REQUEST THAT MINISTER INTERVENE WITH CN AUTHORITIES

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the new Minister of Transport. I want to congratulate him on his recent appointment, and I would hope that older workers who were cut off unemployment insurance will fare better under the new Minister of Employment and Immigration.

Last week, during the Easter recess, the Canadian National, a Crown corporation, awarded contracts for the building of 90 locomotives at a cost of $180 million. Unfortunately, 30 of those locomotives will be built in the United States, made in USA, and there is nothing for Quebec! The Minister knows that the CN headequarters are in Quebec and that Bombardier, which builds locomotives, is in Montreal. Can the Minister tell us whether he is going to talk to the CN management with a vow of ensuring a review of their decision, so that Quebec get some economic spinoffs and that the 90 locomotives ordered by a Crown corporation be all made in Canada?

The Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I might call on the CN management to find out exactly how those contracts were awarded. I think it is the first question of my hon. colleague. If he means whether I am going on a regular basis to start interfering with Crown corporations in an effort to alter their decisions, I do not think that he expects this to be the role of the Minister of Transport.

REQUEST THAT MINISTER CONTACT CN AUTHORITIES

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I have a supplementary question. We are off to a bad start, and I wonder if I was right to congratulate him on his appointment to his new portfolio. But what really matters is that in Quebec at this time the Bombardier Company in Montreal East is in trouble. Could the Minister assure us today that he will call on the officials of the CNR, a Crown Corporation, and ask them to review the whole contract so that since at least 30 railway engines are to be built in United States—we know that GE and Bombardier have worked together before—Quebec may get spin-offs and Bombardier, in Montreal East can build motors and other parts, thereby maintaining jobs? But if the Minister should decide to behave the way he did in similar circumstances and say that he washes his hands of the whole thing, I will remind him that Easter is behind us and conclude that once again we were taken for a ride!

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the Hon. Member for Montreal—Sainte-Marie did not understand my reply. What I said is that I would check with Canadian National officials about the procedures followed. I suppose the Hon. Member does not want us to intervene constantly, in this case it suits him—but another

time he might ask us to do the opposite again because it suits him. The Minister of Transport must respect the rules set by the Canadian National, but I will have to check to see whether these rules were adhered to . . . I suppose they were, but I will certainly find out; again, I will certainly do nothing to force a Crown Corporation to change its rules to meet the requests of the Hon. Member.

* * *

[*English*]

AIR CANADA

ACQUISITION OF NEW AIRCRAFT—ALLOCATION OF WORK

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct a question to the Minister of Transport. Air Canada is considering the purchase of a substantial number of new aircraft to replace aircraft which have been in use and are now obsolete. According to news reports, Air Canada is giving very serious consideration to awarding the contract to the European consortium Airbus.

Would the Minister impress on Air Canada that in any purchase of aircraft it be clearly understood that a substantial part of the work be done in Canada, as has happened in the past?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, Air Canada has not indicated exactly what its choice will be and I suggest it would not be wise for me or anybody else to presume the choice which Air Canada will make.

[*English*]

Mr. Orlikow: Mr. Speaker, I am not talking about jumping to conclusions. I am talking about Canada following the procedures it has followed in the past.

FUTURE OF MAINTENANCE BASE IN WINNIPEG

Mr. David Orlikow (Winnipeg North): I have a supplementary question for the Minister, Mr. Speaker. A substantial amount of the maintenance work for Air Canada aircraft is done in Winnipeg on DC planes.

Could the Minister assure the workers in Winnipeg that, whatever new planes are ordered, maintenance work to the extent it has been carried on in the past in Winnipeg will continue to be carried on and done in Winnipeg?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I just want to refer to the press release by Air Canada dated March 24:

> Regardless of the aircraft type which is eventually selected as the replacement for Air Canada's B-727 fleet, the future of the Air Canada maintenance base in Winnipeg is not in question.

PARLIAMENT HILL

REPORTED INTENTION OF TURKISH MIGRANTS TO CAMP ON GROUNDS

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, my question is for the Minister of Public Works. News reports indicate that Turkish migrants plan not only to visit Parliament Hill tomorrow but to camp on its grounds. If this should be attempted, would the Minister advise the House what the Government's policy will be?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I think the policy of the Government is clear. There are regulations which do not permit anyone to camp or park on Parliament's precincts. I am advised that the Turks have no intention to camp, but the RCMP have responsibility and I am sure they will exercise it in the usual and appropriate way.

* * *

[*Translation*]

CANADIAN NATIONAL RAILWAYS

PURCHASE OF LOCOMOTIVES IN UNITES STATES—GOVERNMENT POSITION

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, my question is also directed to the Minister of Transport, whom I wish to congratulate on his appointment and who may rest assured of my full co-operation.

I trust that as far as CN is concerned, the Minister unlike his predecessor will show them who is the boss.

The Minister is aware that in Moncton, CN will have to pay between $10 and $12 million per year to laid-off workers who are protected under a collective bargaining agreement.

Does the Minister intend to take action against CN's decision to purchase thirty locomotives in the United States, while these locomotives could have been built in Moncton? Couldn't the Minister persuade Canadian General Electric to use the CN workshops in Moncton to at least manufacture components for the new locomotives?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I think the Hon. Member is going to confirm exactly what I said earlier to the Hon. Member for Montreal—Sainte-Marie. For three minutes the Opposition has been trying to convince me I should have intervened in Canadian National's affairs to ensure that the locomotives are not built in Montreal—this for the benefit of the Hon. Member from Montreal—Sainte-Marie—but in Moncton.

Mr. Speaker, I think this proves the Minister of Transport must start by respecting the decisions made by Canadian National, which does not prevent me from making enquiries. I don't expect Canadian National will tell me it should have done so, at least not in the two locations suggested.

Mr. Robichaud: I think the Minister should at least make sure the locomotives are built in Canada, either in Montreal or Moncton.

WORKERS' PLAN—MINISTER'S POSITION

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, does the Minister intend to consider the problem of the Moncton workshops? There is still time to save 350 jobs. Workers have suggested a plan that would actually save those jobs. Is the Minister prepared to consider this plan and above all, is he prepared to persuade the people at CN to look at this new plan? Three hundred and fifty jobs are still at stake.

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I think my predecessor did a good job in the case of the Moncton workshops, and that he did what he could. However, as part of the review process . . .

An Hon. Member: The truth is hard to swallow!

Mr. Bouchard: As part of the review process a Minister usually undertakes upon arriving in a new department—obviously, I intend to look at the matter of the Moncton workshops and become acquainted with the various proposals that have been made. Subsequently, I will consider what my assessment of the situation will be. However, with all due respect for the Hon. Member, I would rather not raise any false hopes that, as a result of this process, there would be a change in policy from that of my predecessor.

* * *

• (1450)

[*English*]

APARTHEID

SOUTH AFRICA—REPORTED USE OF ASSASSINATION SQUADS TO KILL ANC REPRESENTATIVES

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, in the absence of the Solicitor General my question is addressed to the Secretary of State for External Affairs. In view of the evidence that the South African Government is sending assassination squads, called Z Squads, around the world to kill ANC representatives in places such as the U.K., Belgium and France, as well as the front-line states, could the Secretary of State for External Affairs indicate what measures the Canadian Government is taking to ensure that ANC representatives in Canada and anti-apartheid ex-patriots in Canada are protected against this kind of activity?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this is a matter that would more properly be directed to my colleague, the Solicitor General, but in his absence I will certainly take the opportunity to advise the Hon. Member that we take this situation very seriously. There have been consultations among the federal police and other police forces which would be involved in guaranteeing the security of Canadian residents or Canadian citizens. That has been done both generally and in the specific cases of people who might be affected if there were in fact a threat of this kind.

Mr. McCurdy: Mr. Speaker, I would be sure that the Secretary of State would agree that a telephone call to Mr. Saloojee asking if he needs help is not quite the way of doing it, and I would hope that more is being done.

POSITION OF CANADIAN GOVERNMENT

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, has the Secretary of State called in the South African ambassador to indicate to him that if there are any assassination attempts on South African ex-patriots or ANC representatives in Canada, the Canadian Government will hold the South African Government accountable?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the principal point here is to try to do everything we can, which is what we are doing, to guarantee the safety of residents and citizens of Canada. We are doing that. That has involved much more than an individual phone call.

With regard to the representations the Hon. Member makes, I will consider whether that would be a useful thing to do.

* * *

AIR CANADA

ACQUISITION OF NEW PLANES—FUTURE OF WINNIPEG MAINTENANCE BASE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like to raise a question with the Minister of Transport as well. In answer to a previous question he cited a press release issued by Air Canada. The part of the press release he did not quote goes on to say that Air Canada will keep using the facilities to maintain the 727 fleet or one of the other aircraft types we already own.

There is no assurance in anything Air Canada or the Government has said that a new aircraft purchased by Air Canada will continue to be maintained at the Air Canada maintenance base. That is the question I would like to ask the Minister today. I would like to ask him for the assurance that any replacement aircraft for the 727s purchased by Air Canada will be maintained fully at the Air Canada base in Winnipeg.

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I thought I had answered that question in my earlier answer when I quoted the press release issued by Air Canada. Air Canada gave a very clear answer: regardless of the aircraft

type which is eventually selected, the future of the Air Canada maintenance base in Winnipeg is not in question.

REQUEST FOR MINISTERIAL ASSURANCE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the Minister can quote selectively but he should go on to read the press release which states that they may try to secure work to maintain other aircraft of other airlines as part of that future. That is not the answer for which I asked. I want an assurance from the Minister that the replacement aircraft will be maintained at the Air Canada base in Winnipeg.

I ask the Minister why it is that everyone in this town, from Frank Moores down to taxi drivers, knows that a decision has been made on a replacement aircraft but the Government has deliberately pulled it off the decision table twice in a row? Is the Minister waiting for the date of April 28? Is that why he is holding back on that decision?

Some Hon. Members: Oh, oh!

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I think, as he did when he was Minister of Transport, the Hon. Member for Winnipeg—Fort Garry is always mixing up the Crown corporations with the Government.

Some Hon. Members: Oh, oh!

Mr. Bouchard: I just want to repeat that as a good Minister—

Mr. Axworthy: You own the airline!

Mr. Bouchard: Mr. Speaker, it seems like the truth is disturbing the Hon. Member for Winnipeg—Fort Garry. He had so many assistants at that time, they were all looking after the problem of the Crown corporations and he did not have the time to—

Mr. Speaker: The Hon. Member for Ottawa Centre.

* * *

THE ECONOMY

INTEREST RATE LEVELS—EXCHANGE VALUE OF DOLLAR

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a question for the Minister of Finance. Is the Minister aware that chartered bank prime rates are about to rise for the first time in six months as a result of the continuing increase in the bank rate and that the high level of the Canadian dollar is jeopardizing Canadian jobs and Canadian exports and is now jeopardizing investment here in Canada? How long will the Government continue with its policy of high interest rates and high exchange rates, a policy of curbing growth in Ontario at the expense of jobs in the rest of Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am very much aware that the House did not sit last Friday and therefore the Hon. Member would want me to remind him that the unemployment rate is now down to 7.8 per cent.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): We have a very healthy economy but there are some signs of inflation in the economic performance of recent months and that is the purpose for the—

Mr. Riis: Because of your taxes, Mike.

Mr. Wilson (Etobicoke Centre): The Hon. Member does not want to listen to the answer. That is the reason for the policy that is being followed by the Bank of Canada, supported by the Government.

I have indicated very clearly that we want to avoid the problems we ran into in the 1970s and the early 1980s when the previous Government did not pay attention to inflation, allowed inflation to get out of control, left us with very high levels of interest rates and left us with permanent damage to our competitive position. This caused the problems of unemployment in the early 1980s and the very serious recession we ran into.

That is the purpose of the policy we are following: it is a policy direction that is looking forward, past the next week or two, and I would appreciate it if the Hon. Member would cast his mind past the next week or two to understand the implications of what we are trying to achieve.

GOVERNMENT POLICY

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, could the Minister explain to Canadians outside Ontario just what his policy actually is? Is it not a fact that the Government now has a policy of full employment in southern Ontario, within a few miles of the CN Tower and around Toronto, and is letting the rest of the country continue to have high levels of unemployment without action from the Government? Why does the Government continue with that kind of policy? Why does it not bring interest rates down now?

● (1500)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think that if the Hon. Member reflects on that question he will understand that that just does not follow the policy which we have been following. As a Government we have taken great pride in getting interest rates down from the levels at which they were when we came into office. We understand the implications of that and the importance of that in the economic performance which we have had over the last three and a half years.

We are trying to maintain a healthy economy for another three and a half years and on into the future. We can do that if we control inflation right now. We know that when inflation

started to go up in previous years in parts of central Canada it spread very quickly to other parts of the country which could not support that level of inflation. That is what we are trying to avoid.

* * *

CANADA LANDS COMPANY

APPOINTMENT OF JOCELYNE OUELLETTE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister of Public Works and concerns the Canada Lands Company at Mirabel, the mess that will not go away. Why did the Minister, after announcing that he intends to dismantle all or part of the Canada Lands Company at Mirabel, go on to appoint, of all people, a defeated PQ MNA, Jocelyne Ouellette, to run this scandal plagued organization? Why did the Minister not seize this opportunity to do the right thing, instead of going strictly for political partisan considerations again?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, the Canada Lands Company is winding down its business. Unless a new mandate is given to it, its principal functions will be completed by the end of May with only a few bits to finish thereafter.

Ms. Ouellette was appointed on a part-time basis purely because of her competency. She has a tremendously enviable record of accomplishments in this kind of activity. The Hon. Member should enthusiastically endorse appointments of this calibre.

[*Translation*]

Mr. Speaker: I am sorry, but the period allowed for Question Period has now expired. I have a matter of some importance to all Members.

* * *

[*English*]

MOTION TO ADJOURN UNDER S. O. 29(1)

NATIONAL UNITY—MINORITY RIGHTS—MR. SPEAKER'S RULING

Mr. Speaker: Before I call Orders of the Day I wish to inform the House that I have given very serious consideration to the application of the Member for Ottawa—Vanier (Mr. Gauthier) and the Hon. Member for Oshawa (Mr. Broadbent) for an emergency debate.

[*Translation*]

The House is aware that I reserved my decision this morning, because I considered the matter was one of fundamental importance, but nevertheless, after due reflection, I feel

that the request by Hon. Members does not at this time meet the procedural requirements of the Standing Orders.

Both questions and answers during Question Period were most interesting, and it may be that the matter was not proceeding to the satisfaction of Hon. Members, but for the time being it does not constitute an emergency as defined in the Standing Orders.

[*English*]

As I hope I have made clear, that is my response today.

GOVERNMENT ORDERS

[*English*]

ELDORADO NUCLEAR LIMITED REORGANIZATION AND DIVESTITURE ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-121, an Act to authorize the reorganization and divestiture of Eldorado Nuclear Limited and to amend certain Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Speaker: When the House rose at 1 p.m. the Hon. Member for Essex—Windsor (Mr. Langdon) had the floor.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to return to the key theme I wanted to put before the House this morning with reference to this Bill, that is, that the Government has not thought through, in any sort of systematic way, which companies should be in the private sector and which companies should be in the public sector. What justifies Air Canada, Petro-Canada, and various other such companies being in the public sector and what justifies putting other companies such as de Havilland and Canadair into the private sector?

I do not believe that the Government has logically and sensibly analysed the public purposes of a given company or the particular nature of that company's activities, but rather has casually looked at the public opinion polls and seen that the Canadian people support keeping such companies as Air Canada, Petro-Canada, and CN in the public sector. Other companies of which the Canadian people are not as aware are potential victims for what is in effect an ideological commitment to transferring companies out of the public sector just for the sake of doing so.

That is in fact what has happened. It has already cost us some significant possibilities for the future of the country. For example, in our aircraft industry we had the possibility, with Canadair and de Havilland, of creating an aerospace industry controlled and owned by Canadians which would contribute to a high-tech future in our industrial sector. Instead, we split these two companies and privatized them. The consequence has been, as was noted by one of the Members who spoke this

morning, that de Havilland is now more and more producing parts of Boeing aircraft for someone else rather than aircraft designed by Canadians creating jobs here of a high class for designers and producers, which would give the country a sense of export potential as well.

In the case of Eldorado Nuclear and the mine which is being privatized at the same time by the Saskatchewan Government I see the same kind of ideological thinking that lies behind what this Government has done so far. It is an ideological thinking that simply does not carry with it a logical, analytical point of view which looks at the nature of the companies themselves.

I said this morning, and stress again at this time, that when you are talking about an industry, such as the nuclear industry which has serious health concerns and serious consequences for the environment, like uranium mining and uranium refining, an industry on which we in this country have decided to take the military policy of not allowing our uranium to be used for military purposes—when you have an industry as unique as that, as clearly tied up with public purposes as that, that is precisely the sort of industry that we should keep in the public sector, because of these considerations.

• (1510)

I urge the Government to seriously reconsider its decision to privatize this company. I believe the deal it has made is financially very poor and risky.

Mr. Valcourt: You said that before.

Mr. Langdon: Yes, and it turned out to be true before. I urge the Government to back off from this piece of legislation and recognize the potential of this company to still contribute to this country and to the workers who for so long have depended on their employment at Eldorado Nuclear.

Mr. Orlikow: Madam Speaker, the former President of Denison Mines was a great exponent of the free enterprise system. Would the Hon. Member comment on the information we now have as to the tremendously large subsidies that company and others have received both from the Government of Canada and the Province of Ontario, through Ontario Hydro, amounting to hundreds of millions of dollars without which they probably could not have continued to operate?

Mr. Langdon: The reference to Denison Mines and its owner makes it precisely clear why an industry like this should be kept in the public sector. Denison Mines itself was perhaps the most heavily subsidized, government supported, most coddled and nurtured of any corporation in this country. At the same time, the President of that company went throughout Canada preaching the virtues of unrestricted capitalism.

As was indicated in an excellent article in the *The Globe and Mail*, the truth is that Mr. Roman's uranium empire was founded on no-risk, guaranteed cost-plus government weapons contracts. His empire would not have survived its first 20 years without more than $1 billion in Government subsidies, sweetheart contracts and special bail-outs. His company was pulled out of its last major tailspin with the help of a secret international uranium cartel.

Incidentally, it was a cartel organized by the government of the country.

An Hon. Member: Liberal government.

Mr. Langdon: I would add. a Liberal government, for the sake of my Conservative colleagues.

Let me refer again to the article by Mr. McKay in *The Globe and Mail*, Mr. Roman himself was actually more hopeful about other metal prospects until he found out what the federal Government, through Crown controlled Eldorado Nuclear Limited, was willing to sink into uranium properties. The package of subsidies included up front development money, guaranteed sales at guaranteed prices, tax holidays, extravagant depreciation allowances, millions of dollars worth of free research and development work and no capital gains tax if the property was sold within five years.

That is precisely the kind of crucial public industry serving a public purpose which should be within the public sector. It seems to be absolutely illogical to put this industry into the private sector. Its lack of logic is demonstrated even more by the tremendous government support which Mr. Roman received when he with his firm was the only private sector operator in the country.

Mr. Kilgour: Madam Speaker, in light of some of the articles he has written and speeches he has made, will the Hon. Member tell us why he does not think it would be better to have all the automobile manufacturing companies in the public sector as well, considering all of the arguments he has been making?

Mr. Langdon: Madam Speaker, the points that I made with respect to how one distinguishes between a firm that makes sense as a public sector firm and one that makes sense as a private sector firm answers that question.

When one considers the environmental dangers associated with uranium mining and uranium refining, one could not associate them with automotive production any place in this country. Radiation hazards from Chrysler Corporation's activities do not exist in my constituency. They do exist from a nuclear reactor which sits just across the border. That has much more potential danger for my constituents than would be the case with the automobile industry.

If we take the question of the massive subsidies and cost guarantees which were given to the uranium industry, which I outlined in answer to the last question, that too is something which cannot be associated to nearly the same extent with the automotive industry.

It is true that loan guarantees have been provided to Chrysler Corporation in my constituency. Frankly, my position

would be that if Parliament decided to provide money in the form of a large scale grant to Chrysler Corporation, as was the case with Ford's engine plant in my constituency, the Government should have some return in the form of equity investment to make a response for that particular contribution. However, that is not the case which was made with respect to Chrysler Corporation.

Finally, if we take the question of worker health and safety, it is quite clear that from the point of health and safety, the workers in this uranium industry are much more at risk. They are much more at risk because of the radiation factor and the whole nuclear connection that that implies than is the case with the workers of the automotive firms to which my friend referred. So I do not think any of those factors follow.

• (1520)

Mr. Mike Cassidy (Ottawa Centre): Madam Speaker, I take pleasure in participating in this debate, but I must say I have a real problem with Bill C-121 which intends the sale of Eldorado Nuclear and the merger with the Saskatchewan Mining Development Corporation. I see heavy public subsidies being paid out in order to minimize the risk for the private sector.

I have been thinking about this question of privatization. One of the question asked by the Hon. Member for Edmonton—Strathcona (Mr. Kilgour) was if there were any circumstances in which the sale of a Crown corporation could be acceptable and would make sense to New Democrats. The answer, of course, is yes. As my colleague, the Hon. Member Winnipeg—Birds Hill (Mr. Blaikie), said this morning, the sale of Flyer Industries by the Manitoba Government, for example, which is currently underway, is a sale which, in this case, has been compelled, if nothing else, by market conditions and by a reluctance on the part of other provincial Governments involved in the transportation field to make it possible for Flyer to continue to prosper as a publicly-owned concern, and there may be other reasons as well.

What we are faced with is not a group of decisions about which is the best way to carry out certain objects of public policy. It seems to me, if we judge questions of industrial development where Government is involved according to that yardstick, there would be certain cases where it makes sense to use the public centre to create or expand a Crown corporation to achieve a particular public goal. In other cases, it would make sense to have mixed enterprise, some kind of joint venture or co-operative venture or some kind of sharing between the public and the private sector. In other cases, it makes more sense to leave a particular enterprise or industrial initiative in the hands of the private sector without public involvement, or with very loose public involvement.

I think most Canadians would agree that to talk in those terms is quite reasonable. They support public enterprise with such very substantial and important corporations as Canadian National, Air Canada or Petro-Canada. These are part of our daily lives as Canadians. They help to knit the country together. They carry out important mandates on behalf of the people of Canada and help to maintain Canadian control in important industries such as the energy sector.

The bulk of Canadians believe these Crown corporations should remain in public hands. I think what Canadians as a whole resent, and what people I talk to resent, is the ideological approach taken. Dare I say it? If we were ideological about it, the New Democrats might be criticized on this particular question. Certainly, the Progressive Conservatives are criticized on this particular point.

Since coming to office the Government has taken the view that the private sector is by its nature good and should be supported and encouraged, and that the public sector is by its nature bad and should be discouraged. Therefore, what we are seeing is a kind of one-way flow of publicly owned Crown corporations sold off by the Conservative Government. Many have been sold at great cost to the taxpayers. We know about de Havilland and the amounts of subsidies involved there. Boeing was virtually paid to take de Havilland off the hands of the Canadian public. There was the sale of Canadian Arsenals, the sale of Teleglobe Canada under somewhat questionable circumstances, the sale of Canadair and so on.

There has been a whole series of sales. But somehow, according to this Government, there are never any important initiatives which need to be taken in which the public sector perhaps needs to be involved or if the public sector does need to be involved, there are grants, tax subsidies, concessions and contracts, that kind of thing. But these are all maintained at arm's length. When we have suggested, for example, there should be public equity in return for tax concessions or other subsidies given to the private sector, we have had scorn heaped upon us for being socialists who would bring down the fabric and structure of the enterprise system in Canada. Of course, that is absurd.

If we look to the south, to the United States, the home of free enterprise, we find that the degree of subsidization and public involvement in the private sector is, of course, even greater than it is here, particularly through its Department of National Defence. The Americans have used all kinds of tricks and devices in order to, shall we say, make private enterprise look good. I would suggest that that is not a particularly good policy to offer here.

I suggest there are reasons why Canada is somewhat different from the United States and that those reasons justify the use of public enterprise in some cases, they justify the use of mixed enterprise in some cases and they justify private enterprise in many cases, because the market can be an effective means of allocating resources. It certainly is an effective means of decentralizing decision-making. One can argue with some justice that the Government cannot make all the decisions all at the same time. When it tries to do so, it finds itself in situations which can be counterproductive.

Let me come back to this particular suggestion of privatizing Eldorado Nuclear. My colleagues who have spoken on this issue have already indicated our reservations. They have indicated the reasons for our opposition to Bill C-121, beginning with the fact that it is a bad deal. The Government of Canada is forgiving close to $600 million in loans.

There are advances which have been made to Eldorado Nuclear. In addition, it is taking on the lion's share of any environmental risks from clean-up of the Port Hope refinery. A sum of $75 million is specified and it could go much higher than that if the cost of clean-up exceeds $100 million. On top of that, there is no indication at this time of just what the share flotation of Eldorado Nuclear, or this merged company, will yield as far as the Canadian taxpayer is concerned.

I would suggest that if we judge this deal on pure private sector criteria it would in fact be found wanting. The uranium markets in North America right now are depressed. The price is low. Unlike Denison Mines, the two companies in Saskatchewan do not have the benefit of sweetheart contracts with Ontario Hydro to carry them through rough times. Even though the oil reserves of the Saskatchewan Mining Development Corporation are relatively low cost to produce, it is not a good time to be looking for substantial profits in this particular industry. The future prospect is not a heck of a lot better, I suppose, because there are questions being raised about nuclear power. The number of new nuclear power stations is very limited, so that the future demand for uranium will no longer grow at the rate anticipated in the 1970s when Ontario Hydro entered into that very rich contract to which I have just referred.

If this was Canada incorporated, a conglomerate which ran a whole range of enterprises, as in effect the Government of Canada does, and it was decided to prune in certain areas in order to augment activities in other areas, there would be real questions about selling at the bottom of the uranium market, which is essentially what is being done in disposing of Eldorado Nuclear at this particular point in time.

On top of that, there is the question of the responsibilities of a responsible shareholder, in this case the Government of Canada. Are there other reasons besides profit which induced the Canadian taxpayer to take over Eldorado during the Second World War? The answer, of course, is that there certainly were. At that time it was a new technology. It was connected with the atom bomb. At that time there were concerns, which persist to this day, about the health and safety of workers exposed to radioactive substances. Today we know a lot more about the incredible problems with respect to the disposal of nuclear wastes, refinery tailings and so on.

I am not satisfied that in privatizing Eldorado Nuclear we are seeing a situation in which the taxpayers are going to see those risks privatized. If they do see those risks privatized then it may be at the expense of the workers involved. We do not know what the situation will be for them. All of the honeyed words of the former Minister of State for Privatization have not convinced me that the jobs that will be affected will be secure, something which she tried to tell the House before this debate was adjourned prior to the Easter break.

• (1530)

If there are undue risks to be borne by the workers, then I have questions about that. I believe that the nuclear industry is a particularly sensitive industry. If there are risks to be assumed which will be borne by the taxpayers, then I want to know what those risks will be. What this really means is that there is a great deal of cosmetics used in order to try to make this sale look good and in order to get the company out of public hands. For what reasons? As I stated a few moments ago, it is for ideological reasons.

When the debate began I was reminded of the way the country developed. It is amazing that there has been a great deal of public intervention in Canada's economy since the foundation of our country. We have to ask why that has been the case over the course of so many years. Perhaps it is because it is something which is unique to Canadians. Perhaps it is also related to the size of our country. We would not have a country stretching 3,500 miles east to west which has been as successful, significant and important as Canada has been next to our southern neighbour if we had not interfered with market forces that would have turned Canada into a series of economic colonies of the American regions to the south.

If most Canadians were asked whether they would be willing to become new Americans and perhaps see a 1 per cent, 2 per cent or 3 per cent increase in their standard of living as a consequence or whether they wanted to stay Canadians, you, Madam Speaker, know very well that their answer would be, "We wish to remain Canadians, thank you very much".

That is a strong feeling in the country. We are different in our way of doing things. One of the things that my good friend Herschel Hardin pointed out in his excellent book entitled *A Nation Unaware: the Canadian Economic Culture* is that Canada has a public enterprise culture. In other words, we have become quite good at using public enterprise as an instrument for national development. I suppose this came from the intendant Jean Talon who was the economic genius who helped to build the economy of New France back in the 17th century in and around what is now Quebec City. That was at a time when he worked as the Minister of Economic Affairs in conjunction with Bishop Laval. The Government of Canada assisted with the construction of the Canadian Pacific Railway at that time in terms of land grants. That was a premature or primitive form of public intervention. However, it ensured a national railway for Canada without which we would not have a country today.

We pride ourselves today on the competitiveness and the productivity of our steel industry in Hamilton, Sault Ste. Marie and other parts of the country. It is forgotten by those private enterprise advocates who say that Stelco and Dofasco are fine instances of Canadian productivity compared with the

American steel industry that the Canadian steel industry was a wartime creation. It began life in the public sector. It was a force-fed type of economic development to give Canada a sufficient steel industry with which we could participate in the war effort during the Second World War. It is on that basis that we have an industry which has been in place for 45 or 50 years. It did not exist before that time. It would not exist had it not been for the initiative of the public sector.

Defenders of the market ignore the fact that there is intervention by any Government. The United States Government intervenes when the Senate brings in a Bill, as it just has, which will limit Canadian uranium exports and penalize American utilities which seek to use Canadian uranium as a source of energy.

The United States has a policy of intervention in the market when there is discrimination against competitively priced Canadian softwood being exported to that country. That country intervenes when it uses its countervailing procedures which are grossly unfair in order to force the price of Canadian potash above market levels and to bring them in line with the uneconomic prices of potash produced in mines in New Mexico. The American Government intervenes constantly in terms of the way in which it develops research and development contracts with the private sector for the development of weapons, something which is done in the public sector in other countries such as the United Kingdom, France and Israel.

It should not be said that there is no intervention. Almost any Government makes decisions about interest rates, credit policy, consumer protection, trade policy and tariffs. The list is endless. All of these measures represent intervention in the economy.

One form of public participation in the economy is through the use of public enterprise. There is nothing wrong with it. It is fair to add that it does not mean that it is necessarily justified in every case. As a New Democrat I believe that we should put a halt to the constant strain of piecemeal privatizations which are being brought about by a Government which somehow wants to prove to a few of its backers, such as Mr. Bulloch, the National Citizens' Coalition, the Fraser Institute and others, that it is living up to an agenda which was enforced under Ronald Reagan's Government. It has been enforced under Mrs. Thatcher's Government in Great Britain as well. It is something which has brought economic misery to large parts of Britain even today. It has not been demonstrably aided in terms of innovation and initiative in many cases. I believe it is blinkered and wrong, given the important role that public enterprise has played in Canadian and other foreign economies over many years. I do not believe that it has come to an end.

I think that when the NDP forms the Government we will have to look at the portfolio of enterprises that are in the public sector. We will have to decide that perhaps certain ones should be expanded, be given a new mandate and be allowed and encouraged to grow. Certain ones are extremely competitive and extremely effective. I refer to Air Canada. However, some are short on equity investment because of a penny-pinching attitude on the part of the Government of Canada. That is because the Prime Minister (Mr. Mulroney), his Minister responsible for privatization, the Minister of Finance (Mr. Wilson) and other Members of his Cabinet have burned into their minds that private sector is good, public sector is bad. Therefore they want to demean a sector of the economy which is extremely important to many Canadians and which is the only way in many cases by which we can ensure that there is economic and social justice for large numbers of Canadians.

Today in the House of Commons I asked the Minister of Finance about the Government's policy concerning interest rates and exchange rates. They indicated that the Government wants to legislate for southern Ontario and ignore the problems that prevail in many parts of the country which do not have the buoyant economy of the area around Metropolitan Toronto. In Newfoundland there may be no other way to develop jobs and to develop enterprise except through the participation of the public sector. The provinces increasingly find, as do American states, that they have to be involved in different ways. This sometimes has to be through ownership, participation, subsidies and tax concessions.

What does it say to the people of Newfoundland if there is a Government which says, "Public sector is bad, private sector is good"? What it says is that appropriate solutions to the problems which are out there cannot be used.

That brings me back to the particular question with which we are dealing today. We think this is a bad deal. We think that the Government is paying excessively to try to make this particular deal look good. We think that the type of blank cheque that the nuclear industry as a whole has received from Government in terms of the risks that it may be forcing the Canadian public to bear is unacceptable. This is an example of how the Government intervenes in order to reduce the risk for the private sector so that it can then say, "Private sector is good, public sector is bad".

I do not want to pursue this matter too far. I find the whole tenor of thought excessively illogical and unacceptable. I fear that after this measure is passed we could see a monopoly develop, particularly if Denison Mines under its new chairman and chief executive officer bids for majority control. We could see a situation in which the United States Government decides to close the door to future exports of uranium from Canada. I would imagine that that would be a disaster for the uranium industry in Saskatchewan. I am not sure how this new corporation would be able to deal with that.

• (1540)

I wish to conclude by saying that there are implications for the workers which have not been met, there are implications for the environment, and there are implications in terms of future economic policies in this country, if we have a government that continues to blind itself to the fact that the public sector and public enterprise can do an effective job under

certain circumstances. They should not be categorically ruled out, which is the position taken by the Government. It is wrong to take that position.

[*Translation*]

Mr. Ricard: Madam Speaker, I listened carefully to the comments of the Hon. Member who just spoke, and I wish he would explain. He said in his speech that when privatizing a privately-owned corporation, it was not a good idea to do it this way, because it was economically destructive and also a threat to the workers. I wish he would explain what happened to Canadair and de Havilland when they were privatized. Did it destroy the aviation industry and were people laid off or did it create more jobs? I wish he would explain, because if I remember correctly, at the time the New Democractic Party was against privatization, and I would appreciate hearing his views on the subject.

Mr. Cassidy: Madam Speaker, that is a good question. If we look at de Havilland, since we have no clues as yet how Canadair is going to operate, I must say the Government did not really pursue any of the alternatives. For instance, would it not have been possible for de Havilland to conclude a marketing agreement with a company like Boeing, in order to ensure a greater market share for its aircraft? That was not pursued because the Conservative Government felt the only way to proceed was to privatize de Havilland, even if they had to pay Boeing to take over the company. I agree de Havilland is in pretty good shape today, but I suggest that if the Hon. Member were responsible for a business he had acquired for practically nothing, although it had assets worth between $700 and $800 million, he could make a profit from privatization as well.

That was the case with de Havilland, which partially explains why the company is now operating with some measure of success.

[*English*]

Mr. Blenkarn: I wish to ask the Hon. Member for Ottawa Centre (Mr. Cassidy) a couple of questions. The Canada Development Investment Corporation was created by the former Government to market four Crown corporations: de Havilland, Canadair, Teleglobe, and Eldorado. There has been successful marketing of three of those corporations. De Havilland doubled employment and now has a list stretching into the 1990s for the sale of aircraft from that corporation. There is solid, first-class employment and excellent R and D; it is at the leading edge in short take-off and landing aircraft. Canadair with new contracts is indicating a new spark and go. That was a first-class privatization with the sale to Bombardier. Teleglobe has blossomed forth with a sale to Memotec. Now we have Eldorado and a situation where we want to wind up Canada Development Investment Corporation and we have a partner that has massive uranium resources, and we can combine that with the refining capacity of Eldorado.

I cannot understand why my friend would oppose that privatization or the winding down of corporations that not only this Government but the prior Government felt were no longer needed or the ownership by Canada of which was no longer in the public interest. Here is an opportunity to complete what has been a program not only of this Government but of the prior Government.

It is a situation where we continue to own shares in the corporation, where we combine with a province and a provincial Crown corporation that itself wants to bring in outside capital. I wonder where the problem is. What is the hang-up? Is the hang-up the same hang-up the Hon. Member had on the de Havilland Bill, the Canadair Bill, and the Memotec sale? Is the hang-up not that the Hon. Member does not want us to get out of business, and that the Hon. Member wants these corporations?

Mr. Cassidy: I hear my colleague, the Chairman of the Standing Committee on Finance and Economic Affairs, the Hon. Member for Mississauga (Mr. Blenkarn), with whom I normally enjoy quite cordial relations, suggesting that the Government should get out of business. I guess what he means is that he wants the Government of Canada to sell off Air Canada, Canadian National, and Petro-Canada. I am not sure what else is on his list. The Hon. Member should reveal his shopping list. This is what is bothering me with respect to the question of Eldorado. The fit in terms of community of interest between Saskatchewan Mining and Eldorado is a natural one. I do not dispute that. But there is no particular reason why that could not have been explored in terms of the two companies working together or joining together and remaining under public ownership. But the Government intends to privatize them and sell them off.

In my speech I suggested that what is particularly objectionable is the fact that the Government is saying that it only has one solution to those questions, which is to privatize. Under no circumstances does it envisage a role for the public sector. That represents a very substantial and, I believe, undesirable turn of policy.

I remind you, Madam Speaker, that it was the Conservative Party in power which established the Canadian Broadcasting Corporation and Air Canada. These things have been done in a pragmatic manner by Conservative Governments in the past. It was an ultra Conservative Government in Alberta that brought Pacific Western Airlines into public ownership for a period of time. I do not see the hang-up that the Government has. Until that hang-up is over, I do not want to entrust all of the assets of the people of Canada in the industrial sector to a government that simply wants to sell them off.

Canada Development Investment Corporation is about to lose its *raison d'être*. The Canada Development Investment Corporation, which started with such promise 20 years ago, has now been privatized. Basically, the present Government has completed a process started by its predecessor, the Liberal Party, which effectively deprives the Canadian people of instruments by which, where public sector involvement is justifiable, we can be involved.

There may be a strong case for having a federal merchant bank or investment bank which would use investment criteria as well as public policy criteria for its involvement. That might serve the taxpayers considerably better than *ad hoc* hand-outs on such projects as the upgrader in Lloydminster which are not subjected to investment tests and where the public has no means of telling whether or not it is of benefit and a good use of public funds.

The Acting Speaker (Mrs. Champagne): On a supplementary, the Hon. Member for Mississauga South.

Mr. Blenkarn: I am delighted that we now know that the New Democratic Party is against any development of an upgrader in western Canada to upgrade heavy oil.

Mr. Cassidy: I did not say that.

Mr. Blenkarn: I am surprised that it is coming out so strongly against that investment.

What we are dealing with here is a situation where there is a single company in the uranium refining business with some mining operations that we can either wind down and wind up, or we can sell off. I do not know whether my friend would have the Government of Canada pour more money into Eldorado, buy up some more mines, and get rolling in the uranium business, or whether he really wants us to wind down the uranium business and sell off our assets to people who are in the mining and refining business on a commercial basis anyway.

Does the Hon. Member really think that we ought to make Eldorado grow and be prosperous, or should we get out of the business? It has to be the philosophy of the New Democratic Party. Is that philosophy that the Government ought to be in the mining and refining of uranium, and that is what we ought to pour more taxpayers' money in, or should we leave that matter, as we have in an arrangement with Saskatchewan, to co-operate with them and get ourselves out of this business?

• (1550)

Mr. Cassidy: Madam Speaker, the Hon. Member must have taken an ideological pep pill before making his intervention. I suggest to him that under certain circumstances it may make sense to sell off assets which are in the public sector. However, just as we are opposing the Bill, I do not think the circumstances prevail here. Just as it makes sense in certain circumstances to enter into mixed enterprise agreements, we are working to initiate measures in the public sector. However, we cannot do it just in one way. We have built the country by a combination of all three—public enterprise, mixed enterprise, and private enterprise.

In certain areas public enterprise has been a leader. I do not think we should lose sight of the fact that from time to time it can be necessary and desirable to act in that particular way. This is why I reject the kind of ideology that the Government and particularly my hon. friend from Mississauga have been trying to impose where every decision has to be: "Let's sell it off regardless of the consequences for Canadians".

[*Translation*]

The Acting Speaker (Mrs. Champagne): The time provided for questions and comments has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Champagne): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Ottawa-Vanier (Mr. Gauthier)—Official languages—Use of French in courts—Request that Deputy Prime Minister contact Saskatchewan Premier; the Hon. Member for Scarborough West (Mr. Stackhouse)—Canada Mortgage and Housing Corporation—Lack of affordable housing in Toronto; the Hon. Member for Kenora—Rainy-River (Mr. Parry)—Taxation—Northern deductions—Eligibility of communities.

GOVERNMENT ORDERS

[*English*]

ELDORADO NUCLEAR LIMITED REORGANIZATION AND DIVESTITURE ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-121, an Act to authorize the reorganization and divestiture of Eldorado Nuclear Limited and to amend certain Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, it is always a pleasure to participate in these debates, particularly after having listened to an argument between the Hon. Member for Ottawa Centre (Mr. Cassidy) and the Hon. Member for Mississauga South (Mr. Blenkarn), accusing each other of being reactionaries on one side or another of an argument and discussing between them which one has the worst hang-ups either for or against public or private sector enterprise.

Of course the recipe is neither solely private enterprise, as the Conservatives would sometimes want us to believe, nor is it as simple as to say that if we socialize everything including the local hardware store it will solve all problems, the way New Democrats sometimes pretend it will. Life is a little more complicated than that.

Our country has been a prosperous nation because it has sought and achieved a good balance between private and public sector involvement in various areas. Of course from time to time it becomes necessary to adjust the policy, acquiring things from the private sector and equally disposing of things to the private sector if and when particular endeavours no longer achieve a useful purpose.

We in the Liberal caucus are basically in favour of the principle of disposing of that particular asset, but we have some reservations. Of course we know that the assets of Eldorado are in the area of $915 million, while the Saskatchewan Mining Development Corporation has assets of some $973 million. In other words, both are roughly the same in terms of assets.

We are told that the corporation will have a 38.5 per cent share of the new company while Saskatchewan will have 61.5 per cent. Of course there are questions to be asked in that regard. One must ask why it is that the merger is, if not in the form of a gift, certainly a bargain basement opportunity for the Government of Saskatchewan. As I said previously, it does not mean that we are against the privatization endeavour *per se*. However, it would seem that the Government should at least do a better job in justifying the means and process used to arrive at the stated price.

I should like to refer to a press release dated February 2, 1988 which was entitled on one side "Canada" and on the other side "Saskatchewan". The press release speaks of the particular merger and future privatization of both uranium companies. It indicated:

> "Both governments want individual Canadians to participate directly in the ownership of this world-class uranium mining company," said Mrs. McDougall.

It went on to indicate:

> The new company we are creating will be fully privatized through a series of public share offerings. Precisely when all shares in the company are in the hands of the private investors will be determined by market conditions. But 100 per cent of the company will move from public to private ownership within seven years.

The next sentence is a very important one:

> At all times, the control of the new company will be in the hands of Canadians.

Just how can we be that sure? Of course we are sure that it will be in the hands of Canadians while we are divesting; that is rather obvious. I see the Hon. Member for Mississauga South waving a copy of the legislation. I know that it is covered in the Bill. I do not want unduly to agitate the Hon. Member, but I bring to his attention that we could very well see again the other partners signatory to the so-called trade deal upset by a legislative measure which, when passed in the House, could very well be seen by them—and I am speaking of the Reagan administration in the United States—as a measure which in their language, not mine, is unduly restrictive for them in terms of potential investment opportunities.

I am not saying that everyone in the United States will rush to buy shares in the particular endeavour. However, human nature being what it is, all we have to do is tell people that they cannot do something and suddenly it becomes almost a prize catch if one is able to get whatever is forbidden. The perception of the grass being greener on the other side of the fence on many occasions creates that particular circumstance.

Much has been said about the Bill in the House of Commons. Many Hon. Members have spoken on it. I do not intend to delay its passage but merely to reiterate some of the concerns already expressed by my colleagues in the House. Of course my comments will be of their usual brevity, which you have undoubtedly known before, Madam Speaker.

We are informed that the head office of Eldorado will be moved to Saskatchewan. As a Member of Parliament from an area which has been subjected to transfers of government staff from time to time, namely, the Ottawa area, I want the assurance—and I have not received such assurance—that the 50 or so employees at the present head office of Eldorado will be relocated appropriately. As a matter of fact, we are led to believe that they may very well end up without jobs. We want an assurance that those people will be treated properly. We should like to see them kept on and receive appropriate treatment in terms of relocation or, in the event that employees are not willing to relocate, given fair and just compensation packages, so that they do not receive the all too familiar public service treatment given by the Conservative administration to so many of my constituents and many other people in the national capital area and elsewhere who happened to be unfortunate enough to work in the Public Service at the time the Government was elected.

We all remember that when the Government was elected it said that it had no plans for lay-offs. As a matter of fact it said that those people who were saying that the Government wanted to lay off 15,000 per year were fear-mongers and so on.

[*Translation*]

Well, Madam Speaker, Canadians know better today. Indeed Canadians are aware that this Conservative Government has been laying off public servants since the 1984 election, notwithstanding the formal commitments and the promises made by the Prime Minister (Mr. Mulroney) when he was Leader of the Opposition.

Madam Speaker, the Leader of the Saskatchewan Liberal Party has also expressed concern about the possibility that a company or a group of individuals might buy shares up to the 25 per cent limit, and people are wondering why the Government chose the magic figure of 25 per cent. Would it be that a prospective buyer is prepared to acquire exactly 25 per cent of the shares, or was a more objective criterion used? Why not 10 per cent as in the case of a bank? Why not some other figure? The Government has yet to tell us exactly why it did favour this 25 per cent share-selling process.

• (1600)

[*English*]

The previous Minister said in the House of Commons that 25 per cent would enable an individual or a shareholder to guide the new corporation under certain circumstances. What does that mean, Madam Speaker? We are not sure. We really need clear statements from the Government why it has arrived at that particular figure and whether there is a potential buyer or buyers right now looking for that stated magic 25 per cent.

Having aired those concerns in the House today, I do not want to delay the passage of this Bill unduly. I want to reiterate the concerns expressed by my distinguished colleague, the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan), who has been our lead spokesman on these issues, and an excellent lead spokesman he is, and I know, Madam Speaker, that you would want me to say that about the distinguished Member.

I will now conclude my remarks and hope that the Government will be able to answer not only the questions that I have raised in regard to this deal but also those expressed by the Member from Cape Breton—The Sydneys and other Members of Parliament during the last days of debate on this Bill.

Mr. Langdon: Madam Speaker, the Hon. Member suggested that I should ask a question and I wanted to make certain of being responsive to his suggestion.

The question I want to pose arises from the comments of the Hon. Member for Mississauga South (Mr. Blenkarn) who suggested that the CDIC was established with the express purpose of privatizing Crown corporations associated with CDIC.

As a member of the Party which formed the previous Government, would the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) tell us if that is the case, or was it not a much more ambiguous and careful situation than that, a situation where CDIC was to be expected to review the operations of various companies under the auspices of the corporation to see if there were some that could be amalgamated to carry forward activities more successfully in the country? For instance, there was the proposal that de Havilland and Canadair be amalgamated, as the Minister of Finance (Mr. Wilson) suggested in his 1984 election campaign, thereby giving us a publicly owned aerospace company that would be able to afford the tremendous investments often required for new developments in the aerospace area.

Would the Hon. Member comment on that from an historical point of view? Perhaps he would be prepared to give us an idea of present Liberal Party thinking with respect to companies such as these which have been grouped together under CDIC?

Mr. Boudria: Madam Speaker, I am always pleased to see that the Hon. Member for Essex—Windsor (Mr. Langdon) has heeded my request to ask questions in this debate. I listened, as he did, to the remarks of the Hon. Member for Mississauga South. My interpretation of what he said was that CDIC's role was to get rid of Crown corporations. It could very well be that one of the functions would be to dispose of whatever Crown corporation does not fulfil a specific or necessary public sector interest or mandate. But that does not mean that that is either its reason for existing or its sole purpose. The organization is there for a number of reasons: to review the management and operations of certain Crown corporations to determine the necessity for their remaining in the private sector and to merge some of them where required. To pretend that all we need to do now is to dispose of a few more Crown corporations, then also get rid of the agency altogether is not quite what we planned. That is a gross exaggeration. We have had that agency in place for many years. Obviously we were not planning to dispose of those assets when we put it together.

There are obviously government assets which from time to time have to be disposed of, not only Crown corporations but other things too. Other things do not have anything to do with the government-run agency. There are means of disposing of other assets elsewhere and, as I said, they are not handled through this mechanism. There could, indeed, very well be an overview in process with specific recommendations that two Crown corporations be merged and remain in the private sector. I think that that would be a totally legitimate and useful thing to do if it were determined that the Crown corporations in question would better fulfil a mandate by remaining in the private sector. It is wrong to suggest that the only thing that we want from this organization is to get rid of everything so it can do itself in as quickly as possible. It is a little more complicated than that. Of course, I am sure that on many occasions, we have seen Crown corporations being either dismantled or sold off by this Government in a way which was not in the public interest at all.

• (1610)

Need I remind Canadians and indeed Members of the House of the means we initially tried to use to dispose of the Canadian Arsenals Company, for instance? Why did we use that particular mechanism of starting up the bidding process three, four or five times in order to try to get rid of it? Why did we offer no protection for the workers? We eventually had to fight on the floor of the House to gain protection for the workers.

It is true that a world-class organization purchased Canadian Arsenals, so I am not blaming the purchaser of that corporation, which in that case was SNC Engineering Company, but I am blaming the Government. It was the Government's job to look after its workers, but it failed to do so. The proof was in the pudding, because eventually the Government had to backtrack, change its mind and correct the mistakes it had made.

There is plenty of proof of the fact that the job of the Government and its agencies is not strictly to get rid of

everything and sell the furniture so that they can cancel the lease as quickly as possible.

Mr. Blenkarn: Madam Speaker, I thought I would make a comment and then perhaps ask a question. The Canada Development Investment Corporation deliberately had only four Crown corporations and some shares. I believe the Massey shares were included as well as the Canada Development Corporation shares which were held by the Government, together with these particular four corporations that the Government of the time felt ought to be looked after and made available for sale. What we are really doing is completing the work of the Canada Development Investment Corporation through the final sale of the assets of the CDIC.

The former Liberal Government could have included other Crown corporations that have since been sold, had this been the package, but this particular package included, in that Government's view, the items that really did not merit further government management or organization in a consolidated sense, as the Hon. Member may think. It was certainly explained at that time that these would eventually be sold off.

As the Hon. Member may know, the CDIC has since disposed of all of its assets with the exception of Eldorado. It has been seeking unsuccessfully to sell Eldorado for some very long period of time. This arrangement with Saskatchewan seems, on the face of it, to be a reasonably sensible business arrangement. Whether it is a good deal or not is a question with which we will all have an opportunity to deal at committee when we can get into the exact details of the transaction.

Surely, in order to carry on the policy of the former Government and to complete this transaction, there would seem to be no overwhelming reason for the Government of Canada to operate a uranium-refining company with uranium mining operations that are winding down. Following on the original thought, surely Bill C-121 represents a sensible approach to handling this class of asset.

Mr. Boudria: Madam Speaker, I am not sure that I like the tone of the statement which included the phrase: "No overwhelming reason". We know, of course, that Crown corporations should go to the private sector to fulfil a useful purpose which is better served that way. Whether that is satisfied by an overwhelming reason, to use the words of the Hon. Member, is something about which I am not sure. I am not sure that that kind of overwhelming reason is required for a Crown corporation to remain in the public sector.

The Hon. Member will recognize that I said in my comments that we in our Party at least are not suggesting that the transfer of this Crown corporation to the Government of Saskatchewan is in itself wrong. We have a number of questions about it which, of course, as the Hon. Member said, we will want to raise in committee. There I suppose I must part company with some of my colleagues in the New Democratic Party and particularly the Hon. Member for Ottawa Centre (Mr. Cassidy) who said, if I can paraphrase him, that he was not interested in the divestiture of this Crown corporation to the Government of Saskatchewan in any circumstances.

Finally, we should remember the promises made by this Government in the past regarding de Havilland and Canadair. The original promises and what ended up happening were totally inconsistent with one another, to say the least.

Mr. Nelson A. Riis (Kamloops—Shuswap): Madam Speaker, I am pleased to have a chance to say a few words on Bill C-121, an Act to authorize the reorganization and divestiture of Eldorado Nuclear Limited and to amend certain Acts in consequence thereof. We are at second reading stage of this legislation, and therefore we are talking about the principle of the Bill.

Before I begin making some specific remarks on the principle of the Bill, I would like to reflect back on some past incidents. While government Members were in opposition, they promised the Canadian people on a number of occasions that they would conduct a royal commission into the nuclear industry. I recall the Prime Minister (Mr. Mulroney) and a whole host of cabinet Ministers and members of the government Party campaigning on this issue during the last federal election because of the interests Canadians have shown over the years in the existing state of the nuclear industry and the future of the nuclear industry in Canada.

Any Canadian who has given thought to this matter would say that there are still many unanswered questions about the nuclear industry. The future of the nuclear industry, not only in Canada but globally, is important for all of us. We were reminded of its importance by the Three Mile Island and the Chernobyl incidents. However, we have not seen that inquiry.

After three and a half years, there has been no indication whatsoever from the present Government that it plans to fulfil the promise it made to the people of Canada. When that became clear, the New Democratic Party decided to initiate its own inquiry into the nuclear industry. Some months ago, my colleague from Winnipeg—Birds Hill and my colleague from Vancouver—Kingsway decided to co-chair an initiative to look into this important matter, and they have been conducting a very intensive and extensive inquiry into the present state of the nuclear industry. They have held hearings in all parts of Canada including communities involved in the nuclear industry and those that are not. They are attempting in a most objective and open-minded way to welcome points of view on which to make a final recommendation prior to the next federal election.

Having said that, I want to go on record as saying that we are not enthusiastic about this particular initiative before us. It flies in the face of the promise for this important inquiry, and until we have some very clear answers about just what the future of the nuclear industry in Canada ought to be, I think it would be premature for us as New Democrats to support this initiative.

As a Member of Parliament who is from British Columbia, I remember not long ago when the Social Credit Government of British Columbia came up with what it thought was a brilliant idea. That idea was to form a corporation called BCRIC and to sell off a number of Crown corporations, providing shares for the general public to buy. As a matter of fact, it was such a good idea that the Government gave every resident of British Columbia five shares in BCRIC. This was to encourage all of us to become investors and, in theory, enterprising capitalists. It was to allow us to see how the stock market worked and to be a part of this new initiative by the Social Credit Government.

• (1620)

This little venture into popular free enterprise did not work very well. I remember the then Premier of British Columbia saying that he had confidence that the shares, which were trading at the outset at $5 or $6, would soon be trading at $12 and might go up as high as $20, and that this was a way for the young and old of British Columbia to understand the thrilling sensation of investing in the Vancouver Stock Exchange. Well, thrilling it was. It was a tragedy. I have not checked today but the other day BCRIC was trading at 91 cents, and my hon. friend from Mississauga tells me that it may be 90 cents today.

That means that all those folks who listened to the Premier of the day on this magnificent venture into the free enterprise system lost their shirts, and I suspect some even lost their undershirts, because they took the Premier at his word. In our system I guess that is not an uncommon thing for people to do, but they certainly found out very quickly that it was not good advice to invest in BCRIC shares.

As a Member of Parliament from British Columbia I recall those days with less than enthusiasm, and here we are once again, through this legislation, attempting to reorganize an industry and turn it over to the private sector and perhaps sell shares. That makes one extremely nervous.

I also want to pursue this in terms of the principle of selling off government assets. This is, of course, not any government asset. It is an asset within a very critical, important, and sensitive industry which concerns many Canadians. It is very critical in terms of our future planning in both a positive and negative way.

It is important that parliamentarians recognize that from the very beginning the private and public sectors in Canada have worked co-operatively. The establishment of the first settlements in Canada involved the Government of the day giving monopolies and contracts to various companies to build bridges, wharfs, rail systems, ports, and so on. That resulted in a marriage between the private and public sectors which, most of the time over the years, has worked relatively well. Canadians find it comforting.

I think of the economic activity which has taken place in my community of Kamloops in the last number of years since I became a parliamentarian. Although unemployment has been a major problem which has plagued our area, I recall the development of a new armoury and a new airport, the upgrading of another airport, the establishment of some wharfs, community centres, highways, youth treatment centres, jails, young offenders' institutions, and lottery buildings.

I could continue for a long time making specific references to all sorts of government-initiated ventures which, with very few exceptions, were turned over to the private sector for construction. This has made a great difference in our community in the last number of years. Without these government-sponsored projects from the federal and provincial Governments there would be a significant increase in the already tragically high levels of unemployment. I simply point that out as an example of how government, industry, and business can work in a most productive and positive way.

I think it is fundamental that if one evaluates the sale of Eldorado carefully one will see that it is a bad deal. It is just not a very intelligent business arrangement. Therefore, we in the New Democratic Party oppose the deal in its present form for the simple reason that it is a bad one. It is bad because the deal is structured in such a way that the public sector takes the risks and obligations and the private sector gets the profits, not only from the commercial activities of the company merged from Eldorado and the Saskatchewan Mining Development Corporation but also from the heavy public subsidies which are given the uranium industry in the form of favourable taxation, marketing arrangements, and sweetheart contracts which I will comment on in a moment.

That is the bad deal. The private sector gets all of the goodies and the public sector, to be more specific the taxpayers of Canada, pick up the tab. I would say it is a good deal for the private sector, but for the taxpayers of Canada it leaves a great deal to be desired. That is why I wonder if some of my Conservative friends see this as a good deal for the people of Canada in the short or long term.

It is discouraging that we have had no assurances from the Government that it recognizes the sacrifice of the public sector and the public interest in this deal. It is clear that this deal has been structured so that the Government can say that privatization works, just look at the share price. What the Government does not say is that in order for this stock flotation deal to succeed—and that is what it really is—the public sector will underwrite the risks by assuming the debt of Eldorado Nuclear and the Saskatchewan Mining Development Corporation, and the federal Government will assume the further liability of Eldorado's nuclear waste problems at Port Hope at a cost perhaps as high as $75 million. That is only a guess at this time, but that is all we can go on.

This take-back of debt has been described by the financial advisers to the Government, Burns Fry, as necessary for this flotation initiative. Eldorado's debts are substantial. If my memory serves me well, they are in the range of $550 million. The federal Government will receive from the newly-merged

company about $250 million, leaving $300 million which must be made up in the sale of shares in the new company before the Government breaks even on its debt obligation alone. This is to say nothing about the cumulative investment which has been made in Eldorado in the form of government equity.

Therefore, the Government needs a high share price or it will wind up with a brick in its hands, or something like BCRIC which started out at $5 and is presently trading at 91 cents. However, is there any certainty of a high price? The uranium markets are currently in a chronic over-supply situation and the prices are depressed. In the last number of days we have seen an initiative in the Congress of the United States which would make it very difficult to continue Canadian exports into the United States. If the United States markets were closed to foreign producers in response to the distress of its own domestic suppliers' conditions, we would be caught in a most chaotic situation. The trade deal which the Government has negotiated with the United States appears to be worthless in terms of enabling us to do anything about the congressional initiative which the Senate passed enthusiastically a few hours ago.

There is no certainty of a high share price. Since there are no guarantees that the federal Government will get its investment in Eldorado back, let alone cover the debts that Eldorado presently owes, what are the other advantages or disadvantages of this deal?

In light of the many questions which my colleagues have asked throughout the day I think it is fair to ask whether there are job guarantees for the employees. Not surprisingly, in the true fashion of the Government, there are no job guarantees. Rather, the opposite is the case as the Minister spoke of the rationalization of the two companies. You and I both know, Madam Speaker, that "rationalization" is a nice word for "lay-offs". When we say that we are going to rationalize a company, that an industry is being rationalized, or that there is rationalization going on in the textile industry, it means that hundreds, thousands, or tens of thousands of people will be laid off, that they will be jobless.

In terms of the trade deal, this has become a most popular word. Members indicate that there will be some rationalization going on. It has a positive context. Since we like to be rational, we assume that rationalization must be a very positive process. It is positive in some respects because rationalization usually means modernization and more competitive businesses. However, in human terms, which we tend to overlook in this place, it means a loss of jobs or the termination of a career in a particular industry or company.

• (1630)

In recognition of this euphemism, the former Minister has indicated that there are no guarantees. She essentially said that there would be job losses or lay-offs.

What is the future for the Port Hope refinery, a site which has no room for expansion at the moment? The future is not particularly bright, since Eldorado already made one attempt to build a uranium refinery in Warman, Saskatchewan, in the late 1970s.

What about the research and development prospects? There are real prospects for change in the processing of uranium enrichment, using laser technology. This will require a substantial commitment to more research and development. Will the new company pursue this research and development or, given the relaxation of enrichment requirements for Canadian uranium exports, will Canada return to being an unprocessed resource exporter?

Most Members who have spoken against this legislation are concerned that Canada will increasingly become an exporter of the raw material as opposed to developing a more finished product. The trade agreement, which drops our requirement for processing exported ore, certainly does not bode well for the future.

The Government has taken action on a number of fronts toward privatization. While the Government wants to turn all kinds of publicly owned corporations over to the private sector, according to inquiries made by various newspapers and financial publications, there seems to be some variance between what the people of Canada want and what the Government intends to do.

For example, the Government has indicated that it would like to sell Air Canada to private interests. In my province, the latest Angus Reid poll indicates that 72 per cent believe that Air Canada is well run. More than half the people in British Columbia believe the Government should not sell Air Canada. We live in a country where the majority view should prevail or be equal. It seems that the people in my Province of British Columbia feel that Air Canada is well run and should not be sold.

In British Columbia, 64 per cent of the people believe that Petro-Canada is well run, and 55 per cent say that the Government should not consider selling it in any way.

Let us consider CBC, which often gets a great deal of response from my prairie colleagues in the House. In the Prairies, 66 per cent of the people believe that CBC is well run and that it should not be sold to the private sector. An even greater majority in other areas of the country are in favour of the CBC, Air Canada and Petro-Canada.

The majority of British Columbians feel that Canadian National is well run and should not be sold to private interests.

The one exception to Crown corporations which most people believe are well run, which will come as no surprise, is Canada Post. That is the Crown corporation that I do not believe any Canadian feels is well run.

The Government is continually manipulating and changing the mandate of this corporation. One of the reasons that I believe the postal corporation is not being run well is that the Government has singled out this Crown corporation that

touches the lives of every Canadian as the one which should make a profit. There is no suggestion that the Department of Immigration should make a profit, or that our hospitals, universities, or Armed Forces should make a profit. Yet when the Government decides that this one government service, which touches every family, whether urban or rural, rich or poor, should make a profit, it is not surprising that this Crown corporation is not running particularly well.

I do not support the Government's initiative with this Bill. In closing let me say that it is time that we send this matter to committee for closer examination. Hopefully we will be able to address such questions as why there are no job guarantees for the men and women who work for these companies. There are many questions that must be asked and perhaps the most appropriate place to ask them would be in committee at the end of this debate.

Mr. Cassidy: My question concerns the open-ended guarantees being given in this particular case. The Hon. Member will be aware that Eldorado has a dump site in Port Hope. There are problems in terms of the clean-up of that dump site and, according to the Library of Parliament research staff, there has been a suggestion that this could cost as much as $100 million. Only 25 per cent of that would be borne by the Government but if the costs rise above $100 million it would be borne entirely by the federal Government.

Last night on the news there were comments by representatives of Energy Probe relating to the total lack of liability in the nuclear power industry for any type of defects in nuclear power plants which might bring civil suits against the manufacturers.

What is the Hon. Member's opinion about privatizing a company while leaving the risk in public hands? The Government of Canada will get some $200 million in debt instruments from this newly merged company but will have a $75 million liability which could possibly escalate to double or triple that amount.

Does it makes sense effectively to privatize a company but not force the private owners to take the risks that I thought were part of the private sector? Should not the new privatized owners take all of the risks rather than dump some of them back on the federal Government?

Mr. Riis: Madam Speaker, that is a very interesting question. Why are the taxpayers of Canada expected to assume all of the risks while the private sector is the recipient of all the obvious gains? That is a fundamental question which has been asked by a number of Members participating in the debate today.

My colleague has raised an issue which I did not have time to discuss. It concerns the whole matter of liability with respect to the disposal and treatment of wastes. He indicated very accurately that the taxpayers of Canada must accept that responsibility as well as the cost. It is a very unfair and unjust business transaction which is very biased in favour of the private interests. It places very little risk on the private interests and all of the risk and most of the financial liabilities on the taxpayers of Canada. That is essentially why we are opposing this legislation.

There is also the whole matter of safety in this particular industry, to which my hon. friend alluded in his question. As you are probably aware, Madam Speaker, every year at least a thousand workers, men and women, die on the job sites of this country, to say nothing of the tens of thousands who are injured and as a result of their injury often spend an entire lifetime off the job. A thousand people are actually killed on the job sites of our country each year. That is one of the reasons that two major groups involved in this particular transaction that we are discussing today, namely, the energy and chemical workers and the United Steel Workers, oppose this Bill. They feel that the industry is bad enough already and once it is turned over to private interests the pursuit of profit will be carried out with more zeal than ever at the expense of health and safety in the workplace.

• (1640)

That is not only occupational safety but environmental safety, in the broadest sense as well. They are very concerned that there are no safeguards, nor any particular attention given to this critical matter in Bill C-121. Not only do the taxpayers of Canada accept the brunt of the risk and the loss in terms of a safe financing of equity, but the men and women who work in these operations are also being placed at greater risk than ever before in what we already recognize as a highly risky industry.

Mr. Kilgour: Madam Speaker, I listened with interest to the Hon. Member's speech. I wonder what single denationalization he would be prepared to favour? The Government is not proposing to denationalize Air Canada, Petro-Canada, CBC or CN. As you know, Madam Speaker, this is one of the issues on which there is a fundamental difference. We are accused by our friends in the New Democratic Party of being hung up on ideology, but when something is not working efficiently, as de Havilland was not working efficiently, we have to do something about it.

My friend should take note of what the Mitterrand Government did after President Mitterrand was first elected. A friend of mine worked for a little bank in France which was nationalized by Mr. Mitterrand. The bank was told it should give its business to a friend of the Government. Investment fled France, the franc fell to about eight francs to the Canadian dollar, unemployment rose drastically and, basically, the Mitterrand Government had to repeal everything it had tried to do out of its socialist ideology.

What we on this side of the House are saying is that where there is a time and place for something to be denationalized, it should be done. We should not be held captive by some 19th century ideology. I submit that my friends in the New Democratic Party believe that everything that moves should be

nationalized, that everything should have cement poured on it in the name of somehow helping the people who work in these companies.

Mr. Cassidy: Your view is that everything that moves should be sold and denationalized. That is the problem.

Mr. Kilgour: Well, I remind my friends that there are about 350 federal Crown corporations still around today. I put it to them that if the unfortunate day for people who want jobs in this country ever arrived while they were in office, they would not nationalize one of those companies. They would, as they have said, nationalize banks and who knows what else. I put it to those Hon. Members that we are not the prisoners of a dead ideology, it is my friends opposite who think that the only good company is one that has been nationalized. Perhaps my friend has a comment on that.

Mr. Riis: Madam Speaker, I think, once again, people get caught up in the rhetoric of this place. What my friend from Edmonton has indicated is simply not accurate. What we have said on a number of occasions is that our plans are for the traditions of the Canadian economy to continue. That is why at the outset of my presentation I thought it was appropriate to indicate that we are a nation that is recognized as a country where the private and public sectors have worked amazingly well co-operatively together in terms of generating a relatively healthy economy.

When I think back to the number of times when Governments, not only the federal Government but the Government of the province of my hon. friend, found a critical industry or business that was not working well, that was in financial difficulty or was not serving the people well, they decided that rather than simply have profit guiding every decision, it was important that people be serviced by certain kinds of industry.

So the Province of Alberta saw the wisdom of buying Pacific Western Airlines and Alberta Telephone. I remember those debates because the people of Alberta were getting hosed by the private telephone system and were not being served well by the various feeder airlines. So the Government of Alberta, which was not an NDP Government but a Government which had some imagination and reflected the views of a New Democratic Party Government, decided to take Pacific Western Airlines into its own hands in order to provide better service for Albertans, which of course it did. It then took over the private telephone system. Because it was a monopoly and, therefore, there was no competition, it was a tragic situation in terms of services, particularly to rural Alberta. The Government then provided the necessary and appropriate telephone service to Albertans regardless of where they lived. That is the kind of spirit we have seen in the past.

I do not know how long it would take to go through hours and hours of examples where provincial Governments and federal Governments have witnessed a situation where the private sector was simply failing to deliver the services they felt their respective citizens deserved and took action. So when my hon. friend asks if we would consider turning any of the Crown Corporations over to the private sector, I would say that this is something we would enjoy reviewing. We would look at the list and see as times changed that perhaps there should be some that should be brought in and some that should be left out.

What I am saying is that at a time when Canadians from one coast to the other are concerned about the future of the nuclear industry, and extremely troubled by the nuclear industry in its present form, I am particularly reminded of the Chernobyl incident. Canadians want to know the most appropriate way to proceed as a country. That is why government Members opposite promised an inquiry into this important matter, which they failed to do. It took the New Democrats to provide that initiative, thank goodness. The New Democratic Party of Canada held hearings across the country and received input into this appropriate area and it will come forward with recommendations. At that time, the Parliament of Canada, based on those thoughtful recommendations, can see how best to proceed with something like Eldorado Nuclear.

Mr. Les Benjamin (Regina West): Madam Speaker, I welcome the chance to take part in the debate on this Bill and particularly on this issue in general. I want to start by saying that I am going to try to make a Conservative speech. I am going to elucidate some good, sound Conservative principles that one adheres to if one is a Conservative or if one is a so-called private enterpriser. One of the principles is that an investor is entitled to an opportunity to get a return on his investment. If he gets a return, fine, but if he does not, he takes his chances according to the free market forces. I am repeating what many of my colleagues opposite on the government side have said for yea these many years. That being the case, I submit to the House and to my good friends opposite that the public investor is just as entitled to an opportunity to get a return on an investment as any individual private investor.

We have made that point on many occasions in this House over the years. But this deal penalizes the public investor, the taxpayers of Canada, who put the hundreds of millions of investment dollars into the uranium industry, as well as lots of other industries in this country. In many instances they received a return on investment. I am sure that some of my colleagues may not be aware that, with all the difficulties that the CNR is having, over the last few years it has paid out a couple of hundred million dollars to the Government of Canada by way of dividends. That is appropriate. The public investor received some modest, to put it nicely, return on his investment.

• (1650)

This deal on Conservative grounds, grounds of the most solid Conservative philosophy, is a bad deal. In light of the so-called opportunities for the private sector in uranium mining, refining, processing, et cetera, taxpayer investors are not receiving the type of opportunity to which they are entitled.

They are not receiving it because of this legislation. The public investor is being denied that opportunity. Where are the Conservatives who talk about the rights of the investor and of the opportunity to which the investor is entitled?

With respect to the issue of uranium mining, refining and processing I readily admit that in my Party we have had agonizing debates on the subject for years. They have taken place in my province, British Columbia, Ontario and in the national Party. Of course there have been difficulties. However, we came to a conclusion in the Saskatchewan section of the New Democratic Party that in spite of the fact that we formed the government of the day in the province, which was in the mid-1970s, as Party policy there would be no new or additional mines or additions to the present ones. It was decided that as and when a mine that was in existence and operating was phased out because of the depletion of the ore body appropriate actions would be taken to fully compensate the communities and employees involved. That has been the policy of my Party in my province for the last number of years.

I appreciate that once an industry is established, and in this instance with public investment, and when there are trained employees and the community is built up it is not easy to say arbitrarily, "We are against uranium mining and we will stop it as of yesterday". That cannot be done. We think that we have worked out a way to do it.

With respect to some good, Conservative, hard-nosed foundation philosophy, whatever happened to the old private enterprise theory about those who invest taking the risks and dragging themselves up by the bootstraps? That philosophy dictates that one is on one's own and relies on market forces. One takes one's chances. Whatever happened to that philosophy? This deal and others that have been mooted hand the gravy over to the private sector and keep the risks and any potential damages in the hands of the Canadian taxpayer.

Surely that is some type of betrayal of the foundation of free enterprise Conservative principles. I will have my twentieth birthday in June, and I wish I were that young. In the years I have been here every time there were economic difficulties, who were the first ones to come to Ottawa with their hands out asking to be bailed out? When cattle prices went down to nothing, the big ranchers who talked to me about private enterprise and dragging themselves up by their own bootstraps, some of whom worked on land which their parents or grandparents stole from the Indians, were the first ones down here demanding national government assistance. By their own actions privatization Conservatives, the so-called private enterprisers, are freeloaders. The fact of the matter is that without public investment the private corporate sector does not and will not invest. What it wants is all the marbles. It wants a lead-pipe cinch.

If members of the private sector were made to go out to find their own uranium ore bodies, invest in them and take chances, then not a darn one would do it. If it were not for the hundreds of millions of dollars put in by the federal Government and several provinces I doubt that there would be a uranium mine anywhere in the country right now. Now that the taxpayers have made that investment, built up those industries, communities and employees, to whom will the Government turn them over? It will turn them over to those who want to become private owners.

Where were they when the country needed them? There are some Conservative thinkers who would say that if there were ever a place for the complete public control and ownership of an industry it has to be in the uranium industry. As a signatory to the non-proliferation treaty we cannot allow this industry to drift into private hands and be left to the tender mercies of the guy who will do anything to make a buck, even if it meant selling the stuff to the IRA and the PLO.

It is my belief that the Government intends to weaken the powers of the Atomic Energy Control Board, to skirt around, if not ignore, our international obligations, and to fly in the face or what is unquestionably the will of most Canadians. This is not an industry that should be left in the hands of those who are more interested in making a buck than in treating people decently and giving public investors an opportunity to obtain a return and, most important, an extension of peacemaking and peacekeeping in the world.

I take it, Madam Speaker, that you want to call Private Members' Hour. I will be happy to resume my remarks when this Bill is brought before us again.

[*Translation*]

The Acting Speaker (Mrs. Champagne): It being five o'clock the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS--BILLS

[*English*]

SENATE AND HOUSE OF COMMONS ACT

MEASURE TO AMEND

Mr. Bill Gottselig (Moose Jaw) moved that Bill C-257, an Act to amend the Senate and House of Commons Act (independence of Parliament), be read the second time and referred to a legislative committee.

He said: Madam Speaker, I have introduced this Private Member's Bill as a result of a conversation I had with the Clerks at the Table in the House, and also with some of the legal people in the House of Commons. The intent of this Private Member's Bill is simply to clarify in order that I, as a Member of Parliament, and any other Member who is also a farmer, rancher, or from whatever particular background, would be eligible for any government programs that applied to that particular class.

In the past I understand that there has been some confusion as to whether Members of Parliament actually qualified for certain government programs.

Approximately two years ago there was a great drought in southern Saskatchewan, southern Alberta, and Manitoba. Although I was not in the area that was covered by this drought, I was advised that, I would not be eligible for this government program.

I consider myself to be a farmer. I can say with some certainty that I will be farming in five or ten years from now. I cannot say that I will be in the House of Commons in five or ten years from now, because like every other Member of Parliament I have to go through that process, get the nomination for my Party, and then stand in a general election.

In order to clarify this for other people who may be contemplating running for Parliament, it should be made very clear that if the Government does in fact put a special program in place that applies to farmers or ranchers, I or some other individual who may be a Member of the House of Commons or a member of the Senate would still qualify for that program.

I have discussed this issue at some length with other Members of Parliament. I have also discussed it at some length with constituents of mine. I have asked them their views on a government program that applied to all farmers, for example, and excluded Members of Parliament or the Senate who also happened to be farmers. Each time I asked that question I was assured by my constituents that they would view that as rather a silly regulation. They do not consider me to be any less a farmer because I am also a Member of Parliament.

At the present time I operate my farm with hired help and with some of the operations done by a custom operator. But I still operate the farm, I am entitled to a Wheat Board permit, and I still carry on the operation exactly as I did before I was elected to represent my constituency. That is simply the reason that I wished to have this Bill introduced. The Bill clearly sets that out.

The key area was in some of the interpretations of the word "contract" entered into. If I were taking part in a government contract or bidding on a government contract it would be much different from simply receiving a program that was put in place to assist all grain farmers or all cattle raisers who were having difficulty because of international markets or weather conditions. The wording was very clear and indicated that the purpose of this Bill was to remove any chance that there would be a conflict of interest for a Member of the House of Commons or a Member of the Senate.

As I mentioned earlier, this apparently has been subject to question in the past with government programs that applied to a class of agricultural producers when people who actually sat in the House of Commons were questioned as to their eligibility to take part in this government assistance program. My intention was to clarify this matter in order that there would be no doubt that any general government program that applied to grain farmers, for example, would also apply to Members of the House of Commons or members of the Senate.

The present Section 20(1) wording did require some clarification. As I mentioned, it was in the definition and in the interpretation of the word "contract".

The new clause that I have suggested be inserted reads very clearly:

> 21. This Act does not extend to disqualify any person as a member of the House of Commons by reason of his being
>
> (*a*) a shareholder in any incorporated company having a contract or agreement with the Government of Canada, except any company that undertakes a contract for the building of any public work;
>
> (*b*) a person on whom the completion of any contract or agreement, expressed or implied, devolves by descent or limitation, or by marriage, or as devisee, legatee, executor or administrator, until twelve months have elapsed after the same has so devolved on him; or
>
> (*c*) a contractor for the loan of money or of securities for the payment of money to the Government of Canada under the authority of Parliament, after public competition, or respecting the purchase or payment of the public stock or debentures of Canada, on terms common to all person.

There was a similar clarification regarding the rights of Senators.

The intent of my Bill is very plain. I have discussed this with other Members of the House and with my constituents. There seems to me general agreement that, because the Member of Parliament is elected, he or she should be permitted to take part in any Government program that is put in place that affects that general class. In this case, the most recent program that we had last fall was the Special Canada Grains Program.

Members of this House, as do members of provincial legislatures, and members of rural, town, or city councils often have to absent themselves from a vote pertaining to any particular legislation that may be seen as beneficial to them. The same could be held in the House. If we were voting to make that particular payment as part of a national program, possibly Members could be considered in some conflict of interest if they were supporting the legislation either as a member of the Government or a member of one of the opposition Parties, and they could simply absent themselves from that vote.

I am sure that I and many other Members of this House were members of municipal governments. I was a mayor and a councillor of my town for many years before I came here. If there was any possibility of a conflict we would simply leave the room when this particular item was being discussed, particularly when it came to a vote. This is commonly done. For example, from time to time our town council used to tender for vehicles. One local automobile dealer was also a member of council and when a bid would be submitted to council by the head office of the company he represented, he would not be involved in making a decision on whether or not council would accept the contract. I am sure that the same has been done in other municipal, city, and town councils.

• (1710)

The purpose of the legislation is quite clear. I want to assure people who are contemplating running for office that that would not make them ineligible for programs. I can particularly speak about western agriculture with some authority. We must take advantage of various available programs, and even then it is very difficult to make ends meet. We are involved in a cost-price squeeze, a vice ever tightening. Until such time as sanity returns to the international market-place and we can once again look to it to provide us with income, it is incumbent upon Governments, particularly the federal Government, to provide some limited support to producers.

The wheat from my farm should be sold for the same price at the local elevator as that of everyone else. There is simply not enough there, so out of necessity we must look for a special government program such as the Special Canadian Grains Program or other programs which are funded jointly by producers through a levy and the federal Government. It is unfortunate that at present we must look to Government for a good portion of the money required to keep our operations viable.

I want to assure everybody who is running for office wherever they happen to be that if a government program were put in place that benefited their particular class of agriculture, they would be entitled to share in it without any problem whatsoever.

This is the reason I introduced this Private Member's Bill. I am looking forward to comments from other Members in the House to see whether or not they agree with me or whether they have other suggestions to put forward at this time.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I am pleased to participate in second reading debate of Bill C-257 standing in the name of the Hon. Member for Moose Jaw (Mr. Gottselig).

A little later an amendment may be presented to the House suggesting that we refer the matter to a parliamentary committee and withdraw the actual Bill. I think that would probably be the best way, if such a motion is forthcoming a little later as I understand could be the case.

The suggestion of the Hon. Member for Moose Jaw is a good one in many respects. We do not want people in the agricultural community to be discouraged from running for public office. I certainly would not want that. I am not a farmer, but I represent a large and very fine agricultural riding. I could argue that it is the finest, of course. However, if some day my constituents wanted to present someone who was a farmer, I would not want the person to be unable to enjoy the privilege of running for public office for the mere reason that he is a farmer.

The present situation, as we know, does not preclude anyone in any occupation from seeking public office. However, as the Hon. Member for Moose Jaw quite rightly pointed out, financial constraints on the agricultural community are such at present, particularly in the grains and oilseeds sectors, that it is necessary to seek government assistance because of international pressures on agricultural commodities, namely, the price war between the EEC and the United States of America. Actually it is a subsidy war in which they insist upon bombarding each other with tax dollars to try to regain what each one feels is his rightful share of the market.

In amending the present Senate and House of Commons Act we do not want to create a situation which would prevent contractors and so on from receiving what is normally known as contracts with the federal Government. I recognize that under the Hon. Member's Bill contracts for public works would still be excluded. Nevertheless, there are other kinds of contracts which could potentially be carried out by Members of Parliament or concerns in which Members of Parliament have a share if we pass the Bill as presented to us now.

The long and the short of it is that I support what the Hon. Member is trying to do. I support his initiative in trying to create a situation which will not unduly discriminate against people who work actively in the agricultural sector from seeking public office. In my opinion we need more people in the agricultural sector to sit in Parliament. We should not do anything or create any circumstance which would make it unduly difficult for them.

Having said that, I hope we receive an amendment a little later which will refer the subject matter to a parliamentary committee for action.

In retrospect perhaps it would have been better to have a motion before the House rather than a specific Bill. However, it does not matter at this point as long as the concern is aired in the House and is referred to a parliamentary committee. Some have suggested that perhaps the Standing Committee on Elections, Privileges and Procedures should deal with the issue. Perhaps the committee charged with looking at the new conflict of interest Bill after it has been passed at second reading could also look at the topic. Many of the issues with which that parliamentary committee will deal concern the conflict of interest of not only cabinet Ministers, the Leader of the Opposition, and so on, but indeed every Member of the House and the other place. In my opinion it would be an appropriate occasion to discuss the issue at that point as well.

I am offering it in terms of a suggestion. I am not married to the principle that we should absolutely discuss it at the same time. However, my reason for raising it is that if we refer it to another parliamentary committee it could have a tendency to go on the back burner, whereas the conflict of interest Bill will probably be discussed in the very near future by a special legislative committee of the House. Therefore, that would enable us to discuss the topic, which the Hon. Member for Moose Jaw brought to our attention, in an expeditious manner to ensure that at the next election, whenever it comes, the potential problem could already be solved.

[*Translation*]

Madam Speaker, having said that, I would end my remarks by expressing general support for the measure introduced by the Hon. Member for Moose Jaw (Mr. Gottselig), but I hope the Bill will be withdrawn so that the issue raised by the Hon. Member might be debated in a parliamentary commission, and as far as I am concerned preferably the parliamentary commission responsible for looking into conflict of interests.

• (1720)

[*English*]

Mr. Nelson A. Riis (Kamloops—Shuswap): Madam Speaker, it is a pleasure to respond to this initiative by the Hon. Member for Moose Jaw (Mr. Gottselig) regarding some concerns that he has brought to our attention which I think are legitimate and appropriate. The essence of his Bill would remove any financial or perceived financial impediment that some people might see to their becoming candidates for elected office, in this case as Members of Parliament or, as the Bill also indicates, members of the Senate. That is really quite a statement because once you are in the Senate you are there for a long time. We are talking about people coming from agriculture who, I suppose, for the rest of their lives are subject to some concerns raised here by the Hon. Member for Moose Jaw.

On balance, I believe this is an appropriate initiative and as quickly as we can we ought to put it to the Standing Committee on Elections, Privileges and Procedure. As the previous speaker indicated, since we will be discussing conflict of interest legislation very soon this could possibly be a matter that could be referred to that legislative committee at the appropriate time.

There are concerns which the Hon. Member mentioned with which I agree. He spoke about his experience at the municipal level. I guess most of us have had similar types of experiences. Whenever a vote came up that was perceived to be an obvious conflict, one simply left the room or failed to vote and doing that seemed to take care of things. In my career as a municipal politician I feel it was a rather ineffectual exercise, being well aware of how much influence a single member could exert on his or her colleagues to achieve a particular outcome with or without that individual's participation in the final vote.

A recent initiative that has caused a great deal of concern is the allocation of northern benefits. We have some pretty peculiar parts of Canada that have been referred to now as northern areas which receive special tax consideration. On one side of the street in some communities you are eligible for northern benefits, but if you live on the other side of the street you are not. I suppose if Members of Parliament had an opportunity to determine whether northern benefit allowances for tax purposes should be associated with a particular area we might be inclined for rather obvious reasons to be supportive of some of these initiatives. As the Hon. Member has indicated in his Bill, particularly in the explanatory notes, he refers to members of the class, such as farmers. The Member mentioned farmers, grain producers and ranchers.

We have various government programs to support the grain industry because of the international competition that is becoming more and more unfair as a result of increased subsidies from both the United States as well as the European Economic community. But we must think about parts of western Canada which this year will be experiencing severe drought problems unless there is quite a dramatic shift in traditional weather patterns. This would result in an initiative such as the Hon. Member is bringing to our attention and perhaps some Members of Parliament would be influenced in terms of their own ranches.

In principle, I am very supportive of the initiative and I want to thank the Hon. Member for bringing it forward. Let me say that in the appropriate committee when we come to examine the behaviour of Members of Parliament as to when they should or should not vote we ought to give that a great deal of consideration.

In conclusion, I do think that rather than proceed in the usual fashion when it comes to proceeding with Private Members' Bills that would be unnecessarily cumbersome, a more expeditious approach probably would be to refer at least the content of this Bill to the appropriate committee, which presumably would be the committee on Elections, Privileges and Procedure.

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, first I would like to tell the House that I am a farmer and I have owned a farm so I have a particular interest in the subject which the Hon. Member for Moose Jaw (Mr. Gottselig) has presented. I listened with interest to his speech and to the speeches of the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) and the Hon. Member for Kamloops—Shuswap (Mr. Riis).

I appreciate the opportunity to participate in the debate of Bill C-257. As all Members are aware, the conduct of parliamentarians in relation to conflict of interest is an important public concern today. The Government has acted in this area following Chief Justice Parker's report and has introduced Bill C-114, the Senate and House of Commons Conflict of Interest Act as it is known.

Bill C-257 which we are debating this afternoon also relates to laws governing the conduct of Senators and Members of Parliament in relation to conflict of interest and to the Member for Moose Jaw's concern for that very important point when it comes to general subsidization to Members of Parliament, most specially with regard to the Special Grains Act.

Here we are dealing with existing provisions contained in the Senate and House of Commons Act which prohibit Senators and Members of Parliament from benefiting from any contract, agreement or commission of the Government of Canada which involves a payment of public money. Bill C-257

sponsored by the Member from Moose Jaw would change the prohibition against receiving public money contained in the Senate and House of Commons Act and make it apply only to contracts or agreements of sale or service. In my mind, such a change would immediately raise the issue of what the definition of a contract of sale or service would be. If the present exclusion of Senators and MPs is limited only to government contracts or sale or service, loopholes could possibly arise.

I understand the Member's objective that a parliamentarian should be able to receive government funding if he or she is a Member of a broad class of individuals, for example, farmers, eligible for financial assistance under a general government program. I think that this matter can be dealt with, however, without making the proposed changes to the Senate and House of Commons Act as proposed. Perhaps the most important point to make is that the present legislation does not disqualify Senators and Members of Parliament from receiving financial assistance from the Government for which a large number of Canadians can qualify. The key word in the Act is contract. Most general assistance programs sponsored by the Government of Canada do not, strictly speaking, involve a contract.

It is one thing for a Senator or a Member of Parliament to seek a contract with the Government in competition with other individuals or businesses which would lose out if the Senator or Member of Parliament were to get the contract. In this case, there could be a suspicion of conflict of interest. This is what the Senate and House of Commons Act is intended to prevent. If, however, a contract is not involved and the financial assistance, rather than being awarded on a competitive basis, is available to a class of individuals or businesses, there would be no possibility of conflict of interest.

I would submit that the Senate and House of Commons Act even now does not apply to such programs. Having said this, it is important to ensure that Section 20(1) of the present Act is properly administered so that the statutory clause prohibiting Members of Parliament from participating in or benefiting from any government contract, agreement or commission is not inserted in any general program of financial assistance.

I know that the Bill proposed by the Hon. Member for Moose Jaw is well intended that there is a clear understanding in connection with Members and with general assistance programs. I would also suggest, and I take heed of the suggestions made, that this motion go to a standing committee for study. Therefore, I move:

• (1730)

That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:

"Bill C-257, an Act to amend the Senate and House of Commons Act (independence of Parliament), be not now read a second time but that the Order be discharged, the Bill withdrawn and the subject-matter thereof referred to the Standing Committee on Elections, Privileges and Procedure".

Mr. Les Benjamin (Regina West): Madam Speaker, I would like to take a few moments to say a word on this Bill. Now that a motion has been moved, I think the Hon. Member for Moose Jaw (Mr. Gottselig) would be able to speak again. I would be interested to know if he would be prepared to accept the motion put by his colleague. If he is satisfied with it, he will not get any argument from me or my colleagues. If he is not prepared to accept it, we are quite prepared to help him turn it down, although I think he is stuck. Even if he just gets the subject matter of his Bill before committee, then at least he has gotten that far.

I think that the Hon. Member is worrying too much. There are many others of his colleagues who should have been worried about conflict of interest. In this instance, I do not believe that the Hon. Member had a worry.

With government agricultural programs to which a farmer contributes, there is no problem, whether it is crop insurance, the Western Grain Stabilization Act or other programs. If a farmer contributes, he pays a premium to be covered.

In the case of the Special Grains Program, the Hon. Member as a farmer would of course have a direct interest in the matter, and, though I am no lawyer, I think that there is something in law about the rule of general application. If a program like the Special Grains Program is universal, then every farmer who holds a Wheat Board permit is eligible. It would not matter if the Hon. Member for Moose Jaw were a farmer, a Member of Parliament, an MLA, an alderman or a rural municipal councillor, or none of the above. He would be included under the umbrella of the general application of that particular law. That is why I think the Hon. Member was worrying too much.

If we were to follow the argument to its logical conclusion, then all of us would be in conflict of interest. For example, Members from all sides fight for improved old age pensions for which we are eligible. At the same time, MPs draw a pension as MPs if they have been here for six years or longer. One could conclude that there is a conflict there.

Corporate executives often come to this place. If a Member were to be on leave of absence from a corporation and his corporation, by taking advantage of a government program which meant millions and millions of dollars for the corporation, were to give him a better deal on his stock options, his dividends or his pension, he would be in a conflict of interest. That is why I think my hon. friend is worrying too much about this matter.

In any case, if this will make the Hon. Member or any other Hon. Members who come here from the farming or fishing communities feel more comfortable and more straightforward, that is fine. I have no problem with that. If that is all it will take to make them feel better, I am quite willing to help.

I wish to say something else as well. When I came here, I burned all my bridges behind me. I learned from other people who had been in this place years and years before me that if an MP is to do a full, good job representing his federal constituency, he does not have time for anything else. Some of my caucus

colleagues gave up their law practices, ministries or businesses completely to be Members of Parliament on a full-time basis.

A dear friend of mine served as a Member of Parliament for the old Kindersley constituency in the 1950s. After he had been here for about two or three years, he showed me the books for his farm. He was subsidizing the farm out of his MP's pay. That was in about 1955 when the pay was about $8,000 per year with about $1,500 per year expense allowance. He was subsidizing his farm out of MP's pay. I suspect, or at least I would not be surprised if the Hon. Member for Moose Jaw were doing the same damned thing right now. In the perception of the public, I believe that no one with a fair mind would think for one moment that the Hon. Member for Moose Jaw or anyone like him is in a conflict of interest.

I want to emphasize for all of us that if we decide to run for Parliament and if our constituents decide that we are the ones they want to be here on their behalf, we do not have time for anything else if we are to do a good job at it. I do not want to butt into the Hon. Member's private affairs, but I know that if I had a farm, I would sell it if I could find someone to buy it at a reasonable price, or I would have it incorporated. I would have no part whatsoever in it. The wife, the kids or a hired man would run it and I would have no part in it whatsoever. It would be at more than arm's length because the load is too heavy.

With the problems farmers are having nowadays along with the duties of a Member of Parliament who represents the thousands and thousands of square miles that the Hon. Member represents as well as 60,000 or 70,000 people, Members do not have time to worry about their farms. I just offer that as some free, unsolicited advice to my hon. friend from Moose Jaw, but I think it applies to all of us. We do not have time to run home for a couple or for three days a week to work on our real estate businesses, our insurance businesses or our law practices. If we are to do a half-decent job down here, we should not mix the two together. It does not work. I have seen too many who did not survive in this place for very long.

One of the reasons for the high turnaround here is that Members kept mixing one business with the other when the main reason they were here was to be Members of Parliament. If that is not their main business, they should quit. I know that that sounds harsh and hard, but I think that all of us here have a job, an honourable and worth-while profession. I think we all work very hard at governing ourselves accordingly.

Having given free advice to my hon. friend and having given my little lecture for the benefit of all of us, I want to say that I hope that the Government will at least agree to have this matter brought into committee. I hope it will also agree that any new conflict of interest guidelines will specifically include the rule of general application or universality for payments from the Government under any kind of program of this nature. If the Hon. Member's farm were eligible for $1,000 or $2,000 from the Special Grains Program and he had spent it all on a wild time in Mexico, I would be a little leery. However, I know darn well that if he was eligible and did get any money, he sunk it all back into the farm and must put some more in. That is why he need not worry about conflict of interest in an instance such as this.

• (1740)

Mr. Gottselig: Madam Speaker, it was generally accepted that the principle which I was trying to establish was supported by all Parties in the House. Each speaker in turn has referred to my intent. As a result of the intervention made by my colleague, the Member for Regina West (Mr. Benjamin), I wanted to add that I understood that in the past there was an instance in which a farmer's right to a program was questioned by virtue of the fact that he was a Member of the House of Commons.

I wanted to clarify that in order that anyone contemplating running for the job of a Member of Parliament would know full well that they would be eligible for any government programs which may be made available. As the Member for Regina West has mentioned as well, I am fully aware that we are, of course, fully entitled to partake in any program for which we pay a premium to belong.

The motion introduced by my colleague, the Member for Sarnia—Lambton (Mr. James), is, of course, certainly acceptable to me. I intend to pursue this with the Standing Committee on Elections, Privileges and Procedure in order to ensure that it does proceed from there, that it is not put on the back burner and left there until we all forget about it, because I do believe that this should be clarified. Legal advice that I received from House of Commons staff was that this standing committee was the proper one to examine this. I certainly have no difficulty with that.

I would like to thank the Hon. Members who took part in this debate this afternoon. This is another example of how we can all agree on legislation. We all understand the intent of my Private Members' Bill and it was supported by all Members of all Parties who spoke this afternoon. I would just like to thank them for their support.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Amendment (Mr. James) agreed to.

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

Some Hon. Members: Agreed.

Motion, as amended, agreed to.

The Acting Speaker (Mrs. Champagne): Accordingly, the Order is discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Elections, Privileges and Procedure.

Order discharged and Bill withdrawn.

The Acting Speaker (Mrs. Champagne): Is there unanimous consent to call it six o'clock?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): The time provided for the consideration of Private Members' Business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CANADA MORTGAGE AND HOUSING CORPORATION—LACK OF AFFORDABLE HOUSING IN TORONTO

Mr. Reginald Stackhouse (Scarborough West): Madam Speaker, I take the floor this afternoon to refer to the need for the Government to deal with the housing crisis in Metro Toronto in a unique way. Prices have soared to heights that no one would have believed possible even five years ago. Rents have gone into orbit. There is no relief in sight.

My reason for focusing attention on this issue today is to ask the Government to face the reality difficult for many Canadians to see, that is, that the problem is not the same uniformly throughout the country. Metro Toronto and other massive urban communities like it are not the same as towns, villages, and smaller cities and they should not be treated the same. When government policy on housing is determined, it is not good enough to have a policy that seems good across Canada. Some areas have special needs and need special policies. Metro Toronto is one of these.

It is possible for apartment vacancy rates to vary so much across the country that the rate can be zero in the City of Scarborough, the city in which I live and which I represent, while apartments are plentiful in communities elsewhere in the country. In 1985, for example, the national vacancy rate was 1.4. The Metro Toronto vacancy rate was only 0.4, three and one-half times less the national average. It is even more serious, more critical, more impossible, in Metro Toronto now.

In 1987 the price of a standard two-storey house in the Halifax-Dartmouth area went up on an average of about 4 per cent. In Vancouver the rise in the same year was about 8 per cent. These are very serious rises in view of the general cost of living going up about 4 per cent, but in the Toronto area the increases varied district by district from a low of 18 per cent to a high of 77 per cent in 1987.

Just recognize what that means to a person seeking a home, not just because he or she prefers to live there for personal reasons, but because that may be the place where there is an opportunity for a job, a chance to practice a profession, a chance to rise in an organization. There is no doubt that work is there. We have unemployment rates approaching zero. However, the pressure on people to find housing that they can afford makes the invitation of full employment less attractive than it should be.

I will not be surprised if the spokesperson for the Minister responsible for the Canada Mortgage and Housing Corporation replies by telling us how much has been spent on social housing in Toronto, how many housing units have been started in Metro Toronto either under government funding or by private enterprise. With all respect to the spokesperson, Madam Speaker, that reply will be like claiming that we have found a cure for cancer because we have increased the supply of aspirin.

The solution does not lie in meeting some of the need that would be normal in normal times. Our need is critical in a crisis time, made so not because Metro Toronto people are greedier than anywhere else, not because they are grasping in a way that you will not find anywhere else, but obviously because the population there is growing at a rate which outstrips almost any other area in the country.

I submit that that is to the good, not only of the people of Metro Toronto but to the people of Canada generally because the prosperity and upturn of business in that area creates purchasing of products and commodities which come from elsewhere in the country. We are, by our very growth in Metro Toronto, serving Canada. That same growth is making it almost impossible for many people in Toronto to find accommodation.

• (1750)

I am asking that for once Metropolitan Toronto and other massive urban areas like it begin to get the kind of recognition that their people deserve. I am impressed how business in the metropolitan area of Montreal has taken an upturn in recent years. I rejoice in the renewed prosperity there. That is putting a pressure on housing in Montreal and it is striking to contrast the prices for accommodation in Montreal today and just a few years ago.

I am not asking for a favour to be given to one area, rather, recognition to be given to one type of area which is growing at breakneck speed. Because the demand for accommodation is pressing on the available supply, we are facing prices for houses and rents for apartments that a few years ago would have defied imagination.

I ask that we recognize this situation. If we have a special problem, let us deal with it in special terms. Why treat those

areas as though they were like anywhere else when they are not? The Government should issue as soon as possible a policy on housing in major metropolitan areas. If we make the effort and come forth with a creative and imaginative solution, we will find a response from people from one coast to another.

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to the Minister of Consumer and Corporate Affairs): Madam Speaker, I am very pleased to have this opportunity to discuss the federal government's initiatives in providing adequate and affordable housing for Canadians, particularly as it affects the people of Toronto.

The government is aware of the situation in Toronto and is monitoring the market very carefully. Of course the Hon. Member for Scarborough West (Mr. Stackhouse) is greatly interested in this question and keeps the Government aware of developments in that sector. We are all indebted to him.

Madam Speaker, the federal government is doing a great deal to facilitate the activities of the private market and is promoting access to and security of homeownership in a number of ways: through public mortgage insurance, the new *mortgage-backed securities* program, policies to support moderate and stable interest rates, and, more generally, through good economic management.

Since September 1984, the Ontario and Toronto economy has been booming. It may be the strongest economic area in North America. Madam Speaker, in 1987 there were 33,613 housing starts in the Toronto area, compared with 21,430 in 1986: a 57 per cent increase and 12,000 additional jobs.

The market is operating at capacity and federal government intervention would create an inflationary environment that can do more harm than good. It certainly would not help those in greatest need.

As the Hon. Member is aware all government funds are now being directed to those in greatest need. This applies to Toronto and throughout the rest of the country.

Because social housing is an area of shared federal/provincial responsibility, it has meant more funds than ever before are now being directed to those in greatest need. Madam Speaker, I vividly remember the representations which the Hon. Member for Scarborough made before our caucus and which prompted the Government to make this decision. Again, we are grateful to him.

In the Toronto area in 1987, the federal and provincial governments provided assistance to more than 2,200 units under the social housing and co-operative index-linked mortgage programs. This is more than 38 per cent of the total for Ontario. Over the past five years over 12,000 social housing units have been provided. This is in addition to the existing 100,000 households in the metro Toronto area already receiving federal assistance.

Madam Speaker, providing affordable housing is not exclusively a government concern. The Toronto area home-builders have recently brought forward interesting design proposals. The not-for-profit housing sector continues to be actively involved. Municipalities have an increasingly important role to play in ensuring the creation of affordable housing, as does the provincial Government.

The Hon. Member is quite right when stating that the situation in Toronto is tragic. I would hope that the provincial Government of Mr. Peterson—to a large extent it is responsible for finding the solutions required—will soon be in a position to unveil a policy to encourage contractors to build affordable housing units for Toronto residents.

OFFICIAL LANGUAGES—USE OF FRENCH IN COURTS—REQUEST THAT DEPUTY PRIME MINISTER CONTACT SASKATCHEWAN PREMIER

Mr. Jean-Robert Gauthier (Ottawa—Vanier): On March 28, Madam Speaker, I directed a question to the Deputy Prime Minister (Mr. Mazankowski) to find out what his Government intended to do to encourage, urge and if necessary pressure certain provinces to recognize Canada's linguistic duality which they endorsed in the 1987 constitutional deal known as the Meech Lake Accord. I am referring to the situation which exists in particular in Saskatchewan where an historic decision rendered by the Supreme Court on February the 25th of this year completely changed the status of the linguistic rights of the French minority in that province and probably in Alberta as well. The whole affair began five years ago in 1983 when Father Mercure, a Saskatchewan resident was arrested for speeding by a police officer. Upon being issued a citation in English, Father Mercure decided to complain and demanded a speeding ticket in French. Moreover, he asked for a French copy of the Saskatchewan Motor Vehicle Legislation as well as a trial in French. After being turned down by various jurisdictions, his case was finally heard by the Supreme Court—

[*English*]

More specifically, the appellant wanted to know whether Section 110 of the Northwest Territories Act continued to apply to Saskatchewan by virtue of the Saskatchewan Act, and whether the rights derived from this section require the Saskatchewan legislature to publish its laws in English and French. Furthermore, the appellant wanted to know if he has the right to use the French language in proceedings before the Saskatchewan courts as derived from Section 110.

The Supreme Court said yes to all those questions. This judgment invalidates all provincial laws adopted since 1905 in Saskatchewan because they were unilingual English and established the right to speak French before the courts and the legislatures.

[*Translation*]

From a strictly legal point of view, Madam Speaker, the situation is clear. Either the province translates all the statutes

it has adopted since 1905 because they are invalid in their English only version, or it adopts bilingual legislation, which is ironic, but it is nevertheless the solution which the Supreme Court suggested, making it possible for the province to bypass Section 110 as it is authorized to do under Section 14 and 16(1) of the Saskatchewan Act.

Hardly a week ago, more specifically on Monday April the 4th, 1988, the Saskatchewan Government introduced Bill 2 to repeal Section 110 in Saskatchewan. This action is legal, there is no doubt about that, in view of the ruling of the Supreme Court to the effect that the province could choose this option. But is it fair? We will see. Personally, I feel it will cause serious problems for the Francophone minority in Saskatchewan as well as other minorities in this country, whether Quebec Anglophones or Outside Quebec Francophones. Is it fair? That is the question.

An Hon. Member: It is unfair!

Mr. Gauthier: That is the whole issue, and we should not overlook the fact that the Saskatchewan Legislature adopted a resolution stemming from the Meech Lake Accord. The House will remember that three provinces, namely Saskatchewan, Alberta and Quebec agreed to the Meech Lake Accord. Here, in Ottawa, the House of Commons itself voted recently on this. So, there is nevertheless a certain spirit in the Meech Lake Accord that should be respected and in introducing Bill 2 to repeal Section 110 Saskatchewan reduces the basic rights. This is clearly a step backward and no step forward in that matter. This is clearly a setback for fundamental rights, the rights of access to the legislature and the courts in that province, in French and in English.

The irony here, Madam Speaker, is the wonderful rethoric of the province saying that the rights will be exercised now and that it recognizes that this Bill might not be the solution to this problem but it is a step in the right direction. As for me, I said it earlier and I repeat it, to curtail those rights looks to me like an affront to those rights, those established rights French speaking people enjoyed in Saskatchewan. All the Francophones, not only those living there but all the Francophones in the country had, in Saskatchewan, rights they could exercise sometimes if they had to come before the courts or before the legislature.

• (1800)

Premier Devine could have shown leadership. He missed a great opportunity to be generous. As for me, I said it before and I say it again: in making that decision, Saskatchewan is far from being open, generous and concerned with minorities. It is a step back and a regressive measure which limits the rights of Francophones in that province and, as far as I am concerned, it is not a step forward.

As for Prime Minister Mulroney, he missed an opportunity to show national leadership. He didn't move until both governments were at loggerheads. He didn't do anything between February 25 and April 8. On April 8, following three letters I sent him on April 5, 6 and 7, he finally wrote Mr. Devine, the Saskatchewan Premier, to ask him to do more and more quickly because, as is often the case with the Prime Minister, he applies a double standard. He said that some people see it as a petty measure restricting the rights of Francophones. We do not accept that provision because, in the spirit of Meech Lake, we must protect minorities.

But other people feel that it is a step forward, like the Minister of State for Federal-Provincial Relations (Mr. Lowell Murray) who said: It is not a big step, but it is a step in the right direction. I told Mr. Murray, that he was wrong because, once again, we must show faith in that province. And who could show faith, Madam Speaker? If I had the time, I could list the difficulties we had in getting Saskatchewan to honour Section 23 of the Constitution dealing with education. It has been five years since that legislation was passed, since the Constitution was amended and since Saskatchewan committed itself to protecting the fundamental education rights of its larger minority, the Saskatchewan Francophones, and nothing, absolutely nothing was done during all that time for that minority, Madam Speaker. I repeat nothing, no French schools, no administration of independent French schools, no Francophone school board, nothing! Absolutely nothing under Section 23! How do you expect me or other people to trust a Premier who said: wait another 10 or 15 years and this province will be bilingual as our Prime Minister reported today.

Mrs. Speaker, you do not take fundamental rights away from a group of people in a province and say that those rights will be restored in 15 years. That is not how justice works in Canada and that is not what my country is all about, Mrs. Speaker.

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Madam Speaker, when I hear comments of that nature from the Opposition side . . . Perhaps his party, when it was in power, could have done its share too.

On March 28, 1988, Madam Speaker, the Hon. Member for Ottawa—Vanier (Mr. Gauthier) asked a series of questions related to the following three subjects: implementation of minority-language education rights under Section 23 of the Charter, implementation of the provisions of the Criminal Code relating to the language of trials and the use of the official languages in the Province of Saskatchewan as a result of the decision rendered by the Supreme Court of Canada on Section 110 of the former Northwest Territories Act.

Madam Speaker, although it is up to the provinces to respect their own constitutional obligations in the field of education, the Government of Canada has intervened in almost all cases affecting minority-language education rights in order to promote a broad and equitable interpretation of Section 23 of the Charter. In terms of policy, the Government of Canada has made a solemn commitment in Bill C-72 to encourage the country's francophone and anglophone minorities. To this end, it has confirmed the role that the Secretary of State of Canada has long played in this field. Among other responsibilities, the

Secretary of State through some measures encourages and assists provincial Governments in the development of our French-speaking and English-speaking minorities by enabling them to have their children educated in their own language. In this regard, the federal-provincial agreements on education in both official languages are an important part of the cooperation.

As far as court language, I would like to remind the Hon. Member that the provisions of Part XIV.1 of the Criminal Code which give the accused the right to have a trial before a judge or a judge and a jury speaking his or her official language, will be implemented in all jurisdictions by 1990. This is guaranteed by Clause 89 of Bill C-72. In the meantime, Clause 98 of the same Bill provides that in all the provinces where Part XIV.1 is not yet in force, the accused has a right to the interpretation of proceedings both at the preliminary hearing and at the trial, and the witnesses can testify in the official language of their choice. Needless to say the Minister of Justice is in consultation with the provinces . . .

Mr. Gauthier: Eleven years!

Mr. Vincent: Madam Speaker, the Hon. Member from the Opposition says: Eleven years. The Conservative Party as been in power for only four years. More has been done in the last four years than in the last eleven years. The Opposition member is the one who brought the issue.

Hence, needless to underline the fact that the Minister of Justice continues his consultations with the provinces in order that Part XIV.1 of the Code be applied as soon as possible. Such efforts have already brought in 1987 three provinces, including Saskatchewan, to proclaim these clauses.

Madam Speaker, as far as the province of Saskatchewan is concerned, the Hon. Member should know that the Prime Minister has written the provincial Premier to confirm the statement made earlier by the federal Minister of Justice to the effect that the Canadian government is ready to offer the same help it previously gave in similar circumstances in view of a full application of the Supreme Court decision. Furthermore, the Prime Minister has asked the Minister of Justice and the Secretary of State to immediately resume discussions with Saskatchewan officials. As well, the Prime Minister has asked the Secretary of State to personally negotiate a general agreement on official languages with the province of Saskatchewan. The Hon. Member will thus recognize that the Canadian Government does not spare its efforts in order to try and solve this national issue.

The Acting Speaker (Mrs. Champagne): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p. m., pursuant to Standing Order 3(1).

The House adjourned at 6.07 p. m.

HOUSE OF COMMONS

Tuesday, April 12, 1988

The House met at 11 a.m.

Prayers

• (1110)

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

TABLING OF EXTRACT OF MINUTES OF MEETING OF BOARD OF INTERNAL ECONOMY RESPECTING SALARY REVISIONS

Mr. Speaker: I have the honour to lay upon the table an extract from the minutes of a meeting of the Commissioners of Internal Economy held on Wednesday, March 16, 1988, concerning revisions of the salaries of employees of the House of Commons effective April 1, 1988.

* * *

[*Translation*]

CANADIAN HUMAN RIGHTS COMMISSION

PRESENTATION OF ANNUAL REPORT

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have the pleasure of tabling, in both official languages, the 1987 Annual Report of the Canadian Human Rights Commission.

* * *

AIR CANADA

TABLING OF ANNUAL REPORT (1987) OF CROWN CORPORATION

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I have the honour of tabling in the House today, in both official languages, two copies of the 1987 Annual Report of Air Canada.

[*English*]

POINT OF ORDER

PROVISION OF ADVANCE COPIES OF PROPOSED STATEMENTS BY MINISTERS

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, considering that it is customary to distribute copies of Ministers' statements in advance and we have yet to receive a copy of this document, and considering that this is parliamentary practice and that we appreciate civility in this House, the Minister should have given us reasonable notice. It is now 11.17 a.m., and we have not yet received a copy of the statement. I therefore suggest that the Minister, in the interests of this House and of intelligent and democratic debate, postpone his statement until we have the copies and have had time to look at them, and I suggest that we revert to Statements by Ministers later today.

[*English*]

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I also rise to simply register a concern that if the Minister is going to be making a minor statement or perhaps an almost inconsequential statement on some matter, one might understand that he might be a bit remiss in providing us with a copy in advance of such a statement. However, in this regard, I would like to suggest that the Chair consider one of two alternatives, that is, that adequate time be given to the Opposition to review the statement in order to allow us to reflect and provide an intelligent and thoughtful response, or, as a last resort, at least an opportunity be given so that there will be a chance later in the day for the opposition Parties to respond to the Minister's statement.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I would like to respond, if I may, to my colleagues' comments.

Our Government has tried wherever possible to make full use of ministerial statements so that important government announcements are made in the House of Commons where they should be made and wherever possible we have done that. Also, in keeping with the courtesies of the House, we have made every effort to make copies of the statement available to the Opposition House Leaders and critics in order that they may respond to the statement made. We understand that need.

I would suggest, in view of the nature of the statement, which I am sure will become clear to the House, that the appropriate method in this case would be to have the Minister

make his statement and to reserve, which in fact will give my colleagues more time than usual, the time which would be given normally to the opposition Parties to reply. We can reserve that time and I can meet with my colleagues to decide on an appropriate time. They may wish to do it shortly after Question Period, but I can work that out with the Opposition House Leaders.

We have copies of the statement. We would be prepared to distribute those as quickly as possible so that those Members can follow along as the Deputy Prime Minister (Mr. Mazankowski) makes his statement.

[*Translation*]

Mr. Speaker: The Hon. Member for Ottawa—Vanier made a statement about a traditional custom in this House which consists in receiving a copy of a Minister's statement in advance. This custom is very important in terms of co-operation among the Members and Parties in this House.

But we also have a comment by the Hon. Member for Kamloops—Shuswap (Mr. Riis) . . .

• (1120)

[*English*]

He has made it quite clear that in his own Party's view, and under all the circumstances, the Opposition should have had a copy of the statement. However, the Hon. Minister of State (Mr. Lewis) has risen and expressed some regret that that was not possible at this time. He has proposed that the Hon. Minister make his statement now and that time be reserved later in the day for an adequate response by spokespersons for the Official Opposition and for the New Democratic Party.

As far as the Chair is concerned, if that is the disposition of the House, then the Chair would be very pleased to co-operate. Perhaps the Chair can have some response from Hon. Members.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, we thank you for your comments. I thank the Minister of State for his comments as well.

I operate under the assumption that the Deputy Prime Minister (Mr. Mazankowski) would have preferred that I have in my hand and that my colleague from the New Democratic Party have in his hand a copy of the statement which the Minister is about to deliver. I operate under the assumption that the Deputy Prime Minister would have preferred that that notice, which I received as the Speaker was speaking and which states that there will be a statement, had arrived an hour or an hour and a half ago. I operate under positive assumptions about the Government's intentions.

I say to the Deputy Prime Minister and to the Minister of State that there is a resolution to this problem. It is a problem and it concerns an important tradition in this place. The Deputy Prime Minister wanted us to have copies of the statement but for some reason outside the House that did not work. He will talk to the appropriate staff people. I spoke a moment ago to the Deputy Prime Minister who told me that he was hoping that the statement would be here momentarily. Let me suggest that it would be in the interests of the House, in the interests of the Government and in the interests of the traditions of this place that the Deputy Prime Minister make his statement at 12 o'clock. Hopefully the statement that the Deputy Prime Minister assured me would be forthcoming momentarily will be in our hands within five minutes. That would give us the usual time to have a look at it. We could then have the Minister's statement, not delayed too long, and the response of the spokespersons all at the same time in the House.

With all-Party consent that is more than a reasonable suggestion I would submit to you and to all my colleagues in the House, Mr. Speaker.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise to support the suggestion made by the Hon. Member from Newfoundland. As spokesperson for the New Democratic Party on this subject, I understand that the statement the Minister is proposing to make is very important. It is a statement which would change the status of a major Crown corporation.

It seems to us obvious, and I think all Hon. Members would agree, that spokespersons for the opposition Parties ought to have an opportunity to give consideration so that they can comment in a constructive way in response to an important change being proposed by the Government. I see no reason why we could not have this matter delayed until 12 o'clock at which time we could deal with the matter in the usual way.

Mr. Lewis: Mr. Speaker, up until a few moments ago we were dealing with this matter in the hypothetical with respect to its subject matter. I submit that, in view of the fact that the subject matter is now on the floor of the House, the appropriate thing to do is have the Deputy Prime Minister proceed with his statement. We will reserve and make arrangements at whatever time is convenient to the Opposition for time to respond. We will co-operate so that they can respond comprehensively to the Deputy Prime Minister's statement.

I suggest to you, Mr. Speaker, in view of the fact that the subject matter is now on the floor of the House and within the public purview, that it would be appropriate for the Deputy Prime Minister to proceed at this time.

Mr. Gauthier: Mr. Speaker, I regret that the Minister cannot understand the dilemma we are in. I am not arguing the substance of the subject matter. As a matter of fact, officially, I do not know what the statement is all about.

Some Hon. Members: Oh, oh!

Mr. Gauthier: If the substance of the matter is in front of us I admit that I do not know what is being talked about in terms of what the Minister will say in his statement except that it is in regard to something relative to his portfolio.

I know the option that the Government can use. The Minister can go out of the House and make the statement, and no one in the House can stop him from doing that. I realize and appreciate that. The Minister is trying to co-operate with us. We should be given copies of the documents and we should wait a few minutes. The Government should be reasonable with us. We will hear his statement and our responses will be made in a democratic way. We will have debate. That is what the House of Commons is all about. We do not want to have a debate on one subject and a response to it a half an hour or an hour later.

I see that the statement is being circulated now. I am very happy. Give us 20 minutes to read it and we will proceed. The House of Commons will not fall because of that.

Mr. Riis: Mr. Speaker, there is a serious problem before us. There is a resolution. We have just now been presented with the Minister's statement. It is a reasonably lengthy statement compared to most.

As the Deputy House Leader has indicated, we follow the tradition in a most appropriate way. I cannot recall, other than the odd exception, when a Minister has not given us more than adequate advance notice concerning a statement to be made.

May I suggest, since the Government has indicated that it is not prepared to provide us with a few moments to read the statement, and in view of the fact that it has only been circulated in one official language, which is a problem, and an understandable one, and I believe we now understand at least the nature of the statement and we recognize its importance, that at least a few moments be set aside. As a result I would move that this House do now adjourn.

Mr. Speaker: Just to recapitulate, the Hon. Member for Ottawa—Vanier (Mr. Gauthier) and the Hon. Member for Kamloops—Shuswap (Mr. Riis) have risen on the same point of order. We have continued on that same point of order.

Basically, members of the Opposition have been asking that they have some time to read a copy of the Minister's statement. I think the general consensus on the opposition side is that they would return within a reasonable period of time, perhaps by noon, when the Minister would give the statement and the Opposition would then reply.

First, let us consider the procedural law. It is quite clear that if the Minister wishes to go ahead, and while I have certainly remarked to the Hon. Member for Ottawa—Vanier that there is a long-standing tradition of giving notice to the Opposition, strictly speaking, he can go ahead at this time and make a statement.

The Hon. Member for Kamloops—Shuswap has proposed, in view of the fact that this discussion has gone back and forth and has not resulted in a complete agreement, to move that the House adjourn. I have to advise the Hon. Member that there are long-standing precedents that make it quite clear that such a motion to adjourn, which in ordinary circumstances is not debatable, cannot be made on a point of order. I bring that to the attention of the Hon. Member.

I have a suggestion to make; that I adjourn statements by Ministers for the moment and carry on with routine proceedings. I suggest that both sides speak with each other, and it might be that by the time I have finished with routine proceedings they will have resolved this matter in an agreeable way.

Mr. Lewis: Mr. Speaker, I appreciate your comments and am naturally guided by your wisdom. However, I think the whole point of this is that this matter could have been handled strictly by discussion among the House Leaders, in the hypothetical, if in fact the Hon. Member for Winnipeg North (Mr. Orlikow) had not brought the matter to the floor of the House. I think that is a subject to which the Chair might wish to apply itself.

Mr. Tobin: When you give advance notice you always mention the subject matter. That is not a good argument.

Mr. Lewis: It is because notice is often given with the understanding that it is embargoed. As my hon. friend for Ottawa—Vanier has said, he has no official notice of what is the subject matter of the debate. Therefore we were able to deal with the hypothetical until, unfortunately, our colleague from Winnipeg spilled the beans, so to speak.

• (1130)

I would suggest to you, Mr. Speaker, in view of the importance of this statement that we should proceed to put it on the floor of the House immediately, and give the Opposition an opportunity to respond, at its timing. I am prepared to do that, whether the members of the Opposition want to do it earlier or later.

I wish to return to the original point. Yesterday we saw a request for an emergency debate in which technically the person who had asked for it was not present. We acquiesced and let my friend, the Hon. Member for Kamloops—Shuswap (Mr. Riis) go ahead and make his argument. You will appreciate, Mr. Speaker, that there is no opportunity to respond. We let that happen. We are now asking for the same spirit of co-operation; not motions to adjourn the House—

Ms. Mitchell: It is a very different issue.

Mr. Lewis: —in order that this important statement can be made on the floor of the House of Commons. It could obviously be made at a press conference and brought back here to be debated.

Ms. Mitchell: Admit it, you made a mistake.

Mr. Lewis: But we have done the honourable thing by bringing it to the floor of the House of Commons first. In view of the nature of the statement and its subject matter, I suggest that it would be appropriate for it proceed now, and during the

statement the House Leaders could co-operate in finding an appropriate time to respond.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, it is clear to those who respect this House as we do . . .

[*English*]

As it is your duty, Your Honour has made a very reasonable proposal to the House; not cutting off the debate tomorrow morning or this afternoon. Your Honour has made a sound and reasonable proposal that will meet all the requirements and the traditions of the House, which is to have at least a few moments of reflection. It is not enough only to read the statement. My colleague who is the critic will want to consult for at least a few minutes. I am sure that the same applies to members of the third Party in the House, that they would like to reflect for a few moments before responding.

I have just learned myself that it is a statement of immense importance to the country. I know that the Deputy Prime Minister (Mr. Mazankowski), the new Minister of Transport (Mr. Bouchard), and the new Minister of State for Transport (Mr. St. Germain) are reasonable men. At this time I would like to take the first opportunity to congratulate the new Minister of State for Transport for his new appointment.

Surely, either the House follows your good advice and suspends for a little while, or I will make a suggestion directly to the Deputy Prime Minister. My colleague asked to suspend until 12 o'clock, others have said this afternoon. Why do we not follow the very intelligent suggestion of the Speaker to temporarily suspend and do the entire "show" at 12.15 p.m in a row.

Personally, I would like to say to the Deputy Prime Minister that it is a good proposal, but I do not like it. It is a precedent. The British parliamentary system works by precedent. Why should we have a statement first? Give us some time for reflection and then we will come back. The press will already have the full statement of the Minister. Then while they are doing their very important work we will ask any critic if he or she has anything to say now, but it will not matter any more.

I like the manner in which we have always proceeded. The Minister makes a statement and it is immediately followed by the various critics, then the press, which has an important job to do in reporting, can report in total and not partially on what is taking place.

My suggestion to you, Sir, as the Speaker and the guardian of the rights of the minority in this House, is that you made a proposal; if need be, why do we not adjust your proposal to fit the suggestion of the Deputy House Leader, and forget the time until 12.15 p.m. and do the full "show" at 12.15.

Surely the Deputy Prime Minister wants to have an orderly House. I see an Hon. Member indicating no. I want to have an orderly House. I know that the Deputy Prime Minister wants to make an important statement, or whomever is responsible. Surely it is not unreasonable to ask to postpone everything until 12.15.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I genuinely appreciate the words of my hon. friend who is a very distinguished Hon. Member of this House. I think that he also realizes and recognizes that when a statement is made it usually sets in motion a number of other activities and events so that it can be properly explained to the public at large.

I notice that Hon. Members were talking about 12 o'clock. The statement is before the respective Members now. Perhaps if I have a chance to explain it and elaborate as they follow through, it will be helpful to them in terms of responding. I submit that perhaps by the time I am finished it will in fact be 12 o'clock. With the very articulate and comprehensive explanation that I would provide to the House and the elaboration of some of the things contained in the statement, I think that Hon. Members will be much more enlightened and be able to respond more effectively.

As has been pointed out, as a Government we have made use of ministerial statements on many occasions. We believe that Parliament is where major and important statements should be made. There have been times when it has been absolutely impossible to get the notices to individual Members.

You and I, Mr. Speaker, have been around this House for a long time and have served in opposition. I can recall on many occasions that we were given an advance copy of a statement, or sometimes not even an advance copy of a statement, simply notice; perhaps at five or ten minutes to the hour, or during Question Period we would receive a copy of the statement and we would have to adjust our minds to responding to that statement.

Mr. Prud'homme: It was wrong then.

Mr. Mazankowski: Yes, it was wrong. In all deference to my hon. friend, the Hon. Member for Saint-Denis (Mr. Prud'homme), I think he would agree that we as a Government have tried to improve that situation.

I have to say to the Hon. Member opposite that the decision was only concluded by Cabinet this morning. It was impossible to give notice at a much earlier stage. I regret it very much. It is not my pattern, it is not my tradition, and it is not my custom. It is not our Government's tradition. I explained to the Hon. House Leader of the New Democratic Party, and I tried to explain to the hon. critic, my friend who represents his province so eloquently and the transport industry so well. I tried to make that explanation. I am not attempting to use the House of Commons in a callous fashion. I regret it very much, and I apologize to Hon. Members. I hope that with the fullness of time and the appropriateness of the statement that I am going to make they will understand and be in a position within 15 or 20 minutes to respond. I know that they will respond with vigour, conviction, and in a comprehensive manner.

Mr. Riis: Mr. Speaker, I regret that the Deputy Prime Minister (Mr. Mazankowski) has indicated that he plans to proceed regardless of the suggestion made by yourself or by others in this House in terms of a more businesslike manner in which to proceed.

I do wish to indicate clearly that I take exception to the position taken by the Hon. Deputy House Leader when he blames this debacle on the Member from Winnipeg. The Government has obviously made a gross error in bungling even the introduction of this major announcement, and it is a major announcement.

If this is the manner in which the Government plans to introduce this major change in government policy, God help us in terms of what that change will actually result in.

Mr. Tobin: Mr. Speaker, I too am disappointed that the Government has decided not to wait until 12 or 12.15 p.m., which would have been in the spirit of reform that we were told was introduced in this place, along with respect for members of all Parties who do not sit on the cabinet benches. I am sure my friend from British Columbia, although he has only recently arrived on the cabinet benches, is outraged, but is compelled by his cabinet solidarity to sit and say nothing.

• (1140)

Let me say to the Deputy Prime Minister that we hope this does not happen again. As I listened over the last 20 minutes of debate which Your Honour has wisely allowed, I have hardly had time to read the full 10 pages of the statement.

However, because Your Honour allowed this debate so that important points could be made, I nevertheless was able to focus on the important points being made and on the 10 page document.

With regret I now sit down and await the Minister's statement. I thank you, Mr. Speaker, if you know what I mean.

Mr. Speaker: I will hear one other Member on this point of order. The Hon. Member for York South—Weston.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I am wondering whether the Deputy Prime Minister (Mr. Mazankowski) and the Government have considered that this is a very serious decision which they are about to announce. I am also wondering whether the Government has considered the impact of this statement, in particular on the stock markets. This is a matter which will result in the privatization of a significant portion—

Mr. Speaker: I regret to interrupt the Hon. Member. He may well have a very important point, but it is beyond the point of order we are discussing.

Mr. Gauthier: Mr. Speaker, I rise on a personal point of privilege. I did not want to raise the issue, but since the NDP House Leader raised it, I hope the Government will have the French copies available to all of us at this time, so that some members of my caucus who cannot work in the English language could follow and possibly read the document as soon as possible. Make it a practice, please.

Mr. Prud'homme: Mr. Speaker, I rise on the same point. I was unaware of that.

[*Translation*]

I can assure you I was entirely unaware of the fact that no French copy is available for my colleague who wishes to take part in this debate. I think that is really going too far, Mr. Speaker. I know the Deputy Prime Minister of Canada (Mr. Mazankowski). I know he is a reasonable man. I am sure he would agree to postpone his statement until 12.15 p.m. We are not asking for the moon!

[*English*]

May I draw to your attention, Mr. Speaker, that we are now entering what perhaps will be the longest 12 weeks in a row since I have sat in Parliament. There will be no adjournment, nothing.

I am sure the Deputy Prime Minister knows that he will get my total co-operation if I could at times cool the atmosphere. However, it is going to be a hell of a long 12 weeks in the House, and this is not the way to proceed today.

It is a major announcement. We do not even have the French text. Mr. Speaker, you know that I am always sensitive when we talk about French and English.

[*Translation*]

But we don't even have the French copy. We cannot proceed at this time. Mr. Speaker, I suggest you make a special appeal to the Deputy Prime Minister and have the speech postponed. It is already 11.45 a.m.. Soon it will be noon, and we might go on talking until 12.15 p.m. Please try and show some co-operation. We aren't asking for the moon.

[*English*]

Mr. Nunziata: Mr. Speaker, I rise on the same point.

Mr. Speaker: The Hon. Member on a very short intervention.

Mr. Nunziata: This is not the first time the Government has introduced matters in the House without having the document in both official languages, at a time when the Prime Minister (Mr. Mulroney) and the Government are critical of what is happening in the Province of Saskatchewan where minority language rights—

Some Hon. Members: Oh, oh!

[*Translation*]

Mr. Speaker: I am very sorry about this because, as I said before, we have a tradition in this House of co-operation among the Parties and it includes giving the Opposition advance copies of Ministers' statements. Apparently, today

that was not feasible. I listened carefully to the Deputy Prime Minister's statement.

[*English*]

I have made a suggestion which might resolve both complaints, that is, insufficient notice and the difficulty of not having a copy of the statement in our other official language.

I have listened very carefully to all Hon. Members, but I hope the House will bear with me when I say that, strictly speaking and under the rules of this place, I cannot unilaterally intervene. The Hon. Minister has the right at this time to make the statement.

* * *

AIR CANADA

PROPOSED PARTIAL PRIVATIZATION OF CROWN CORPORATION

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, at the outset may I refer to the comments of the Hon. Member for Saint-Denis (Mr. Prud'homme). I have apologized to him, and I want to assure him, although we did not have a copy in French, that copies are being sent to him right now. This is certainly not to be construed as an affront to him personally, or as an affront to my good friend the Deputy House Leader of the Liberal Party. I have tried to explain and I will continue to try to explain the reason for it. However, as I have said, we have made it a practice of trying to make as many statements in the House as outside the House. Quite frankly, according to past traditions, a statement of this nature would not have been made in the House; it would have been made outside the House.

I can assure Hon. Members that there will be lots of opportunity for debate. We are making a statement of government intentions, and I would hope Hon. Members would take it in that light.

I respect your tolerance and patience, Mr. Speaker, and I say to my hon. friends opposite that I appreciate their understanding, even though I know that if I were over there I would probably be doing the same. There is that understanding, and I guess it is one of the advantages of having had the opportunity to serve on both sides of the House, something which the Hon. Member for York South—Weston (Mr. Nunziata) has not experienced and probably never will. Notwithstanding, I respect him as a colleague and as a friend. He always adds a lot of spice and vigour to debate in the House of Commons. I want to apologize to him as well for this misfortune. Hopefully he will understand and, as I go through the statement, he will recognize the importance of it and the implications.

My colleague, the Minister of Transport (Mr. Bouchard), tabled just a few moments ago the 1987 annual report of Air Canada. As one who has had the honour of serving as Canada's Minister of Transport, I have had the responsibility of being accountable to the House for Air Canada. I am thus particularly aware of the pride and expertise required of Air Canada's more than 22,000 employees necessary to achieve yet another successful year in providing safe and efficient air services to Canadians.

Air Canada's accomplishments are all the more impressive when the strong and competitive nature of the Canadian airline industry is considered. Air Canada has not operated under the protection of government regulation for several years. Indeed, the entire industry responded admirably to the inevitability of a freer market environment long before the National Transportation Act was passed.

Regulatory reform has increased competition and resulted in better service to all Canadians, whether through the three national airlines or the extensive and growing network of regional and local carriers which has provided better and more frequent service to many Canadian communities, particularly in the outer regions.

Rather than competing for a static, regulated market, Canada's airlines are now expanding the market by providing better service across Canada through innovation and efficiency. They are striving to meet the needs of the travelling public rather than the needs of a regulatory agency.

All airlines, including Air Canada, continue to serve important public purposes, but complete Crown ownership is not necessary to carry this out. In fact, the reverse may be true.

As Air Canada prepares itself for the 1990s, major new investments will be required. Air Canada must be able to make its own financial and capital decisions to remain and develop as a world-class airline company. Air Canada needs the same opportunities as its competitors to get the investment dollars it must have to grow. This morning the Cabinet committee of Planning and Priorities reviewed this matter and we have reached a decision.

[*Translation*]

Therefore, the Government has decided to allow Air Canada the freedom and financial options it needs to grow and continue to serve Canadians—while remaining Canadian-owned and controlled.

• (1150)

[*English*]

Consequently, legislation will be introduced shortly to permit all Canadians, but particularly Air Canada employees, to participate directly in the ownership of this internationally respected and successful airline.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: The legislation will permit the transfer of all Air Canada shares to the public. Once the legislation is passed, appropriate financial regulatory steps are taken, and market conditions permit, the Board of Directors of Air

Canada will be asked initially to offer a treasury issue to all Canadians. On completion of this initial offering the Government's holding will be reduced to no less than 55 per cent of the shares of Air Canada.

In January of 1985 the Prime Minister (Mr. Mulroney) said that while Air Canada was not for sale at that time "There may be some persuasive arguments in the case of Air Canada that some people can make in regard to the disposition of equity. I'll take a look at it, but Canada needs a national airline".

The policy announced today is fully consistent with the Prime Minister's statement to ensure the existence of a national airline while allowing for the disposition of equity so as to attract new capital which is clearly required.

Since that statement was made some three years ago we have taken a careful and exhaustive look at the industry and at Air Canada, and indeed there are persuasive arguments for taking this initiative at this time. Canada has now not one national airline but three. The results of regulatory reform and the passage of the National Transportation Act have created a new environment and with it a stable, viable, and very competitive airline industry in Canada.

In 1988, partly due to the policies of the Government and largely due to the remarkable success stories of the employees of Air Canada and its competitors, both Air Canada and the industry are ready. Indeed, blind devotion to state enterprises would be the only possible reason for not proceeding at this time. Government should not jeopardize the airline's future by denying it the chance it wants and has earned, after 51 years in the public sector, to fly independently.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: While full details of this initiative will be contained in the legislation and will be developed by the Board of Air Canada over the coming months, I wish to inform the House further today of a few of the most important provisions under which this initiative will proceed.

First, Air Canada will be directed to use innovative new approaches to ensure that as many Canadians as possible will have the opportunity to participate in the ownership of the airline. Second, an employee share purchase plan will be established and financed by Air Canada and will be ready at the time of the initial offering. Third, no individual shareholder will be permitted to own over 10 per cent of the publicly issued shares.

Ms. Mitchell: B.C.—BCRIC all over again.

Mr. Mazankowski: I know my socialist friends across the way don't like private enterprise except in Oshawa.

Fourth, cumulative foreign ownership will be subject to a restriction of 25 per cent of the publicly issued shares. Fifth, the Minister responsible for privatization will retain the Government's shareholding but will not intervene in Air Canada's commercial decisions. Sixth, the Government will instruct the Chairman of Air Canada's Board of Directors to vote its shares in accordance with the majority of the public shareholders. Therefore, it will be clearly an arm's length relationship.

The major operational and overhaul centres which have been built up over the years in Montreal, Toronto, and Winnipeg are sources of great pride for Air Canada and fundamental to the success of this airline. No centres will be degraded. The overhaul base in Winnipeg will continue as a prominent and integral function of Air Canada and an aircraft fleet will continue to be maintained there. These centres which have been built up over the years will be continued as the airline builds for the future in the new market-driven environment.

The provisions of the legislation and/or the articles of incorporation of the new company will ensure that the location of the corporate headquarters remains in Montreal, that the requirement that Air Canada provide services in both official languages consistent with the Official Languages Act will be maintained, as well as adherence to the Employment Equity Act. Air Canada employees can be assured, furthermore, that Air Canada policies such as those governing salaries, pensions, benefits, relationship with unionized workforce, official languages, and employment equity will be continued.

Of course, the National Transportation Act will continue to give the Government complete jurisdiction over critical areas such as safety and security, our first priorities in setting any transportation policy.

[*Translation*]

Mr. Speaker, I am pleased to have the privilege to announce the Government's decision with respect to the future of Air Canada.

[*English*]

It marks the ultimate success in the 51 year history of Air Canada. From a modest beginning it has grown to a vibrant, optimistic, and promising company of 22,000 employees, employees eager and capable of taking on the challenge of the 1990s in direct partnership with Canadians without Government in the middle.

I can think of no more appropriate way to conclude my statement than to quote Air Canada's own invitation to all Canadians to "share our tomorrows".

Some Hon. Members: Hear, hear!

Mr. Speaker: I should inform the House that I am advised that if under the circumstances representatives of the opposition Parties wish more time, the Government is in agreement with that. I take some guidance from the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin).

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I am prepared to respond now and, of course, reserve

the right to examine this statement in more detail by bringing out a huge fan to blow away the smoke, and by bringing out a construction crew to fold down the mirrors in order to ensure that we see the statement for just what it is.

We have a saying in the Province of Newfoundland. Of course, it is known across the country. It is frequently used in Newfoundland, namely, belling the cat when people try to present themselves as being all things to every special interest group. In addition it has been said that you cannot be half pregnant. The Government is today trying desperately hard to be half pregnant on the question of in respect of Air Canada and Air Canada's role within the country and within the country's transportation needs.

The most incredible thing in the statement of the Minister is that on the one hand he tells us that Air Canada needs to be privatized because it has reached a certain point in its existence and evolution where only privatization will allow it to be successful. On the other hand he spent some minutes in his statement telling us what a wonderful airline it was, that it is a leader in the world. In fact, Air Canada was the recipient only a few years ago of a major international award recognizing its contribution to airline travel in this country.

• (1200)

On the one hand, the Minister of Transport (Mr. Bouchard) is telling the people of Canada not to worry, Air Canada will continue its important public policy role. On the other hand, this Minister assures us that when we pass over the shares, it will be at arm's length. The Government will not tell the board of directors what to do. It will be entirely in the hands of the private sector. It will run this airline. Before he can draw another breath, he is again assuring us that the public purpose, the public policy and the public need will be looked after.

By now Canadians are wondering how we will identify what the public need is, and then ensure that that public need and purpose is fulfilled, when in the same breath we say it will be at arm's length, we will have nothing to do with it, the private sector will run it. Is the Minister really saying that Air Canada's public purpose will be fulfilled as determined by the private sector? That kind of a public purpose as determined by the private sector is far and away different from what may be the public purpose, the needs of the people of Canada as determined by the Parliament of Canada.

Let us examine the most blatant contradiction in the Minister's statement. It was a very interesting one. The statement that was made today was extremely sensitive when it was drafted. It was tailored to the fact that there is an election in Manitoba. In the written copy of the Minister's statement, there are a couple of summary pages, and I find this amusing. These are pages seven and eight in English and later pages in French. Let us examine what the Minister tells us. It is a delight to be here. We do not need any more preparation time.

The Minister tells us first that the Minister responsible for privatization will retain the Government's shareholding. The Government will retain 55 per cent after the first offering. In the first offering 45 per cent of the shares will be privatized. The Minister says that while we are a majority shareholder, the Minister responsible for privatization will hold those shares but will not intervene in Air Canada's commercial decisions. Did everyone hear that? That is qualifier number one.

What is qualifier number two? The Minister says that the Government will instruct the chairman of Air Canada's board of directors, the government-appointed chairman, to vote his shares in accordance with the majority of public shareholders. The chairman of the board who works for the Government and will continue to have 55 per cent of the shares will be told that he is to vote in accordance with what the 45 per cent of the shares that have been privatized are saying.

Number one, we will not exercise our majority position. Number two, our guy on the board will vote with the private sector which holds the minority position. That is qualifier number two. Do we all have that?

Now what is the next incredible thing the Minister says? The Minister then says that he wants to assure us that Montreal, Toronto and Winnipeg are sources of great pride to Air Canada. Maintenance bases have been built up in those areas and all three of those bases will be continued. He goes on to say that they will be continued as the airline builds for the future in the new market-driven environment, and this was for the Manitoba election, that the Winnipeg overhaul base will continue as a prominent and integral function of Air Canada and Air Canada's fleet will continue to be maintained there.

How can the Deputy Prime Minister (Mr. Mazankowski), in good conscience, stand in the House and set out conditions which make it clear that the Government will no longer have any say in the operation of Air Canada, yet make clear that the minority shareholder, the privatized shares, will be running the show; that it will be a clear arm's-length relationship in the one breath and in the very next breath, for political purposes, tell the people of Manitoba not to worry because the base will be continued? The Minister cannot make that statement, and he knows it.

That is what I mean when I say that this Deputy Prime Minister is attempting a very difficult proposition today, which no one has yet managed, and that is to be half pregnant. The Deputy Prime Minister cannot assure the people of Manitoba who are in the middle of an election campaign and for whom this statement was crafted—the smoke and mirrors will disappear on April 26, the date of the election—that they will have the maintenance base, the many jobs and the technology in that regional centre, when he told them in his previous breath that it is the private sector, at arm's length from the Government, that will determine the future of this airline. He cannot have it both ways.

I say that what the Minister is really telling the people of Manitoba—or for that matter, the people of Toronto, the people of Montreal and the people of Stephenville, Newfoundland, from where I come, a place that now has an Air Canada

jet service—is that he does not know what commercial decisions will be made in the future. What he does know is that whatever the nature of those decisions will be, the Government will no longer have the ability to interfere. The Government will no longer have the ability to intervene, to give guidance or to ensure that an airline built with the dollars of the taxpayers of Canada to serve the country from British Columbia to Newfoundland will continue to serve on that basis.

This airline will operate on the principle of the bottom line, even though the taxpayers, having built this airline over 50 years, retain a majority of the shares. That is what being half pregnant means. That is why people who attempt that kind of proposition have no credibility and cannot be taken seriously.

I say to the Deputy Prime Minister, a gentleman to whom I normally listen attentively, a gentleman who is normally a straight shooter, that his attempt to qualify the statements of the Prime Minister (Mr. Mulroney) on the future of Air Canada, by saying that what the Prime Minister really said was that Air Canada would be sold at an appropriate moment, as we say in Newfoundland, takes all the nerve of a toothache. That would need the face of a robber's horse, and of course we know what part of the robber's horse we see when it is running away, and it is not the part that has the bit in its mouth.

To say that the Prime Minister did not make a clear statement on Air Canada is to defy the facts and the record. *The Globe and Mail* of January 15, 1985, ran a big banner headline reading: "PM says CBC, Air Canada not for sale". It did not say that the PM said that Air Canada might be for sale, may be for sale, could be for sale or shall be for sale. It said that Air Canada is not for sale.

The Deputy Prime Minister stood up today to tell the House of Commons, and through the House of Commons the people of Canada, that this is a part of the Prime Minister's master plan. I say to the Prime Minister that there really is no Santa Claus either. He will figure that out one of these days.

On January 15, 1985 the Prime Minister said that some people want to buy the CBC but the CBC is not for sale and Air Canada is not for sale. That is what the Prime Minister said. Today, we have once again discovered the value of the Prime Minister's word and the Prime Minister's favourite expression, "sacred". He says that aeroplanes are sacred instruments of travel, that the House of Commons is a sacred instrument of communication and that promises are sacred commitments to the people in the land where they live. We found out that that sacred trust is not worth the paper *The Globe and Mail* printed it on.

The Deputy Prime Minister today has come here with a policy that is in direct contradiction with the assurance that no less a person than the Prime Minister of Canada gave Canadians on the future of their national airline. That cannot be wishy-washied or shilly-shallied away by a few choice phrases on the part of the Deputy Prime Minister here today.

One wonders about competence. The Government cannot even bring in a statement today with the normal, traditional, courteous advance notice to the Opposition. It cannot even manage to avoid that kind of a crisis. That Government will now try to manage the privatization of Air Canada. That would lead one to be very worried about the Government's plan.

The Government has announced today that in the first issue of shares 45 per cent of the shares of Air Canada will be sold, with the intention being, I suppose, because it is not clear, that there will be a second share issue following which 100 per cent of the shares of Air Canada will have been sold. The Minister stands in his place, puffs out his chest and lowers his voice, much like his seat-mate to the right, the Prime Minister, does from time to time, and then he says that this means that Canadians will be able to own Air Canada. Have you ever heard such a bit of double-speak in all your life, Mr. Speaker? Who do you think owns Air Canada right now, the Shah of Iran? Canadians own Air Canada.

The Minister tells us that we have entered into an environment of deregulation, a brand new day for Canada. It reminds me of the words we heard during the last election campaign, "inflicting prosperity on the nation". In Atlantic Canada they are not calling it an infliction, they are calling it an affliction.

In this new day of deregulation, the Deputy Prime Minister says that we now have three national airlines. I like Max Ward. I think he is a dynamic fellow. I think he is going places. I think he is a great Canadian entrepreneur. I think he has done exciting things for the airline industry. However, not even Max Ward, in the middle of his fantasies between the hours of 2 a.m. and 4 a.m. prior to waking, would describe Wardair as a third national airline. That may be where he is attempting to go and, God bless him, we wish him well. We hope he gets there. However, Wardair is not a national airline. There are two national airlines. One is Canadian International and the other is Air Canada. In the deregulated environment that we have lived in for the last two and a half or three years the airline industry in Canada is more concentrated than we have ever seen it before.

• (1210)

In conclusion, let me say that this statement is obviously the first step before the Government announces which company will supply the replacement aircraft for Air Canada's 727 fleet. There is great concern in the Province of Manitoba, where the 727 is serviced, that as it is replaced Manitoba could lose jobs. This statement is clear evidence that the Government cannot guarantee Manitoba that the replacement aircraft will be maintained in Manitoba, no more than it can guarantee any other part of Canada that Air Canada services will continue. That is the blunt reality. That is not my interpretation. The words are there and the Government simply did not have the good sense to realize what a contradiction it had committed to paper.

A final word, Mr. Speaker. Bilingualism cannot be assured by the Government as a continuing characteristic of Air Canada if that corporation and its future is placed in the hands of minority shareholders. The Government is walking away from that commitment. Bill C-72 says that a Crown corporation means a corporation ultimately accountable through a Minister to Parliament for the conduct of its affairs. Under this plan Air Canada will not be a Crown corporation and the Government will not be able to guarantee that it will continue to provide bilingual services. The Government is again attempting to be half pregnant and generate as much smoke as possible.

Mr. Mazankowski: I guess I should have given you more time.

Mr. Tobin: This is a very disappointing statement. As I said before, you would need to have the face of a robber's horse to try and make it fly in this place. Air Canada, as presently constituted, flies very well, thank you very much, and we do not need this kind of half-baked scheme.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, it is not surprising that this statement, which the Minister tried to smuggle in without giving adequate notice, got such a sharp negative reaction from Members on the opposition side. It should have had the same opposition from members on the government side if they really gave any consideration to the important step being taken.

We are changing a system which has existed for more than 50 years. We are doing it, not because there is a need for it, not because there has been any evidence that Air Canada is not efficient or has not operated for the benefit of the people of Canada as a publicly-owned corporation, but because of the blind ideological belief of the Conservative Government that the private sector can do anything better than the public sector. Yet there is no evidence of that at all.

As the Minister pointed out, Air Canada was established more than 50 years ago as a publicly-owned Crown corporation. This was done under a Liberal Government and Minister, Mr. C. D. Howe, who had the closest association with the big business community of Canada of any Minister at that time or probably since that time. Why did he do it? Not because he was a great believer in the virtues of public ownership. He did it for two reasons. First, because he realized the absolute necessity for Canada to have an air traffic system, and because he knew, as a result of his conversations and consultations with important leaders in the private sector, that they were not prepared to move in this direction. This was for a very good reason from their point of view. They could not see that they would make a profit at that time. After all, that is why private business functions. We do not question that. They operate if and when they can see a profit. They could not see a profit at that time so they were not prepared to do it. Mr. Howe and the then Liberal Government decided that we needed a national air service and established a Crown corporation.

Air Canada has been an efficient company. Even the Minister said that today. It has provided the people of Canada with high quality service, and not just in the high density traffic areas. Any company can make money serving people who want to fly from Toronto to Montreal or Ottawa or Vancouver. Over the years Air Canada has done what the private companies did not want to do because they could not make a profit. I do not blame them for that. That is the reason they are in business. However, Air Canada provided service to the sparsely-populated areas of Canada. It supplied service to small towns; for example, to Brandon, Manitoba. Since that town was sloughed off to the private companies it has had increasing difficulties getting service. The same is true of almost every other small town in this country. Competition and the need to show a profit every year has brought poorer service to most of the small towns and isolated areas in Canada.

We are seeing today another illustration of the failure of the Conservative Government and the Prime Minister (Mr. Mulroney) to live up to the promises. I have before me a news story which appeared in the Toronto *Globe and Mail* on January 15, 1985. The headline is: "PM says CBC, Air Canada not for sale". The story goes on to say that the Prime Minister gave assurances that the federal Government had no plans to sell either the CBC or Air Canada. He is quoted as saying: "Some people want to buy the CBC. The CBC is not for sale. Air Canada is not for sale." That is what the Prime Minister said.

The people of Canada agree today with what the Prime Minister said in 1985. On March 5, 1988, *The Globe and Mail* published an Environics poll concerning the selling of Crown corporations. The question was asked: Do you think the Government should or should not sell Air Canada? The response was: should, 31 per cent; should not, 51 per cent. It was the same in almost every region.

A similar poll which appeared in *The Toronto Star* on March 31, 1981, conducted by Angus Reid. The poll asked whether or not the following corporations were well run. With respect to Air Canada, 63 per cent said it was well run and 20 per cent said it was not well run. Fifty-three per cent said the Government should not sell Air Canada to the private sector while 35 per cent said it should sell.

• (1220)

An overwhelming majority of Canadians agree with the position taken by the Prime Minister in 1985. It is not the people who have changed but the Prime Minister, who is reneging on the promise he made in 1985.

The Government has prided itself on being different than the former Liberal Government. It said it would consult with the people and its employees. I am told that the employees who work for Air Canada were not consulted about this proposal to partially privatize Air Canada. There have been no discussion between their unions and the Government or the Minister

since last fall. The Government talked about consultation and co-operation with the people, yet it has not consulted or co-operated with its 22,000 employees who work for Air Canada.

We are told by the Minister that the reason for this privatization is that, like most airlines, Air Canada's airplanes are reaching the end of their service and must be replaced. It will have to spend large sums of money to purchase new, modern and more efficient airplanes. We do not question that. But where is the evidence that Air Canada as a Crown corporation cannot get the money it needs, as do other companies, to replace equipment?

If there are any questions about the ability of Crown corporations to borrow the money they need, one need only look at the provinces, virtually all of which have publicly owned utility companies. Every one of them has gone or will go to the market to borrow billions of dollars. There have been major expansions in Quebec, as well as new hydro-electric dams and power stations in Manitoba and British Columbia. There are major expansions of nuclear power plants in Ontario. All of these systems are publicly owned and none are having difficulty in going to the market to borrow the money they need for that expansion. In fact, they are having less difficulty than private companies because they are backed by the financial ability of the people of those provinces.

There is no question in my mind that Air Canada, as the publicly owned corporation it has been for the last 50 years, could continue to borrow the money it needs without this kind of privatization.

The Government is not taking this step because Air Canada cannot get the money but because it really does not believe in public ownership. It sincerely believes that the private sector can do anything better than the public sector.

We have other reservations about this policy. The Minister stated: "On completion of this initial offering, the Government's holding will be reduced to no less than 55 per cent of the shares of Air Canada". We have every right to be suspicious about that statement. The initial offering will be 45 per cent for the minority. Since the Government does not believe in public ownership and has no real commitment to it, what is to prevent it from presenting another offering in the future so that the Government's share of ownership will be 45 per cent or 35 per cent? That is just one of our main concerns.

The price for the shares that will be sold soon after a Bill passes Parliament will be low. It will be low because the Government is proposing the sale of a minority share, with no takeover possibility in the near future. We have some very canny and shrewd investors in Canada, and sometimes we worry about the ethics of some of them. I believe some of these large investors will be quite willing to buy minority shares at a low price because they believe, justifiably so, that in the not too distant future more shares will be put on the market. At that time they could take control of the company and the value of the shares would rise sharply.

Let me remind the House that among the big winners in the sale of shares are the brokers. We know that in the takeover battle Mr. Campeau carried on in the United States recently the brokers and people involved in the buying and selling of shares made hundreds of millions of dollars for their involvement. This sale will bring in about $300 million, if that is what 45 per cent of the shares will bring in. They will get 45 per cent of a company which probably has assets worth $5 billion. This proposal comes from a Government which prides itself on being a sound business operator.

Let me deal with one more point which is very important to me and the people of Winnipeg. It concerns the Government's promise that the work done at the maintenance facility in Winnipeg will continue. I think the people of Winnipeg, for very good reasons, will be very upset, skeptical and suspicious. The Hon. Member for Selkirk-Interlake (Mr. Holtmann) shakes his head. I was here when the former Government permitted Air Canada, or as it then was called, Trans-Canada Air Lines, to move its head office and most of its facilities from Winnipeg, where they were first established, to Montreal, step by step. What do we have now? What we have is a promise that the present maintenance work will continue to be done in Winnipeg. But the present work is being done on DC-type aircraft. What happens when the DC-type aircraft are gone? What happens if Air Canada buys airbus aircraft?

• (1230)

Mr. Holtmann: It's a big hangar.

Mr. Orlikow: And we have seen lots of empty hangars in Winnipeg. We have seen the workforce in Winnipeg go from thousands to hundreds under a Liberal Government. The people of Manitoba are afraid that this is just one more step in the dissemination of the air industry in Manitoba which was so important for so many years, for generations. We are going to oppose this Bill in every way we can, both in Parliament and outside.

* * *

[*Translation*]

LABOUR, EMPLOYMENT AND IMMIGRATION

PRESENTATION OF SECOND REPORT OF STANDING COMMITTEE

Mr. Claude Lanthier (LaSalle): Mr. Speaker, I have the honour of tabling, in both official languages, the Second Report of the Standing Committee on Labour, Employment and Immigration, concerning A Review of the Canadian Jobs Strategy.

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

Mr. Lanthier: Madam Speaker, there is a particular point I think should be raised right now. I just heard that a press conference on this report has just ended. The press conference,

held by two Opposition Members, concerned a report not yet tabled in this House.

I realize the report was supposed to be tabled around 11.05 a.m. and that the press conference had been called for 11.15 and would end at noon. However, the press conference was held without the Committee Chairman, without a single Member of the Government being present, and before the report was even tabled in this House, which is highly irregular.

Madam Speaker, I reserve the right to raise a question of privilege as soon as I have all the facts about a situation which to me is irregular to say the least and a reflection of the cavalier attitude of the Opposition.

Hon. Herb Gray (Windsor West): Madam Speaker, if the Hon. Member has any complaints he should direct them to his own Government and especially to the Minister of Transport (Mr. Bouchard), because of the way he made his statement about the privatization of Air Canada. If the Hon. Member's privileges were breached, they were breached by his own Government, and especially by the Minister of Transport because of the way he made his statement on the privatization of Air Canada. I think the Hon. Member raised a question that has nothing to do with the Opposition and a great deal to do with his own Government.

Mr. Lanthier: Madam Speaker, with all due respect for the Hon. Member's experience in this House, and far be it from me to measure my experience against his, but nevertheless, if we had decided to delay tabling this report until tomorrow morning or next week or even this afternoon or another more appropriate time, what would have happened? Doesn't it mean the press would have been advised of the report by Opposition Members a week before the report was officially tabled in the House? I still say this is irregular, and in time I intend to raise a question of privilege.

The Acting Speaker (Mrs. Champagne): The Hon. Member for LaSalle (Mr. Lanthier) has informed the House of something which happened this morning and has told the Chair that he is reserving his right to raise the question of privilege. After having checked the facts, if the Hon. Member wishes to do so, I am sure that he will take the usual means, that is he will state those facts in writing to the Chair who will then make a decision.

* * *

[*English*]

PETITIONS

PROPOSED FREE TRADE

Mr. Nelson A. Riis (Kamloops—Shuswap): Madam Speaker, it is my pleasure and, indeed, an honour, to present a petition pursuant to Standing Order 106 dealing with the free trade deal.

This petition is signed by quite a large number of constituents who are of the view that the trade deal between Canada and the United States will have a serious impact on our ability as a country to continue independent action on economic, cultural and political matters. They are of the understanding that the agreement will result in a loss of jobs in a number of sectors of the economy as well as a number of regions of Canada.

The petitioners simply call upon the Parliament of Canada to dissolve in order to enable an election to take place so that the people of Canada can hear the views presented by the different Parties on the matter and can make a decision on something which will have a profound impact on their lives and, perhaps more importantly, on their children's lives and their children's children's lives. They are asking that they have a chance to have input into this debate during a national general election.

DOMICILIARY CARE FACILITIES FOR VETERANS

Mr. Roger Clinch (Parliamentary Secretary to Minister of Communications): Madam Speaker, I have the honour to present a petition on behalf of the veterans of the region of Bathurst, New Brunswick. They request the establishment of domiciliary care facilities for veterans at the Chaleur General Hospital or one of the nursing homes nearby.

I am sure you would be interested to know, Madam Speaker, that presently the families of the veterans of this area care for their loved ones at a considerable distance from their homes. They ask that this House remedy the situation as soon as possible by establishing domiciliary care facilities for veterans in the Bathurst area.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Madam Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mrs. Champagne): Is it agreed?

Some Hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, as a result of negotiations, I think that the House is willing to defer applications made under Standing Order 29 till 3 p.m. to facilitate consideration of certain items on the orders

of the day and that the Speaker himself is aware of my request and will hear me at 3 p.m.

The Acting Speaker (Mrs. Champagne): I thank the Hon. Member for Ottawa—Vanier (Mr. Gauthier) for his comments. There has been indeed an agreement between the various parties and the Chair and applications under Standing Order 29 will be heard after the Oral Question Period.

GOVERNMENT ORDERS

[*English*]

ELDORADO NUCLEAR LIMITED REORGANIZATION AND DIVESTITURE ACT

MEASURE TO ENACT

The House resumed from Monday, April 11, consideration of the motion of Mrs. McDougall that Bill C-121, an Act to authorize the reorganization and divestiture of Eldorado Nuclear Limited and to amend certain Acts in consequence thereof, be read the second time and referred to a legislative committee.

The Acting Speaker (Mrs. Champagne): I wish to inform the House that because of the Ministerial statement, Government Orders will be extended by 47 minutes beginning at one o'clock p.m.

• (1240)

Mr. Les Benjamin (Regina West): Madam Speaker, as I was saying yesterday on debate on this Bill, there is ample evidence to show that in most cases privatizers are free-loaders and that without public investment the private corporate sector will not invest. That was amplified again this morning in the case of the announcement concerning Air Canada.

One can ask how the employees in the uranium industry feel about this. I refer to the employees of Eldorado Nuclear Limited and the employees of the Saskatchewan Mining Development Corporation which corporations are to merge. There are two major unions involved in this matter. The union of energy and chemical workers represents the employees at Cluff Lake mine in northern Saskatchewan in which SMDC holds a minority share. The steelworkers represent employees at the Key Lake mine in which both SMDC and Eldorado have a share and the Rabbit Lake mine. Both mines are in northern Saskatchewan. There are three steelworkers' locals involved in Eldorado at Port Hope.

Both these unions have been the subject of glowing testimonials by the former Minister of State for Privatization concerning the prospects of the new company, in particular the shareholdings which will go to them. This is a promise which is quite vague. Despite it the unions and employees concerned are implacably opposed to the privatization of these companies. There are many good reasons for this.

The Canadian labour movement was four-square in its support of the disarmament and non-proliferation treaty. It has been four-square in its support of full and adequate environmental, safety and health concerns. Members of the labour movement believe, and I think with justification, that these matters are in jeopardy or will receive less attention by a privately owned company.

In this respect one has only to look at what happened in Uranium City and how a policy for one-industry towns is desperately overdue. It is not too late in the uranium industry and in a number of others for a special fund to be established which would see so many dollars per tonne, per kilogram or pound of production out of all production set aside. When an ore body is gone in 20 years, 30 years, or 40 years the community in which it existed, all the businesses, homes and employees will be protected. These funds would be for retraining, for moving expenses and early retirement. People could be paid for the businesses which they will lose and for the homes which are boarded up. Such a national policy is long overdue. We need only look to Uranium City to see the terrible situation which transpired there.

Since this is such a bad Bill I therefore wish to move an amendment as follows:

> That the motion be amended by deleting all the words after the word "that" and substituting the following therefor: "Bill C-121, an Act to authorize the reorganization and divestitute of Eldorado Nuclear Limited and to amend certain Acts in consequence thereof, be not now read a second time but that it be read a second time this day six months hence."

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Benjamin: Debate.

The Acting Speaker (Mrs. Champagne): The Chair recognizes the Member for Winnipeg North (Mr. Orlikow) on debate.

Mr. David Orlikow (Winnipeg North): Madam Speaker, I rise to support the amendment proposed by my colleague, the Hon. Member for Regina West (Mr. Benjamin). I do so even more determinedly than in the early stages of the debate, given the announcement by the Government today about its intention to begin the privatization of Air Canada. That move is just one other indication of the determination of the Government to continue at an accelerated pace its program of privatization.

It is a program based not on whether Crown corporations are operating efficiently, or on meeting the needs of the people in the areas in which they operate, or on an examination of the reasons former Governments established these Crown corporations, but rather on the Government's rigid, ideological belief that anything private industry does will operate better, more

efficiently, more profitably and more in the interests of the public than a publicly owned corporation. There is no evidence of that.

The fact is that we have never had in Canada at the level of the country as a whole a Government, a CCF Government, an NDP Government, or a Government with social democratic ideas, which believes that in many areas of life in the country public ownership would meet the needs of the people better than private ownership. All the Crown corporations we have in place were established by Liberal or Conservative Governments. Very often they were established because the private operators in those areas, and I am thinking of the railways, were virtually bankrupt and thus unable to fulfil their obligations in terms of meeting the needs of the people of Canada by providing transportation facilities.

At the time to which I refer the Government took over all the private companies which were virtually bankrupt. It paid much more than should have been paid for them. It established the Canadian National Railway as a Crown corporation owned by the people of Canada.

This proposal of the Conservative Government in Ottawa and the Conservative Government in Saskatchewan to take the publicly owned Eldorado Nuclear Limited, which is owned by the people of Canada and the Saskatchewan Mining Development Corporation, which is owned by the people of Saskatchewan, and amalgamate them, privatize them and sell shares in them is not based on factual evidence that these companies will operate better or more efficiently than the presently publicly owned companies, but on the ideological views of the Government.

• (1250)

I should make it clear that those views are not the views of the people of Canada. In recent polls the people of Canada have shown quite clearly that they believe that most, if not all, of the Crown corporations are well run. They believe in public ownership. In a recent poll conducted by Angus Reid the question asked was, "Are the following Crown corporations well run or not well run?" For Air Canada, 63 per cent believe it is well run; 20 per cent believe it is not well run. For CBC, 62 per cent believe it is well run; 25 per cent believe it is not well run. For Canadian National, which we know has had its problems, as have all publicly or privately owned railway companies, 47 per cent believe it is well run, and 30 per cent believe it is not well run. For Petro-Canada, another company that the former Conservative Government promised to privatize and which this Conservative Government will probably want to bring forward proposals to privatize, 59 per cent of the people of Canada say it is well run, and only 20 per cent say it is not well run.

The Angus Reid poll also asked the question, "Should the Government sell any of the following Crown corporations to the private sector?" The poll lists the following results: Air Canada, sell, 35 per cent, not sell, 53 per cent; CBC, sell, 27 per cent, not sell, 62 per cent; Canadian National, sell, 31 per cent, not sell, 54 per cent; Petro-Canada, sell, 37 per cent, not sell, 49 per cent. That is the view of the people of Canada with respect to privatization of the major Crown corporations in this country. They are opposed to it.

We oppose the sale of Eldorado Nuclear because we believe it is a bad deal. Why? Because the deal is so structured that the public sector takes the risks and obligations, as it has up until now, and the private sector will get the profits, not only from the commercial activities of the company when Eldorado and Saskatchewan Mining Development Corporation are merged, but also from the heavy public subsidies which are given the uranium mining industry in the form of favourable taxation, marketing arrangements, and sweetheart contracts.

We have had no assurances from the Government that it recognizes the sacrifice of the public sector and the public interest in this deal. It is clear that this deal has been structured so that the Government can say that privatization works. One only need look at the share price. What the Government does not say, and what it wants the public to ignore, is that in order for this stock flotation deal to succeed, which is all it really is, the public sector will underwrite the risks by assuming the debt of Eldorado Nuclear and the Saskatchewan company, and the federal Government will assume the further liability of Eldorado's nuclear waste problems at Port Hope at a cost of perhaps up to $75 million.

This take-back of debt has been described by the financial advisers to the Government as necessary for the flotation. I wish to remind Members of Parliament that Eldorado's debts are substantial. They are in the range of $550 million. The federal Government will receive from the newly merged company approximately $250 million leaving $300 million that must be made up in the sale of shares in the new company before the Government breaks even on its debt obligation alone. This says nothing about the cumulative investment which has been made in Eldorado in the form of government equity.

The Government needs a high share price or else it will wind up with a brick in its hands. We know what happened in British Columbia with BCRIC, the privatization of the Bennett Social Credit Government; it issued shares at $5 which now trade at 90 cents.

Is there any certainty of a high share price? No, because uranium markets are currently in chronic over-supply and prices are depressed. If the United States were once more to close its market to foreign producers, in response to the distress of its own suppliers, conditions would be chaotic. Of course, the trade deal that we talked about would do nothing for Canadian producers caught in this bind.

For proof of what I have stated, let me refer to an article which appeared in *The Globe and Mail* on March 31, 1988. The article was entitled, "U.S. Senate passes bill on uranium that would undercut free-trade pact", and it is under the by-

line of Jennifer Lewington. I wish to quote a few paragraphs from that article:

> One part of the Senate bill, which passed by a vote of 62 to 28, would penalize use of foreign uranium, including imports from Canada—a direct violation of the proposed trade agreement.

The article further states:

> One Canadian official who monitored the floor fight yesterday, said the Senate bill "absolutely" violates a "standstill" clause in the U.S.-Canada free-trade agreement in which both sides pledged not to go against the terms before the deal is implemented January 1, 1989 . . .
>
> Under the bill, between now and 1994, U.S. utilities that use foreign-enriched uranium for between 37.5 and 50 per cent of a their supply would pay a penalty fee of $200 (U.S.) a kilogram. The penalty would decline in time over a 12-year period.

It is not surprising they passed a Bill like this. As this article states, Senator Jeff Bingaman, a Democrat from New Mexico where a large part of the American uranium comes from, supports the uranium Bill, and criticized the free trade deal with Canada. He said, "In its present form, the proposed agreement will place our uranium supply and industry in jeopardy". He also criticized the trade deal for retaining restrictions on U.S. investment in Canadian uranium while allowing "Canadian ownership, financing and subsidization of the industry".

The prospects for this company when it is privately owned are less than perfect. The ability of the company to repay the debt which it is undertaking when it purchases this company from the Government of Canada is, to say the least, doubtful.

I wish to talk for a few moments about the reaction of the people who work in the industry. After all, they have a major stake in the continued successful operation of these two companies. Two of the major unions representing workers at Eldorado and the Saskatchewan Mining Corporation are the steel workers and energy and chemical workers unions. The energy and chemical workers represent employees of the Cluff Lake mine in northern Saskatchewan in which the Saskatchewan Mining Development Corporation holds a minority share. The steel workers union represent employees at the Key Lake Mine in which the Saskatchewan company and Eldorado hold minority shares, and the Rabbit Lake Mine. Both those mines are in northern Saskatchewan. The steel workers union represent three locals at the Eldorado Uranium Refinery at Port Hope, Ontario. Both of those unions have been subject to the growing testimonial by the former Minister responsible for privatization about the prospect for the new company, and particularly the shareholders which will go to them.

• (1300)

When introducing the Bill on March 29, the former Minister said:

> The new company will employ over 1,000 people. Those people represent a resource to the company as important as the uranium reserves it owns. I can assure the employees of SMDC and Eldorado that both the Government of Canada and the Government of Saskatchewan have placed a high priority on ensuring that employee concerns are adequately addressed through the negotiations leading to the final merger agreement and through the privatization process thereafter. Maintaining a committed, motivated workforce is clearly in the interests of the corporation and all Canadians.
>
> That is why the agreement stipulates that employees be given the opportunity to participate in the ownership of the company. The details of that plan will be developed as the company moves into the privatization phase.

Despite this supposed shareholding—and it is a promise although it is quite vague—the unions concerned are implacably opposed to the privatization. Why? There are many good reasons about which they have told us. I am sure they would have told the Minister and the Government about them. I am sure that the Government would have listened if it were really concerned about the views and feelings of the workers.

Let me deal with the question of safety. Perhaps the greatest concern of the workers and their unions is the federal Government pulling back in the safety area, safety in the broadest sense including occupational safety, environmental safety, and public health.

In the 1940s the federal Government recognized the importance of nuclear energy by first expropriating the assets of Eldorado mines and then using the declaratory power in the then BNA Act to take jurisdiction of the resource. This federal involvement and taking of responsibility underlines the seriousness with which nuclear energy was regarded and still should be regarded. The question now being asked by the unions and ourselves is, should the Canadian Government be backing out of the nuclear field when the problems which were beginning to be recognized when the declaratory power was invoked are now with us and are intensifying? We realize how much more serious and important are those problems.

Here are some of the issues which the unions have raised with us. They have talked about increased problems in nuclear plant safety and have used the United States model as an example. They have referred to the problem encountered at the Kerr-McGee company operations. Hon. Members will remember the Karen Silkwood case, which was made into a major movie, and the almost complete meltdown which occurred at the Three Mile Island nuclear plant. They also referred to the difficulties faced by the American people in getting information in both cases. The unions believe—and we believe it as well—that we would encounter similar difficulties here in Canada if these two companies were privatized.

We also have the specific Canadian example in the negotiation of federal regulations governing the nuclear industry between 1982 and 1988. There should have been tripartite discussions among labour, business, and Government. Without hands-on experience there will be less information for the federal Government to draw on.

The alternative is to use political pressure to get the federal Government to address safety questions. We have had continuing problems in Canada with radioactive waste and their disposition. The people in Manitoba are very concerned that Atomic Energy and the Government will try to dispose of waste plant material in northeastern Manitoba. They have made it quite clear that they do not want it.

It is no longer just a regulatory matter. Political leaders can be approached. As I indicated when I spoke earlier, we have the record of Mr. Roman and his complete opposition to taking known steps to protect the workers in his companies against the danger of being seriously and adversely affected health-wise in uranium mines.

The workers realize that there is tremendous political sensitivity to the nuclear industry. They know they can expect some justice in dealings with the employer when the employer is the Government, federal or provincial, because of this awareness. They know that the closure of the Eldorado mine at Uranium City in 1981 brought attention to the problem of what happens, when a mine closes, to workers living near the mine site who are carrying mortgages on the homes they have purchased. These homes are their only real savings. When the mine suddenly closes down they are left with nothing. They cannot sell their homes because very few people will be living in the area. Because the mines were publicly owned, the workers who had to leave Uranium City obtained a fairer settlement. It was not only a few who had to leave Uranium City; the whole population had to leave. The settlement at Uranium City was superior to what employees received when the Pine Point mine closed. It was operated by Cominco, a subsidiary of a great corporation which over the years has demonstrated little concern for its employees or the people of Canada—Canadian Pacific.

There is a great fear that in this deal the new private owners will be able to walk away from any facility which does not fit the corporate plan—in other words, any facility which does not provide adequate profits in the view of the new private owners—and the workers will have to pay the price.

There are two obvious examples—

The Acting Speaker (Mrs. Champagne): I apologize but I must interrupt the Hon. Member as his time has expired.

Mr. Maurice Foster (Algoma): Madam Speaker, I want to say a few words about Bill C-121, an Act to authorize the reorganization and divestiture of Eldorado Nuclear Limited and to amend certain Acts in consequence thereof.

The Bill which was put forward by the previous Minister of State for Privatization and Regulatory Affairs would certainly make dramatic changes to the structure of the Canadian uranium mining industry. It would create a large new corporation by merging the Saskatchewan Mining Development Corporation and Eldorado Nuclear Limited. Both companies have mining operations or shares in mining operations in Saskatchewan, as well as major refining and upgrading facilities at Blind River and Port Hope in Ontario.

This would create a major world-class Canadian uranium mining and processing company. I understand it will have some of the largest and lowest priced reserves in the country and will be able to compete on an international level. This is important for an industry which has been going through an extremely adverse period of time over the last several years during which world prices have dropped from the 1970 level of $40 to $50 per pound to around $17 U.S. per pound today. Of course this puts many companies in a position of not being able to compete in a world market situation, whereas the proposed Eldorado-Saskatchewan Mining Development Corporation will be able to compete with low world market prices at the present time.

• (1310)

I understand from information provided to Members that the new company would have some 1,000 employees as well as some 400 employees in the Key Lake Mining Company. The over-all assets are estimated to be $1.6 billion with sales annually of some $500 million. The legislation does provide that the shares will be divested over a 7-year period and no Canadian shareholder will have more than 25 per cent of the shares and no non-Canadian will hold over 5 per cent of the shares.

We have here a merger of two major uranium mining companies. When we look at the documentation provided, though, we wonder why the Government was so generous in its arrangements with the Premier of Saskatchewan, Mr. Devine. It appears that even though Eldorado resources have close to the same amount of assets, it ended up with a very small percentage of the ownership of the proposed new company. Eldorado has assets worth $950 million and the Saskatchewan Mining Development Corporation has assets worth $973 million. Yet, the percentage of ownership in the deal will leave Eldorado with only 38.5 per cent and the Saskatchewan Mining Development Corporation and Saskatchewan Government with some 61.5 per cent of the ownership in the company.

We must look at the Government's strategy in most of these privatizations. The strategy which applies to the Eldorado case is to sell the operating company and its assets, in this case for cash, and leave the debt with the Government of Canada. In that way the Minister of Finance (Mr. Wilson) is able to take the cash realized from the sale of the shares and apply it to the current year's operation to reduce the deficit of the year. That was done in the Teleglobe case. The Minister was able to lower the deficit a year ago to below the $30 billion mark by selling off $500 million or $600 million worth of shares. I understand that that is the technique being used in this case, to leave the debt with the Government of Canada and apply whatever cash can be realized from the sale to the current operating year's deficit in order to reduce it.

In this case there is one other twist in that Eldorado resources has large environmental responsibilities in the town of Port Hope and surrounding townships for low-level nuclear waste from its refining and upgrading operations over the past years which must be cleaned up. The Government has made a commitment to do that. In this procedure the Government is selling the operating company to the private sector and leaving the financial responsibility for the environmental clean-up with the Government of Canada. Some of the documentation

provided by the Government estimates the cost of that to be $100 million. Most of the responsibility for that will be left with the Government of Canada and not charged against the sale of the current corporation.

That does not seem to make much sense in that the Government of Canada will be left with all of these costs. The Minister will sell the company and get his cash, but the Government has not spelled out what it will do about the environmental clean-up of the low-level wastes in and around Port Hope or what it will cost. There is a formula presented in the documentation as to the sharing of that cost, but it appears that most of that will be left with the Government of Canada rather than charged against the Eldorado sale itself.

It is not even clear whether the Government is going to carry that out. The Prime Minister made a commitment in 1984 to do it. There has been a task force appointed and a proposal made for that environmental project, but no actual decision has been made on whether that task force report is to be acted upon in any way. Clearly the Tories have a bad record as far as Eldorado resources and the entire uranium mining industry is concerned. In 1979 when they came into power they immediately decided to put the new refining operation at Port Hope, even though the uranium in Ontario was being produced in the Blind River-Elliott Lake area.

When the Liberal Government came to power in 1980 we immediately acted upon a policy and commitment which we had made in the 1980 election campaign that we would locate refining and upgrading facilities for natural resources in and near the communities where those minerals were being processed or mined. That policy has resulted in a great deal of benefit for the town of Blind River. The $150 million refinery established there has created 180 jobs, provided important income for the community, and has provided a major industry for that town which lost its main sawmilling operation 10 years ago.

The other aspect in play in this agreement is that in the free trade agreement the Government gave up the further upgrading policy of the Government of Canada, that being that we would process and upgrade our uranium resources and other natural resources within our own country. In the free trade deal we gave up the right to that policy and could well face the prospect of the loss of the processing of uranium in our own processing facilities which could cost the Government several hundred million dollars. The idea of processing our uranium in the United States or European countries does not make sense, especially since the Government of Canada has gone to the expense of building major refining and processing industries in our country.

It is interesting to note that in establishing its refinery in Blind River, Eldorado resources brought in people from all over Canada; some from Port Hope, some from the Ottawa area, some from Uranium City. It has developed a very good working relationship with that community. It is often described as a model corporate citizen. I suppose there are always some tensions between a major player and municipal corporations, but I think that on the whole the arrangement in Blind River has been excellent. There has been great co-operation in assisting, through corporate donations, in the provision of major facilities such as their sportsplex, civil recreation facility, and golf course. They have played a major role in the community. I think that it has been a model relationship and one that has been extremely helpful. I would hope that in the divestiture, those commitments and promises made through the policies of Eldorado resources to provide assistance to the communities, both in recreation and in civic development, will be maintained. That would be a major concern of my constituents and of the residents of the Town of Blind River.

• (1320)

We know that under this divestiture the ownership of the company will move to the shareholders of the Saskatchewan Mining Development Corporation. The headquarters will move from Ontario to Saskatchewan and 61 per cent of the control will be moved with it to the Saskatchewan Mining Development Corporation. There must be a firm and determined commitment from the new corporation that will be created, Eldorado Resources, to maintain those responsibilities to the community.

It is interesting that in the free trade agreement, which the Government has been ballyhooing in its $12-million advertising campaign designed to sell it to Canadians, not once has it been mentioned that we are giving up our policy of further upgrading uranium resources in Canada. Surely every Government of the past has struggled to do further upgrading of resources, but that will be given up, supposedly in return for improved assess to the U.S. market.

This week we heard that the United States Senate has already passed a resolution which will impose penalties on United States utilities that use foreign uranium to meet more than 30 per cent of their needs. Of course, this resolution has not been passed by the United States Congress yet so it has not become law, but we are still very unclear on whether or not there will be total access.

A legal injunction is now before the Supreme Court of the United States. That court may rule on a previous decision of a lower court in that regard as well. Clearly, wide-open access to the United States market is in question. If the United States is not competitive, I do not think that we will ever have it.

If the Bill to which I referred is voted down in Congress, and if the legal questions before the Supreme Court of the United States are ruled on in a certain way, there will still be no guarantee that inefficient U.S. producers in New Mexico and those states which have imposed dumping duties on western Canadian potash will not do the identical thing to uranium. As long as the Americans are getting their share of the market and are able to compete, the markets will somehow stay open. However, if they are not, there will be countervailing duties.

It would not be difficult for inefficient American producers to claim that Eldorado and SMDC are subsidized because they received government guarantees for their debt instruments. Clearly, the American producers would not have any trouble showing that these companies were dumping against the Elliot Lake producers who sell to the Ontario Government, because they could prove that uranium was being sold in the U.S. at a lower price than it was being sold to Ontario Hydro.

Whether or not there is a free trade, if United States producers are threatened they will maintain control on imports, either through the congressional system, the regulatory system or countervailing duties. That will become very important to the Saskatchewan Mining Development Corporation and Eldorado Resources.

Over the years, no company other than the Saskatchewan Mining Development Corporation has demanded that it be exempt from the further upgrading policies of the Government of Canada. It is content to see its uranium processed in the United States. If this Bill goes through and the corporation is formed, I hope it will have enough concern for the communities of Blind River and Port Hope that it will want to see uranium upgraded in Canada rather than going to the United States as yellowcake.

Again, I would hope that the services, the labour relations and the worker benefits which have applied to Eldorado workers in places like Blind River and Port Hope will be maintained and that the company's commitment to the communities, both through good corporate citizenship and through grants and assistance to the communities, as well as its policy of operating a high level of activity, will be maintained and that in giving up its right to further upgrading of uranium in Canada the Government will not undercut that commitment.

There is a certain balance to be maintained in the production of uranium-trioxide in Blind River and the upgrading of it at the Port Hope facility. It is not clear whether or not Eldorado's Port Hope facility can meet the full capacity of the Blind River operation.

Those are some of the concerns I have about this Bill. I understand that we will be dealing with it in committee. This is a corporation with very rich reserves that can compete on a world scale. It is important to do further processing of our uranium and natural resources, and I want to see that done in an efficient way so that we are making the very best use of our resources and providing the maximum employment in communities like Blind River in which major Eldorado resources processing plants are located.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to deal with the amendment moved by my colleague from Regina. That amendment suggests that there should be a delay of six months before this Bill is read for the second time. Of course, the reasoning behind such a decision to delay second reading consideration is itself deeply affected by our understanding of the context within which this privatization is taking place.

• (1330)

Yesterday the chairperson of the Standing Committee on Finance and Economic Affairs stood up and said this privatization was the last of a set of steps taken under the Canada Development Investment Corporation. Those steps included Teleglobe, de Havilland, Canadair, and now Eldorado. Yet today we have an entirely different situation because the Government suddenly decided to dramatically expand its efforts to privatize crucial public institutions, which have been at the heart of this country for years, by announcing that, and I quote from the statement of the Deputy Prime Minister (Mr. Mazankowski), that this legislation will permit the transfer of all Air Canada's shares to the public.

That puts an entirely different framework around discussions about privatizing Crown corporations such as Eldorado. For that reason it is absolutely crucial that we postpone consideration of this specific decision until we can get a sense of this rather bizarre and remarkably sudden step taken by the Government. It was done so quickly that the Minister's statement could not even be handed to opposition critics before it was delivered in the House.

We now have a sudden and tremendous expansion of the scope of the privatization thrust by the Government. That, it seems to me, forces this House to take very seriously the amendment of my friend which suggests that this legislation be not now read a second time, but that it be done six months hence. It is quite clear that the Government has not spelled out its strategy with respect to privatization. The Prime Minister (Mr. Mulroney) has not articulated the strategy. In fact, if anything, he has articulated promises in the past which now seem to be in direct conflict with the strategy with which the Government seems to be proceeding.

I am sure I do not need to remind you that in January of 1985 the Prime Minister said Air Canada was not for sale. Yet this morning we have an announcement that all of Air Canada's shares will be transferred to the private sector. That is a complete contradiction of a promise made not during an election campaign but during the current term of the Government. That suggests that the Government is not following a strategy. If there was a strategy to get the CDIC portfolios transferred to the private sector, as was claimed by the chairperson of the Standing Committee on Finance and Economic Affairs yesterday, it has now been abandoned. Instead, a tremendously dangerous new step has been taken in the Government's attempt to severely damage the public sector. That step marks a major escalation in the approach the Government has taken to this point.

As well, this step has been taken without dozens of key questions being answered. How will it be possible in this far-flung country for us to maintain public service to isolated communities which are difficult to serve? What constraints

will exist on these companies once they are privatized? How will it be possible for the Government to give up control of a key institution like Air Canada and at the same time say it will keep the maintenance facilities in Montreal and Winnipeg? You cannot hand over control to someone else and yet tell them what they are supposed to do. It is not possible. That is a complete contradiction.

Neither is it possible to say that Air Canada employees can be assured that policies such as those governing salaries, pensions, other benefits, relationships with unionized workers and employment equity will be continued. You cannot say that because you are passing control of this key national institution to the private sector.

As I said, this morning the House was given a complete redefinition of the privatization strategy which has functioned up to this point. Given that, it is not possible to look at the isolated case of Eldorado Nuclear at this stage and come to any kind of sensible conclusion. The broader strategy is not spelled out, and it must be there to justify a set of privatizations such as the Government seems to be undertaking. That is why we have moved this amendment.

• (1340)

We moved this amendment despite some of the tortuous argument presented to us this morning, suggesting that the Prime Minister (Mr. Mulroney) has somehow maintained his previous position with respect to Air Canada. It is not possible to say that Air Canada is not for sale and then announce on behalf of the Government and Cabinet that Air Canada will be entirely sold to the public. It is not possible to do that without making a complete U-turn, as the Government has done. In doing so, it has thrown completely into question any strategy or framework it has so far followed with respect to privatization. What will be the result of this new strategy for communities like mine, for communities in eastern Canada and communities in isolated parts of western Canada?

It is no accident that the polls concerning the operation of the Crown corporation talked about by the Deputy Prime Minister show that the Atlantic Provinces, British Columbia and the outlying parts of our country have the highest support for this airline as a national institution. In the case of British Columbia, 72 per cent of Canadians felt that Air Canada was well run. In the case of Atlantic Canada, it was 67 per cent compared to only 17 per cent and 19 per cent respectively who felt that it was not well run.

When asked whether any national institution should be sold, 53 per cent of British Columbians and 58 per cent of Atlantic Canadians were against the sale of Air Canada. I come from one of these more isolated constituencies which face serious problems with respect to airline service.

Since Canadian Airlines became an amalgamated institution, it has cut out its direct service into Windsor and decided to subcontract to a Canadian partner, as it calls it, which uses a smaller aircraft that is much more uncomfortable. We will see precisely the same kind of decisions take place on the part of Air Canada when it must look at its bottom line rather than consider national service and public accountability. That is why it is crucial that we accept this amendment and put off consideration of this Bill with respect to Eldorado Nuclear until we get a clear sense from the Government of what its new strategy represents.

At the moment, its new strategy looks certain to result in a dangerous shambles for the people from outlying Atlantic Canada, outlying western and northern Canada and for the people in places like southern and northern Ontario who will be hard hit as well.

The Acting Speaker (Mrs. Champagne): There are three minutes left. Does the Hon. Member wish to use that time after Question Period, or will we go into questions and comments?

Mr. Langdon: I am finished with my comments, Madam Speaker.

[*Translation*]

The Acting Speaker (Mrs. Champagne): Order please. It being 1.47 p.m., I do now leave the Chair until 2 p.m. this day.

At 1.47, the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

APARTHEID

SOUTH AFRICA—EARLY MORNING PROTEST VIGILS HELD IN OTTAWA

Hon. André Ouellet (Papineau): Mr. Speaker, this week the Ottawa Coalition against Political Executions in South Africa have been holding early morning vigils in front of the Langevin Block to raise awareness about the plight of many political prisoners who are now facing death in South Africa, part of whom are the Sharpeville Six. Their efforts seem to be falling on deaf ears given the Government's reluctance to act decisively on the South African question.

In 1985 the Prime Minister (Mr. Mulroney) assured the membership of the United Nations that:

> If there is no progress in the dismantling of apartheid, our relations with South Africa may have to be severed absolutely.

The Prime Minister knows, as do all Canadians, that the Botha regime is not interested in taking steps to abolish apartheid. Why does the Prime Minister not face the fact that, unless the South African community can be economically and diplomatically isolated, South African political prisoners will

continue to be put to death, development efforts in the neighbouring countries will continue to be sabotaged, and the African population will continue to live in a country where racism is an institutionalized way of life?

* * *

ENVIRONMENTAL AFFAIRS

NATIONAL SOIL CONSERVATION WEEK

Mr. Don Ravis (Saskatoon East): Mr. Speaker, this week is National Soil Conservation Week. Soil is a resource that is degrading at an alarming rate. Total on-farm costs of land degradation in Canada are approaching $1 billion annually. It took Saskatchewan soils over 10,000 years to form, yet in less than 100 years of farming nearly half of the organic matter has been lost.

That is why we should applaud the three-year $500,000 joint Federal-Provincial Soil Conservation Program called "Save our Soils". The purpose of this venture is to encourage soil and crop management practices by farmers. This program aims at raising public awareness, establishing on-farm demonstration projects, and monitoring soil degradation levels in each region of the country. Furthermore, Saskatchewan's Agriculture Development Fund is assessing innovative farming methods, and farmers are demonstrating ways to maintain long-term viability and soil productivity. These efforts will be supported by the International Soils Conference sponsored by CIDA to be held in Saskatoon in June of 1989.

Congratulations to all those who are working today to preserve our soil resource for future generations.

* * *

[*Translation*]

CULTURE

TRIBUTE TO FILMMAKER FRÉDÉRIC BACK

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I would like to draw attention to the success of one of our fellow citizens and the international tribute paid to him yesterday. Frédéric Back won an Oscar for his film *L'homme qui plantait des arbres*. What is extraordinary, Mr. Speaker, is that Mr. Back already won an Oscar in 1982 for his film *Crac*.

[*English*]

I would also like to congratulate the National Film Board whose animated short *George and Rosemary* was nominated, and the great Canadian director, Norman Jewison, whose film *Moonstruck* won three Oscars.

The striking international success of our filmmakers only serves to highlight the immediate need for film distribution in Canada so Canadians can see our films. As filmmaker Jean-Claude Lauzon said at the Genies Awards: "Glory means nothing if Canadians do not see our films".

The Minister of Communications (Miss MacDonald) promised such legislation in February, 1987. Rather than delivering, she has caved in to Jack Valenti and the U.S. film lobby. I urge her to introduce this Bill now and allow Canadians to see our excellent Canadian films before she wins the Oscar for worst non-performance by a Minister for the third straight year.

* * *

AGRICULTURE

LOW PRICES RECEIVED BY ALFALFA GROWERS

Mr. Gordon Taylor (Bow River): Mr. Speaker, the irrigated alfalfa industry was well able to compete with other crops when the majority of income came from the sale of the crops, but now the competitive crops receive income from government sources while the alfalfa growers receive no help whatsoever. The claim that the alfalfa industry is depressed due to the low price of hay does not take into consideration the economic mechanism responsible for the low prices, such as large acreages of annual crops like barley and oats which do receive government money, and which are cut and baled as forage. How can the farmer who specializes in a perennial hay crop as a cash crop compete against such assistance? Consequently his market vanishes and the price he gets is cut in half.

Do you know what? Our irrigated alfalfa producers will soon disappear as well if the help given to their competitors is not also offered to them.

* * *

HUMAN RIGHTS

LATVIA—INTERFERENCE WITH CEREMONY TO COMMEMORATE VICTIMS OF STALINIST DEPORTATIONS

Miss Aideen Nicholson (Trinity): Mr. Speaker, on March 24, 1988, I spoke in this House about a ceremony planned for the following day in Riga, Latvia, to commemorate the victims of the mass deportations of 1949 from Latvia. I said at the time that if the U.S.S.R. authorities allowed the ceremony in Riga to proceed peacefully, we would have seen a concrete example of glasnost.

Unfortunately, the demonstration was not allowed to proceed. Riga radio reported that the site of the gathering at the Statue of Liberty was sealed off one half-hour before the scheduled commemoration. According to another report from Riga, the life of a representative for one of the unofficial journals was repeatedly threatened if he gave information about the events in Riga. In Tallinn, at least five Estonian

human rights activists were detained by police ahead of similar memorial activities.

These events do not greatly inspire confidence in the policy of glasnost, but one must hope for future change.

* * *

SPECIAL CANADIAN GRAINS PROGRAM

ISSUANCE OF CHEQUES TO ONTARIO SOYBEAN GROWERS

Mr. Sid Fraleigh (Lambton—Middlesex): Mr. Speaker, contrary to some reports by members of the opposition, the Special Canadian Grains Program is running smoothly and cheques are being delivered to producers as quickly as possible. By the end of March, approximately 33,000 producers outside the Wheat Board area were issued first payments based on last year's acreage. Those who have not received cheques are Ontario producers with soybean acreage in 1987. Their payments will be issued by the end of April based on last year's applications.

This delay was unavoidable because of the shift in production patterns from winter wheat and corn to soybeans between 1986 and 1987. Due to this changing cropping pattern, first instalment payments for producers with soybean acreage could not be based on 1986 program records. The shift in production was first noted by the producer associations, and after discussions with them and other producers it was decided to base this year's program on 1987 claims. Delays in the first payment issue were considered preferable to making overpayments.

Every effort is being made to ensure that funds are in these producers' hands before spring seeding operations to provide cash flow to assist with the 1988 plantings.

* * *

COMMUNICATIONS

EFFECT OF TAX ON NORTHERN RESIDENTS

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, once again rural and northern Canadians are being treated unfairly by the Government's policies. As a result of the 10 per cent telecommunications tax imposed on January 1 of this year, local and long distance calls made from mobile telephones are taxed, even though local calls from regular telephones are not.

For many people who live in the North and rural areas, a mobile phone is not a luxury, it is a complete necessity. By definition, every call to your child's school, the doctor, the dentist or to your neighbour is a long distance call when you live in a rural area. For safety reasons alone, many northerners feel it is crucial to have a mobile phone in their vehicle, on their trapline, or in their cabins. Others need mobile phones because their livelihood takes them to remote areas where other phones are not available.

It is completely absurd and grossly unfair that mobile phone calls in the North or remote areas are taxed. I urge the Government to remove this unfair tax. We are not asking for special treatment. We are asking for fair treatment.

* * *

[*Translation*]

CANADIAN ARMED FORCES

SALE OF SENNETERRE STATION

Mr. Guy St-Julien (Abitibi): Mr. Speaker, the sale of the Canadian Forces Station in Senneterre was announced on March 8, 1988. This sale is part of the program to shut down 17 stations on the CADIN/Pinetree line announced in 1985.

Since the shutdown of this base was announced, I have cooperated very closely with the recovery committee, the town council, Canadian Forces representatives, employees of the base and Public Works Canada.

The Town of Senneterre has sought to acquire this property, considering it to be an important element of its economic development policy.

I would like to mention the outstanding work done by Major Gabriel Tremblay, Mayor Denis Sawyer, the town councillors, Roger St-Pierre, Jean Roy, president of the community development project, and the town's general manager, Yvon Boucher.

Mr. Speaker, I have full confidence in the ability of the Town of Senneterre to put this magnificent station to excellent use.

* * *

[*English*]

MUNICIPAL AFFAIRS

LOCAL GOVERNMENT WEEK IN ONTARIO

Mr. John Nunziata (York South—Weston): Mr. Speaker, this week, the week of April 11 to April 15, is Local Government Week in the Province of Ontario. I would like to take this opportunity to congratulate the Minister of Municipal Affairs, Mr. John Eakins, for taking this initiative which is in its fourth year. The Parliamentary Assistant to Mr. Eakins, Mr. David Neumann, the Member of the Provincial Parliament for Brantford, is in the Ottawa area promoting this particular initiative. He is visiting Ottawa, Kemptville, Merrickville, Brockville, among other municipalities, in order to promote Local Government Week.

S. O. 21

• (1410)

As you know, Mr. Speaker, this fall we will have municipal elections in the Province of Ontario. It is important for citizens to be aware of their responsibilities with regard to municipal elections.

The initiative of Local Government Week will serve to promote local government, to advise citizens of their rights under local government, and to ensure that citizens participate to the fullest.

* * *

ENVIRONMENTAL AFFAIRS

SCARBOROUGH'S ROUGE RIVER VALLEY—CALL FOR PRESERVATION OF WILDLIFE AREA

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, Rouge River Valley in Scarborough is a precious natural treasure. As well as containing rare wildlife, the valley's 5,000 acres serve as an outdoor classroom for thousands of school children who visit the area to learn about conservation.

Despite the valley's natural significance the Ontario Government is determined to develop it for luxury housing. Representatives of the Save the Rouge Valley System organization are here in Ottawa to gather support for preserving the valley.

I have been pleased to join with Jim Robb, Glenn De Baeremaeker, Ron Moeser, Gloria Reszler, and Cathy Gregorio in their meetings here to lend my support to their efforts.

Tomorrow the federal Minister of the Environment (Mr. McMillan) will visit the Rouge for a first-hand look at this beautiful area.

At this point, the start of Wildlife Week in Canada, I call on the Ontario Government to listen to the people and to save the Rouge Valley for our children and our future.

* * *

OFFICIAL LANGUAGES

MEECH LAKE ACCORD—SASKATCHEWAN PREMIER'S SPEECH

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, during debate in the Saskatchewan Legislature to ratify the Meech Lake Accord several short months ago the Premier of Saskatchewan said this:

> Section 2 of the new amendment recognizes the existence of French-speaking Canadians, located primarily in Quebec, but also present elsewhere in Canada—as a fundamental characteristic of our nation . . . Affirmation is given to the role of Canada, as well as that of every province, to preserve the linguistic duality of Canada.

If the Premier still believes that it is the role of Canada as well as that of every province to preserve the linguistic duality of Canada, then presumably the size of the linguistic minority is not relevant. Fundamental principles are.

The Premier's new language legislation, by failing to implement the fundamental principle of linguistic duality, betrays both the spirit and the letter of the Meech Lake Accord, and belies the Premier's own words in the Legislature last July 9. Surely even Conservatives understand this.

* * *

[*Translation*]

PEACE

SEARCH FOR A LASTING PEACE IN CENTRAL AMERICA

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, last weekend, from April 9 to 11, I attended in Oxford, England, an international conference on peace and development in Central America. More than 20 countries, including Canada, were represented at that conference by parliamentarians of all political parties. That conference will not have been fruitless but, on the contrary, very productive since tens of proposals have been put forward for the establishment of a lasting peace plan in Central America.

Mr. Speaker, there is no need to recall that the crucial problems of the five Central American countries are a growing debt and an urgent need for economic development assistance. I am sure that our government will not be insensitive to the present plight in that part of the world and that it will spare no efforts to bring a lasting peace to more than 20 million human beings who deserve more than the indifference of their fellow creatures.

* * *

[*English*]

FARM CREDIT CORPORATION

CALL FOR GOVERNMENT FUNDING

Mr. Maurice Foster (Algoma): Mr. Speaker, the farm debt crisis has steadily worsened since the Government came to power in 1984.

The Farm Credit Corporation has been prevented from doing its job because of the lack of action and decision by the Government. In July of 1985 the Minister of Agriculture (Mr. Wise) ordered a review of the Farm Credit Corporation's mandate and operations and promised to report by September of 1985. Almost three years later we still do not have that report.

The situation has worsened steadily. For instance, last year the FCC went into a negative equity position of $124 million. It is estimated that that figure will be $300 million this year.

How can an agency such as the Farm Credit Corporation which is insolvent itself help farmers who are in financial difficulty? Over 30 per cent of our farmers are in serious financial difficulty.

I call upon the Minister of Agriculture and the Government to put the FCC back on a sound financial basis so that it can help the farmers whom it was set up and designed to help.

* * *

PROVINCIAL AFFAIRS

FEDERAL TRANSFER PAYMENT TO MANITOBA

Mr. Felix Holtmann (Selkirk—Interlake): First, Mr. Speaker, the Progressive Conservative Government of Canada has created such an economic boom that the federal transfer payment formula has triggered an additional $77 million for Manitoba.

Second, the former NDP Howard Pawley administration kept this information from Manitobans and, in fact, had Manitoba NDP Members of Parliament cry, plead, and beg for more federal funds for hospitals, health care, pharmacare and highways.

Third, the NDP Government in Manitoba collapsed.

Fourth, a desperate New Democratic Party elected a desperate leader from a desperate labour union by the name of Gary Doer. When Doer discovered on a shelf this $77 million of additional transfer dollars he made an election promise to give a tax break to Manitobans using federal transfer funds.

I feel sorry for the NDP Members from Manitoba and all Manitobans who have been deceived by this new leader.

What happened to health care? What happened to highways? What happened to education? What happened to pharmacare?

At 20 per cent of the popularity in Manitoba is it possible that the Democrats under Doer are done?

ORAL QUESTION PERIOD

[*English*]

AIR CANADA

SALE OF SHARES TO PUBLIC—PRIME MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. On January 14, 1985, in Montreal the Prime Minister said: "Air Canada is not for sale". Now this morning the Deputy Prime Minister

stated in a tortuous way that what the Prime Minister had really said was that Air Canada was not for sale at that time.

The Deputy Prime Minister is wrong. He knows that he is wrong. He has been trying to cover up for the Prime Minister. What the Prime Minister said was that Air Canada was not for sale period. That is what the Prime Minister of Canada said.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): That statement, made in the company of his friend Louis Laberge, ranks now with the statement that our social programs are a sacred trust—and he then moved to deindex old age pensions; the statement he made to his Party during the leadership convention that he would never lead Canada into a free trade agreement. There is another broken promise.

I do not want to hear from the Deputy Prime Minister in one of those tortuous rationalizations he attempted this morning, or from the new Minister of Transport with a phoney argument. I want to hear from the Prime Minister of Canada why he broke his word.

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition says, and I am quoting him exactly: "The Prime Minister said that Air Canada is not for sale period."

I refer my right hon. friend to *The Gazette* of Montreal of January 16, 1985, which reports what I said: "Prime Minister Brian Mulroney said Monday in Montreal that Air Canada is not for sale, but did not rule out selling a minority interest". That is exactly what the Government has done today, sell a minority interest.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Because the Leader of the Opposition has completely distorted my statement in English, and for the benefit of his transport critic I want to give him a reporter's report from January 15 as well in French, from *La Presse*, which states:

[*Translation*]

"There is a possibility that shares in Air Canada will be sold to the public, but the Government would certainly retain a majority interest." That was my position in January 1985, and it is the same position being taken by this Government today.

[*English*]

Mr. Turner (Vancouver Quadra): Mr. Speaker, Louis Laberge, the President of the Québec Federation of Labour, took the same meaning from the Prime Minister's statement that everybody else in the country did. To quote the Prime Minister: "Canada needs a national airline. Air Canada is not for sale." That is what he said in the company of Louis Laberge.

[*Translation*]

Perhaps we should ask Mr. Laberge what he thought about the Prime Minister's statement.

EFFECT OF PRIVATIZATION ON SERVICE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, clearly, Canadians can no longer depend on the Prime Minister's promises. What is going to happen to small communities in Canada that depend on Air Canada's services, when decisions on flight routes are taken by the private sector? How can the Deputy Prime Minister claim that air transportation facilities will remain open in Montreal, Toronto and Winnipeg, when it will be up to the private sector to decide whether to maintain or terminate these facilities? Why can't the Government at least be frank with Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, just as I thought: First, the Leader of the Opposition distorted my statement in English, as usual, and now he has distorted it in French as well. I would like to quote what Pierre Vennat wrote in *La Presse* on January 15, 1985, and this is a direct quote of the Prime Minister's words: There may be good reasons for selling Air Canada, said the Leader of the Government. I will consider the matter, but Canada needs a national airline. In fact, there will be a national airline, Air Canada, which in addition to its more obvious responsiblities will also be responsible for serving the most remote areas in this country and ensuring their survival. The management of Air Canada sincerely believes, and has said so publicly, that the corporation will be able to do so with increased participation on the part of the Canadian public, including Air Canada employees, which will make the airline stronger, more efficient, more profitable and more effective as a national airline.

APPARENT CONTRADICTION BETWEEN DEPUTY PRIME MINISTER AND PRIME MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in this morning's statement, the Deputy Prime Minister said that the legislation will include the transfer of all Air Canada shares to the public, which is not what was said this afternoon by the Prime Minister. Everybody in Canada had understood the Prime Minister had made a solemn commitment to the effect that Air Canada would remain in the public sector in this country.

• (1420)

[*English*]

The Deputy Prime Minister said this morning, Mr. Speaker, that now Canadians can own Air Canada. That was a surprise to us. We thought that Canadians already owned Air Canada.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): In his trade deal the Prime Minister is selling out Canada. Now today he begins to sell out the infrastructure that has held this country together.

Mr. McDermid: No one believes that except you and the NDP.

Mr. Turner (Vancouver Quadra): This country was built on a national railway. This country was built on a national broadcasting—

An Hon. Member: You have been wrong in every one of your predictions and you are wrong again.

Mr. Speaker: The Right Hon. Leader of the Opposition will put the question, please.

Mr. Turner (Vancouver Quadra): The people of Canada want to know what else is up for sale. What other promises of the Prime Minister will be broken? Is the CNR up for sale? Is Petro-Canada up for sale? Is the CBC up for sale? Let us know what is up for sale in this country.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Right Hon. Leader of the Opposition is not only distorting what the Prime Minister has said and what we in fact have announced today, but he is distorting what was traditionally the position of the Liberal Party, particularly of his seat mate, the Hon. Member for Winnipeg—Fort Garry, who, on April 12, 1985, said it was "important that Air Canada sever its financial ties with the federal Government. It does not have to put it on the block right away, but the industry must be aware that the Government is moving toward privatization".

Some Hon. Members: Oh, oh!

Mr. Tobin: Mr. Speaker, that selective quote, I am sure, will be answered by the Hon. Member for Winnipeg—Fort Garry for the deliberate mistruth that it is.

SALE OF SHARES

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): My question is directed to the Prime Minister. It was amusing a moment ago to hear the Prime Minister defend his flip-flop on Air Canada by suggesting that he indicated there might be a minority share position offered, therefore, that explained his flip-flop.

I noticed that the Deputy Prime Minister's ears literally glowed. This morning in the House he stated, and I quote directly from his words a few hours ago that are still echoing in this place, "The legislation will permit the transfer of all Air Canada shares to the public", 100 per cent of the shares.

Now, Prime Minister, you are so anxious to stand—

An Hon. Member: Order.

Mr. Speaker: The Hon. Member will put his question, please.

Mr. Tobin: Through you, Mr. Speaker, I ask the Prime Minister, you are so anxious to stand and defend—

Some Hon. Members: Order.

Mr. Speaker: I know that the Hon. Member can put the question appropriately.

Mr. Tobin: Mr. Speaker, I ask the Prime Minister, is the Prime Minister telling the House now, a few hours past the Deputy Prime Minister's statement, that in fact the Government's plan is not to sell all of Air Canada shares but only a minority position? The Prime Minister ought to be aware that this morning we were told the first offering was 45 per cent, with all of the remaining shares to be sold at a later date.

Now, Prime Minister, have you got your act together? Can you remember your story?

Some Hon. Members: Order.

Mr. Speaker: I would ask Hon. Members to respect the proper way to ask questions and the proper way to respond. The Hon. Minister.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the hon. gentleman is quite right in saying that 45 per cent of these shares will be offered in the form of Treasury shares immediately, and the legislation will call for the eventual transferral to the public depending upon the conditions.

Mr. Tobin: It's all shares now.

Mr. Mazankowski: I find it very strange, because if we are to take the Opposition at its word, the Member for Winnipeg—Fort Garry said that this is precisely what we should do, don't "put it on the block right away, but the industry must be aware that the Government is moving toward privatization". That is precisely what we are doing, Mr. Speaker.

Why is the Member for Humber—Port au Port—St. Barbe attempting to distort the words of the Member for Winnipeg—Fort Garry who has a keen interest in this issue, who I think has spoken out with clarity, and I respect him for it? We have taken his comments into consideration as we studied this issue.

Mr. Tobin: Mr. Speaker, the Deputy Prime Minister is obviously spending too much time in the company of the Member for St. John's West, but he is only half as funny.

Some Hon. Members: Oh, oh!

Mr. Tobin: I have to defend my fellow Newfoundlander at this pale attempt to imitate him.

Mr. Hnatyshyn: You are only half as witty.

Mr. Speaker: The Hon. Member for Humber—Port au Port—St. Barbe is defending the Hon. Member for St. John's West. The Hon. Deputy Prime Minister is defending the Hon. Member for Winnipeg—Fort Garry.

Some Hon. Members: Oh, oh!

Mr. Speaker: In this unusual spirit of unity, perhaps the Hon. Member for Humber—Port au Port—St. Barbe can put his question.

Mr. Tobin: Mr. Speaker, I want you to know that I think someone in the Gallery went too far when they said the Deputy Prime Minister was only half a wit, or a half-wit.

PROTECTION OF MAINTENANCE BASE

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question to the Deputy Prime Minister is the following. This morning the Deputy Prime Minister said in his statement to the House that the Government of Canada would have an arm's length relationship with Air Canada, that it would let the company operate on a commercial basis, and would not interfere in any way, shape, or form in its decisions.

In the very next breath the Deputy Prime Minister went on to say that he wanted to assure the people of Winnipeg that the Air Canada maintenance centre there would be protected, the same in Toronto and Montreal.

How can the Deputy Prime Minister on the one hand offer shares on the basis that the Government will have its hands off, and in the next breath pretend that he can give assurances to Winnipeg, Toronto, Montreal, or Stephenville, Newfoundland, about Air Canada's future operations?

• (1430)

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the hon. gentleman does not have to believe me, but I would think that he would want to believe Air Canada. That is fine. That is his privilege and his prerogative, and he has made that very clear. He called me a liar in an indirect way, and I would ask him—

Some Hon. Members: Oh, oh!

Mr. Mazankowski: —to reconsider it.

Mr. Tobin: I called you a half-wit.

Mr. Speaker: The Hon. Deputy Prime Minister.

Mr. Mazankowski: Mr. Speaker, I will want to check the "blues", because I think the words "deliberately distorted" attributed to me is unparliamentary—

Mr. Speaker: The Hon. Deputy Prime Minister, of course, has every right to check the "blues" and bring the matter in front of the Chair at an appropriate time, but this is not the appropriate time.

Mr. Mazankowski: Mr. Speaker, I think it is very clear that if the Hon. Member paid a little attention to the structure of Air Canada he would know that 80 per cent of its employees are located in the three major centres of Montreal, Toronto, and Winnipeg, very important operational, overhaul, and maintenance centres.

With regard to the situation in Winnipeg—and it was raised by Hon. Members opposite; we did not raise it but it has to be clarified—the statement reads: " 'Regardless of the aircraft type which is eventually selected as a replacement for Air Canada B-727 fleet, the future of Air Canada maintenance base in Winnipeg is not in question', says the airline's Vice-President of Maintenance and Engineering".

Mr. Tobin: Not "says the Government".

Mr. Mazankowski: "Air Canada is very pleased with the work being done here. We fully intend to keep using these facilities whether we maintain the 727 replacement fleet or one of the other aircraft types we already own". What could be more clear than that, Mr. Speaker?

Some Hon. Members: Hear, hear!

PRIME MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister. The Prime Minister broke his promise to pensioners. He broke his promise to taxpayers. He broke his promise to those who wanted regional development—

Some Hon. Members: Question.

Mr. Broadbent: —and now he has done it with Air Canada.

Some Hon. Members: Oh, oh!

Mr. Broadbent: Considering that recently a majority of Canadians have said that they like Air Canada in terms of its performance and that they want to maintain the present structure of Air Canada, how can the Prime Minister account for this broken promise, once again, other than the triumph of Conservative ideology over good, practical, common Canadian sense?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if the Leader of the NDP were interested in the well-being of Air Canada, its employees, and the people it serves, he would pay much more attention to the kinds of initiatives that are being put forward today, and a lot less to public opinion polls. He should stop relying on public opinion polls and rely on important matters.

Some Hon. Members: Hear, hear!

Mr. Mulroney: With regard to—

Mr. Riis: Call an election.

Mr. Mulroney: With regard to—

Some Hon. Members: Oh, oh!

Mr. Broadbent: I can't hear him, guys.

Mr. McDermid: Don't forget Imperial Oil, Ed.

Mr. Speaker: The Right Hon. Prime Minister.

Mr. Mulroney: In deference to my hon. friend I would ask him to take the time to read the *compte rendu* of *The Gazette* of January 16, 1985, which says: "Prime Minister Brian Mulroney said Monday in Montreal that Air Canada is not for sale but did not rule out selling a minority interest. A group of Air Canada employees says it is interested in purchasing up to a 40 per cent share in the airline".

This was said both in English and in French. It was said in the presence of a distinguished Canadian, as was mentioned, Louis Laberge.

My hon. friend will agree, I think, as he reviews the statement, that what has taken place today is perfectly consistent with what I said in January, 1985, and is very much—

Some Hon. Members: No, no.

Mr. Mulroney: The NDP may think the world stands still, but it does not and there are requirements for the future. We are going to meet this on behalf of all Canadians to make a stronger and a better Air Canada.

Some Hon. Members: Hear, hear!

SALE OF SHARES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my supplementary question is for the Prime Minister. I tell the Prime Minister, as is usually the case, that I always check his immortal words before I come into Question Period. I saw his quote about perhaps selling a minority of shares, but I want to ask the Prime Minister why he is misleading the people of Canada today.

We have had it admitted by the Deputy Prime Minister earlier in the House in his statement, and in Question Period, that the intention of the Government is not simply to sell a minority of shares; the eventual goal is to sell all of Air Canada.

Since in 1985 the Prime Minister talked only about a minority share, why have they done a flip-flop and now committed themselves to selling out Air Canada completely? That is the issue.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I know—

Mr. Broadbent: Oh, what happened? Why don't you answer, Brian?

Mr. Mazankowski: The Leader of the New Democratic Party should cool down a little bit. He gets awfully angry when he asks questions.

Mr. Broadbent: Oh, yes, we like the truth in here.

Mr. Riis: We like the truth.

Mr. Mazankowski: It is hurting his image a little bit.

Mr. Masse: It is not good for the polls.

Mr. Blackburn (Brant): You are giving away our country.

Mr. Hnatyshyn: Hang on to your seat, Derek.

Mr. Speaker: The Hon. Deputy Prime Minister has the floor.

Mr. Mazankowski: Mr. Speaker, I would just hope that the Leader of the New Democratic Party would consider the statement in its fullest. The expectation is that legislation will allow the transfer of all Air Canada shares to the public eventually.

Mr. Broadbent: Right, that is the betrayal.

Mr. Mazankowski: Once the legislation is passed, appropriate financial and regulatory steps are taken, and market conditions permit, the board of directors will be asked to offer initially a Treasury sale of up to 45 per cent, and the Government's holding would remain in the 55 per cent range. If it is then in the best interest of the corporation, the best interest of the airline, and the best interest of Canadians to proceed further, then it will—

Mr. Riis: He promised that you wouldn't.

Mr. Mazankowski: —but 55 per cent will remain in the hands of the Government until such time as further action might be taken.

WINNIPEG OVERHAUL BASE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the country will have noted that the Prime Minister refused to answer that question, because he knows he has been caught making another broken promise—

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Oshawa has the floor.

Mr. Broadbent: Mr. Speaker, whether it is the Prime Minister or his spokesperson, the Deputy Prime Minister, today, since they promised—and it was not Air Canada; it was the Deputy Prime Minister's words today with reference to the overhaul base at Winnipeg—that the "Winnipeg overhaul base will continue as a prominent and integral function of Air Canada", and if the intention is to turn, as was made clear in another part of his statement, operational control over to the new shareholders, how can that promise ever be kept down the road?

Isn't the real reason that we are seeing this reference today simply another disguising scheme to get the Conservatives through the Manitoba election? Is that not what that is all about?

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Broadbent: Remember the CF-18.

Mr. Speaker: The Hon. Deputy Prime Minister.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if we want to talk about disguising schemes, I have it right here, and I am quoting:

> —we in the NDP are not against privatization *per se*, but there must be a practical reason for selling a Crown corporation.
>
> For example, if there was bad management in the Crown corporation, it did not have sufficient money, or there was no public policy reason for keeping the corporation, then maybe it could be sold to the private sector.

• (1440)

Who said it? Ian Waddell, *Hansard*, February 13, 1987.

Mr. Broadbent: That's right.

Some Hon. Members: Hear, hear!

Mr. Broadbent: We'll campaign on that.

Mr. Riis: Please call an election now.

Mr. Speaker: The Hon. Member for Winnipeg—Fort Garry.

Mr. Crosbie: Come on over, Lloyd.

Some Hon. Members: We want Lloyd.

Mr. Axworthy: Mr. Speaker, I hope you will accept that I am somewhat overwhelmed by the wild endorsement from the other side.

Mr. Speaker: I am overwhelmed by both sides.

Mr. Axworthy: And I hope from the Chair itself as well, Mr. Speaker.

FUTURE OF WINNIPEG MAINTENANCE BASE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, while talking about the source of policy, I think it is proper to point out that if the Deputy Prime Minister is referring to the speech I gave to the *Financial Post* conference, he should properly read the speech which recommended, first, a recapitalization of Air Canada, which the Government has not done, followed by public hearings on Air Canada so that full exposure of the pros and cons of its role could be properly discussed and so that public education could take place.

In keeping with the habits of the Prime Minister, they never follow my good advice. That is why they are in the trouble in which they are today with this measure.

Some Hon. Members: Hear, hear!

Mr. Axworthy: Mr. Speaker, I want to raise a question with the Deputy Prime Minister. In the statement made this morning the Government makes very clear that it is going to incorporate into legislation a commitment to retain the corporate headquarters of Air Canada in Montreal. That is a good stand with which I agree.

However, why, in terms of commitments to the maintenance base in Winnipeg, is there no such commitment incorporated in legislation? All we have are good intentions which the Government cannot back up because it is giving away the power to back up those commitments.

Why will the Deputy Prime Minister not incorporate the commitment to Toronto and Winnipeg as it has for Montreal?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I first want to thank the Hon. Member for Winnipeg—Fort Garry for giving me the benefit of his advice, counsel, and wisdom over the years. We have followed a number of his speeches and comments. He talks about the qualification which he put on that particular statement. My understanding is that if it was to be recapitalized, in some way, shape, or form, Air Canada would have had to have had an injection of money.

Mr. Axworthy: Right. You got it.

Mr. Mazankowski: I am surprised that when the Member was the Minister of Transport he did not elect to do that. On March 29, 1984—and I think he was the Minister of Transport at that time—he said: "The company Air Canada has good opportunities for growth but the Government is not willing to make the necessary capital investments". That statement was attributed to the Minister of Transportation by *The Globe and Mail* on March 29, 1984.

He had the opportunity, he had the option. Why did he not choose to do it?

Mr. Turner (Vancouver Quadra): What's the point?

Mr. Mazankowski: Mr. Speaker, for the benefit of the Leader of the Opposition, I was clarifying his colleague's statement.

Mr. Turner (Vancouver Quadra): Thank you. We had difficulty following that one.

Mr. Mazankowski: Mr. Speaker, I invite the Hon. Member to reread the statement which provides assurance of an employee share purchase plan, that no individual shareholder will be permitted to own over 10 per cent of the publicly issued shares, and that cumulative foreign ownership will be subject to a restriction of 25 per cent.

It then goes on to say:

> That the major operational and overhaul centres which have been built up over the years in Montreal, Toronto, and Winnipeg are sources of great pride for Air Canada and fundamental to the success of this airline . . . The overhaul base in Winnipeg will continue as a prominent and integral function . . .

It is all part and parcel of the same qualifications and commitments that we made.

Mr. Axworthy: Mr. Speaker, it comes as a surprise to me that they use my speeches for advice. I thought they got all their advice from Frank Moores.

RETENTION OF MONTREAL HEADQUARTERS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the Government has made a very clear commitment to entrench in legislation the preservation of company headquarters in Montreal, which is a proper case. However, under the statement made by the Minister today the Government has no powers to do that for any other establishments of Air Canada, including those in Toronto and Winnipeg. We want to know why the Government is prepared to do that for one centre but not the others.

Taking into account the Minister's so-called commitments, will he say today in this House of Commons, in Question Period, that he will make the commitment to Winnipeg and Toronto that they will get the same protection in legislation as he is offering to Montreal?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, obviously the corporation, whether a Crown corporation or a private corporation, has to have a head office. That is incorporated in the legislation as other areas will be incorporated in the legislation and/or the Articles of Incorporation. That is what I said.

WINNIPEG MAINTENANCE BASE—MINISTER'S COMMITMENT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is for the Deputy Prime Minister. In his statement this morning he makes it clear that the Chairman of Air Canada will vote in accordance with the directions of the private shareholders. How can the Minister guarantee the 2,300 employees of Air Canada in Winnipeg, and particularly the large number who work in the maintenance base, that the private shareholders will follow the commitment which the Minister is making in his statement today?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, there is a firm undertaking in an Air Canada public release which is obviously endorsed by the Chairman of Air Canada and indeed the President of Air Canada. That is the same today as it was yesterday.

Mr. Blackburn (Brant): How about a year from now?

FUTURE OF WINNIPEG BASE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the Chairman of Air Canada made a statement based on instructions he received from the present owners. However, the

Minister is proposing that in the future the Chairman will take his instructions from the private shareholders.

What is to prevent the private shareholders, who are quite legitimately interested mainly in making a profit, from saying that it does not pay them to maintain the base in Winnipeg or bases in other cities? Surely the requirement is an assurance in legislation that the bases in Winnipeg and Toronto will be maintained at their present or higher levels.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I cannot imagine why the Hon. Member is so nervous about Winnipeg. It is a profitable maintenance centre, it does good service, and has dedicated employees. Air Canada has made a firm commitment.

Mr. Riis: Remember the F-18.

Mr. Mazankowski: In the event that the Hon. Member is not aware of everything that goes on there, in addition to maintaining its own aircraft Air Canada's Winnipeg maintenance base also performs maintenance contracts for other carriers and the airline will continue seeking out and bidding for these opportunities. It is a going concern. Why would you want to remove it, Mr. Speaker?

* * *

IMMIGRATION

TURKISH REFUGEE CLAIMANTS—MINISTER'S MEETING WITH DELEGATION

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Employment and Immigration and concerns the plight of the Turkish claimants who are here today on Parliament Hill.

I understand that the Minister has recently met with representatives of the Turkish delegation. Can the Minister inform the House of the discussions which she just completed with the delegation? Can she further elaborate for the House upon whether she informed the group that she, as Minister, can and will act under Section 115(2) of the Immigration Act which permits the federal Government to admit any individual into this country under compassionate or humanitarian considerations?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I am familiar with the Act. My discussion with the leader of the Turkish community which is in Ottawa today was to inform them that the process which we put in place last Friday, and the commitment which I made to them, would end with their demonstration on Parliament Hill. I will be making a statement to inform the House more fully at three o'clock.

MINISTER'S POSITION

Mr. Sergio Marchi (York West): Mr. Speaker, my supplementary question is for the same Minister. Surely the Minister knows that the humanitarian and discretionary powers afforded her under the Act exist for a specific reason, to deal largely with humane cases which are neither black nor white and arise unannounced, whether through natural disasters or man-made unscrupulous scams.

Given that the former Minister of State for Immigration has described these individuals as "innocent victims of unscrupulous consultants," the consultants being the real cancer of the disease who go unaddressed, why is the Minister so steadfastly opposed to administering the humanitarian criteria which the Government used 40,000 times last year, one of which times was for Professor Georges Grossmann who did not need humanitarian assistance to stay in Canada?

• (1450)

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, what we as a Government want to accomplish in terms of immigration and refugees is that the law be applied not in an arbitrary fashion; in a humane fashion and a compassionate fashion, but not in an arbitrary fashion. That is why there are two Bills that we would like to get passed so that we can deal with the larger issue of refugees and immigrants, and refugees' families and immigrants' families, and family reunification, and the growth we want in immigration in Canada and our ability to be humane in a fair way to everyone.

* * *

[*Translation*]

NATIVE PEOPLES

RELOCATION OF PORT BURWELL INUIT GROUP—STATUS OF NEGOTIATIONS

Mr. Guy St-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. The Inuit in New Quebec told me about a problem concerning a group of Inuit who were moved from Port Burwell in 1978.

As you know, in 1984 former residents of Port Burwell started proceedings to sue the federal Government for $55 million. In October 1987, the Minister announced that negotiations had started between his special representative on the James Bay agreements and the Makivik Corporation.

My question is this: What tangible progress has been achieved in these negotiations toward settling a question that is very important to the Inuit of New Quebec?

[*English*]

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Hon. Member, as

always, has expressed a concern on behalf of his constituents. I am pleased to inform him that the eight families from Port Burwell will receive compensation by the Government of Canada of some $2.5 million to go toward their relocation. The other part of the assistance is that, because they are beneficiaries under the James Bay Agreement, they will receive assistance in continuing their relocation.

The negotiation process, I believe, was successful. I believe all sides benefited, and we would hope to look forward to further negotiations on other issues involving the James Bay and Northern Québec Agreement.

* * *

AIR CANADA

SALE OF SHARES—TAXPAYERS' REPRESENTATION

Mr. Les Benjamin (Regina West): Mr. Speaker, on reading the Minister's statement for the third time, I have concluded that the most half-baked, hare-brained paragraph in the whole statement is an abdication of the Government's responsibility to the taxpayers. The Minister says that 55 per cent of the control of Air Canada will remain in the hands of the public, and in his statement he said that the Government will instruct the Chairman of Air Canada's board of directors to vote its shares in accordance with the public shareholders who are the minority shareholders. Who will represent the taxpayers of Canada who own 55 per cent of the airline?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the hon. gentleman calls it a hare-brained, half-baked idea, but the Chairman of Air Canada said this morning at a press conference something to the effect that this initiative is good for the employees, good for customers, good for communities, and it is good for Canada. I think the Hon. Member should take that into consideration.

Air Canada has been functioning as a commercial corporation in a newly structured regulatory environment. It competes with the private sector and it behaves in every respect as a private sector corporation. As a Government we have not intervened in the day-to-day operations and management of Air Canada, and that is consistent with what has been going on in the past.

ACQUISITION OF SHARES—CONTROL OF CORPORATION

Mr. Les Benjamin (Regina West): Mr. Speaker, I am just flabbergasted that the Tories are continuing a policy the Liberals started. I ask the Minister what, in his statement or in the Government's policy, will prevent a group of individuals who happen to be on the boards of several airlines, or several airlines, themselves from acquiring 10 per cent of the shares each and having effective control of Air Canada, or what will prevent a foreign owned airline from having 12 per cent of the shares and having effective control of Air Canada?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, that is a rather convoluted assessment. If the Hon. Member looked at this again, he would find that only 10 per cent of the publicly issued shares could fall into the hands of one person, and that would be roughly about 4.5 per cent. In the case of foreign ownership—

Mr. Benjamin: But you're going to sell all of them.

Mr. Mazankowski: We made a clear commitment here that 45 per cent of Treasury shares are to be issued—

Mr. Benjamin: Initially.

Mr. Mazankowski: Maybe 10 years down the road, maybe five years down the road—

Mr. Broadbent: Maybe two years.

Mr. Cassidy: We'll make sure that you never do it.

Mr. Mazankowski: If it is in the best interests of the corporation to do more, that is when that decision will be taken—

Mr. Cassidy: Trust is the issue.

Mr. Mazankowski: Hon. Members do not want to listen to the answer.

* * *

OFFICIAL LANGUAGES

SASKATCHEWAN BILL—REQUEST THAT FEDERAL FINANCIAL ASSISTANCE BE OFFERED TO PROVINCE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is for the Prime Minister. I want to refer to Saskatchewan's language law, Bill 2. We are told today by press reports that Mr. Devine, the Premier of that province, will not accept any amendments to his controversial language Bill.

Given that the powers of persuasion, powers that we thought would be the best avenue to use to convince Saskatchewan to be generous and open, have failed to bring the matter to a satisfactory solution, I wonder if the federal Government could not now use its spending power. As we know, the federal Government can offer financial and technical assistance. However, we are not aware of what the offer has been. Could the Prime Minister share with us what the offer has been and what he intends to do to come to an amicable, more generous, more open, and perhaps more caring solution to the problem?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate the question of the Hon. Member because it is certainly in line with discussions that are ongoing and are taking place now with senior Ministers of the Government of Saskatchewan. I am glad to be able to report to the Hon. Member that we are canvassing on an urgent basis the implications and ramifications of the decision in a very wide range. I think this is a very hopeful sign.

This is a Government that is giving leadership under the Prime Minister with respect to a very important issue. It is not taking us four or five years, as was pointed out by the Prime Minister yesterday, to try to resolve these matters. Rather, we are dealing with them on a very important and urgent basis.

Yes, we will be talking in terms of assistance that can be rendered to the Province of Saskatchewan in order to ensure that the interests of minorities are in fact protected in Saskatchewan and that the interests not only of the minorities but of all the citizens of Saskatchewan and of Canada are properly represented at the federal level.

Mr. Gauthier: Mr. Speaker, the question that begs to be asked is how long are these discussions going on and what happens at the end of the day.

[*Translation*]

SURVIVAL OF MINORITIES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): My supplementary is directed to the Prime Minister. Yesterday, the Premier of Saskatchewan was quoted as saying that Saskatchewan would be completely bilingual in ten or fifteen years. You yourself quoted the Premier's statement in the House yesterday. We know it has now been six years since the Constitution Act of Canada gave official language minorities the right to be educated in their own language anywhere in Canada. In Saskatchewan there are no French school boards or French schools. Six years after the Constitution Act was passed there is still no access to education in French in Saskatchewan. Why do minority groups believe . . . what does the Prime Minister have to say to minority groups? What do we have to do to make this Government understand it is time to act, to stop talking and really do something about introducing measures that will give minority groups a chance to survive in this country?

Right Hon. Brian Mulroney (Prime Minister): If I am not mistaken, Mr. Speaker, the report of the Commissioner for Official Languages indicates that in recent years there has been substantial progress in Saskatchewan with respect to the use of French. I agree this does not relieve us of our responsibility as the federal Parliament, as the federal Government, to do more. That is what the Minister was referring to. We are going to use all our resources at the federal level to help the provincial government provide various services and opportunities for the linguistic, cultural and social enhancement of the Francophone minority of Saskatchewan. I think that this is entirely in line with the results being sought by the Hon. Member.

* * *

• (1500)

[*English*]

ENVIRONMENTAL AFFAIRS

OZONE LAYER TREATY—FORTHCOMING MEETING OF G-7 COUNTRIES

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Prime Minister. Last September in Montreal, Canada and 30 other countries signed a treaty aimed at trying to restore the world's ozone layer which has been seriously damaged by the use of CFCs in aerosols. Five of the G-7 countries which will be meeting at the Toronto summit in June represent two-thirds of the world's use of CFCs. In the past the Prime Minister has not hesitated to raise other issues such as South Africa at economic summits. Therefore, will he undertake to raise the issue of the ozone layer treaty at the Toronto economic summit, and at the same time urge the other five countries to follow the lead of Canada and the U.S. in banning the use of CFCs in aerosols?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, Canada is of course deeply concerned by the evidence of the thinning of the ozone layer. On behalf of all Members of Parliament I want in a special way to congratulate the Minister of the Environment for the tremendous leadership he provided at the Montreal conference in this regard.

Some Hon. Members: Hear, hear!

Mr. Mulroney: He has had discussions regarding our G-7 partners concerning the matters which should be on the agenda. There is a strong view that this dimension of the environment should be considered by the participants at the Toronto summit in June. I take good note of the suggestion of my hon. colleague and will bring it forward for consideration by the other leaders at the industrialized summit.

Mr. Speaker: I want to advise the House that this will be the last question of Question Period.

* * *

IMMIGRATION

TURKISH REFUGEE CLAIMANTS—REQUEST FOR DELAY OF DEPORTATIONS

Mr. Dan Heap (Spadina): Mr. Speaker, first I take this opportunity to congratulate the Minister of Employment and Immigration on her new appointment and I wish her well. I also have a question for her.

Considering her Government's delay in imposing a visa requirement on Turkey for months after it knew of the racketeers and false promises which brought many Turks here without proper status, will she consider a two-month delay in further deportations of people in the backlog in order to allow time for consultations, both to put Bill C-55 into working order for control of refugee status determination, and to work out a consistent and fair method of handling the 48,000 in the backlog?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I thank the Hon. Member for his good wishes.

I should say that the normal process followed with a friendly country was followed with the Turkish refugee claimants, that is, there was a period of discussion with the Turkish Government and the visa requirements were put in as soon as practical.

I have examined that part of the issue very carefully and some of the delays in the process were of course because the refugee claimants wanted to take advantage of our appeal process, which they have every right to do. However, it is too lengthy, and I agree with the Hon. Member that Bill C-55 will help us to deal with these things more expeditiously. Of course, after that time we will have to look at the 48,000 in the backlog and I will thank him for his support in promoting Bill C-55.

BILL C-55—REQUEST FOR AMENDMENTS

Mr. Dan Heap (Spadina): Mr. Speaker, considering the fact that all non-governmental spokespeople in Canada, church, labour and Bar associations, as well as others, have condemned Bill C-55 because it violates the Supreme Court decision three years ago on oral hearings, will the Minister consider the delay I suggested in order to negotiate with the Canadian Bar association and the Senate for amendments to Bill C-55 that would make it workable and capable of being passed without challenges immediately at the Supreme Court?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, first I wish my hon. friend were in a position to help me in the Senate. I could use it.

Let me just say that we regard Bill C-55 and Bill C-84 as parts of a complete package dealing with this issue. It is the two taken together that will help us deal with this problem.

* * *

PRIVILEGE

DESIGNATION OF MEMBER BY NAME

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I am sure the distinguished Deputy Prime Minister, who is after all a former House Leader, would want to take the opportunity to correct his mistake in Question Period when he referred to me by name. He must know that I am the Hon. Member for Vancouver—Kingsway. In spite of all the Government's efforts to get me out of that riding I am still the Member.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, it certainly was not my intention to aid in that unfortunate process going on in Vancouver. I was merely quoting an extract from a statement the Hon. Member made. I apologize to him. Who would not know that the Hon. Member is the Hon. Member for Vancouver—Kingsway? I apologize for that.

* * *

[*Translation*]

MOTION TO ADJOURN UNDER S. O. 29

NATIONAL UNITY—RIGHTS OF LINGUISTIC MINORITIES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I ask for leave to move a motion that the House do now adjourn and, as I did yesterday, I would like to make a few points in support of that proposal. If the motion is deemed in order, I would be ready to debate it tonight, as provided for in the Standing Orders.

Mr. Speaker, there are a number of reasons why I once more ask for that emergency debate on the language situation in Saskatchewan. First, there is no need in my view to remind you of the situation as such, because everyone knows it raises constitutional questions, especially as to the interpretation of the Meech Lake Accord.

Moreover, we should keep in mind that the Supreme Court recognized that the rights of French speaking Canadians in Saskatchewan had been violated since 1905. This is not a trivial matter, it is a serious injustice that must be addressed without delay.

Since Bill 2 tabled in the Saskatchewan Legislature also flies in the face of the spirit of national conciliation that prevailed in the Meech Lake Accord, and since Bill 2 in no case can redress the harm and injustice done to Francophones in that province, I believe those facts alone warrant an emergency debate because it is this Federal Government's direct responsibility to ensure that minority rights are respected.

Mr. Speaker, there are other reasons why the debate must take place as soon as possible. The Prime Minister stated in this House that he and his ministers had discussions with Premier Devine over the weekend. Unfortunately, the media this morning reported those negotiations had failed since Premier Devine stated nothing could convince him to amend Bill 2 in any way. This points to the total failure of the Prime Minister's persuasion effort.

As an alternative, the Government could use its spending power, as I mentioned earlier. Now, the Prime Minister stated he had or would make offers to the province, but we are in the dark as to what is going on, as to what those offers are. We do not know who is involved and at what level. However, since it is a direct administrative responsibility of the Government to financially help provinces to honour their Constitutional obligations, I think that it would be in this House's interest to know those objectives.

Finally, I think an emergency debate must be held because we are told that the province is going to pass the Bill as quickly as possible, probably before the weekend. That will make the situation almost impossible to change. Therefore, we must act quickly to prevent such a situation.

Mr. Speaker, I believe in the power of persuasion, I believe in the respect Canadians have for their Parliament. I believe that democracy is deeply rooted in the heart of citizens. That is why we must hold an emergency debate, because it will allow all voices to be heard.

It would not only be the Prime Minister's power of persuasion but the elected Hon. Members of this House calling on their fellow citizens' common sense, finer feelings and generosity.

Mr. Speaker, I would like us to seriously and thoroughly debate that issue tonight in this democratic forum.

Mr. Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier) has made the same request yesterday. Having given much consideration and attention to it, and under the circumstances, I decided yesterday that it would not be appropriate to hold an emergency debate on that matter, and I do not think the situation is any different today. I know that this issue is most important for both Francophone and Anglophone minorities in Canada as well as for the country's unity, but I must repeat today that an emergency debate would not be appropriate under our Standing Order. I want to assure again the Hon. Member that this issue is very important to the House of Commons and to all Canadians. And I thank him for addressing it.

* * *

• (1510)

[*English*]

BUSINESS OF THE HOUSE

Mr. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, there have been discussions among the House Leaders and I think you will find that there is agreement to revert to Statements by Ministers in order to permit the Minister of Employment and Immigration (Mrs. McDougall) to make a statement and for the opposition spokespersons to respond.

I also believe that within the context of that agreement it is also understood that the hour of the adjournment of the House will not be extended under Standing Order 19.

Hon. Herb Gray (Windsor West): Mr. Speaker, I can confirm that there have been such consultations. Quite frankly, after the conduct of the Government this morning with respect to the statement on the privatization of Air Canada, our first inclination was that the Government did not deserve to be allowed to depart from the ordinary rules of the House and to be given permission to give a statement other than during the time set for it.

However, we noted that the subject matter of the statement to be given dealt with the issue of the Turkish claimants, and the Minister of Employment and Immigration (Mrs. McDougall) did find it possible to provide us with copies of that statement in both French and English well before the time she wanted to give the statement. It is not clear why it was possible for that to be done on the part of the Minister of Employment and Immigration and not possible for the Deputy Prime Minister (Mr. Mazankowski). It is another example of the complete bungling and confusion when it comes to the handling of the business of the House.

In any event, under the circumstances and particularly in light of the subject matter of the statement, we are prepared to give unanimous consent to allow her to give the statement at this time, provided that the House will adjourn at the ordinary time of adjournment and the sitting not be extended by virtue of the time the Minister will take for her statement.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, indeed there were positive discussions between the House Leaders earlier today. I want to use this occasion to thank the Minister in her new portfolio for giving us the courtesy as opposition spokespersons of having an indication of her comments well in advance, in both official languages. It is a very appropriate and thoughtful initiative.

It was that which encouraged us to agree unanimously to revert to Statements by Ministers to hear her comments and allow the spokespersons of the opposition Parties to respond.

Let me take this opportunity to say that it is quite in contrast to the bungling process we saw earlier today with respect to the proceeding dealing with the Government selling off Air Canada to private interests. However, we are enthusiastic in terms of supporting the Minister in her comments regarding the Turkish claimants who are in town today.

Statements by Ministers

ROUTINE PROCEEDINGS

[*English*]

IMMIGRATION

TURKISH NATIONALS—GOVERNMENT POSITION—STATEMENT BY MINISTER

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, like other Members of the House and other Canadians, I have concerns for the situation in which the Turks who arrived in Canada to claim refugee status, ultimately without success, find themselves.

Last Friday evening I went to meet the group of marchers to explain the Government's position to them. I met them collectively and individually so that they would have an opportunity to ask any questions.

Today I met with their leaders again to explain directly to them my position at this moment and to reiterate once again that our Immigration Act must be respected.

[*Translation*]

I repeat, Mr. Speaker that last Friday I went to meet the group of marchers, and today I met them again to explain directly my position and to reiterate that the Immigration Act must be respected.

[*English*]

As Hon. Members in the House know, Canada's Immigration Act provides us with a legal process to assess claims to refugee status that are made in Canada. The process allows for various levels of appeal, all of which have been tried and exhausted by these people.

We recognize that these Turkish citizens were originally the victims of unscrupulous travel consultants, but once in Canada they have taken every opportunity to exercise their appeal rights under due process of the law. Those who remained chose to continue with the process.

The prevention of this kind of unfortunate situation is one of the reasons we have been attempting to introduce new legislation in the form of Bill C-55 and Bill C-84. Bill C-55 will allow the Government to deal more quickly with refugee claims and thus reduce the incidents of people remaining in Canada while their claims are under review, sometimes for many months or years.

We recognize that this is a stressful time and a difficult time, but we must also remember that in reality these people are hopeful immigrants and not refugees. If we allow our system to be abused, those who are in genuine fear of their lives and need our protection will be at risk.

[*Translation*]

If these people leave voluntarily and respect our laws, once they are in Turkey they can go through regular channels and make a new application for entry into Canada.

As the Minister responsible, I will not hold the deportation order against them. If they satisfy the selection criteria for Canada and Quebec, they will be accepted.

As I said before, these people have had the benefit of due process. They have made use of the various provisions and guarantees available under our legislation. Their claims for refugee status were examined thoroughly and rejected by the Refugee Status Advisory Committee, by the Immigration Appeal Board, and, for those who decided to take their case even further, by the Federal Court of Canada. At each level, their claim for refugee status was denied.

[*English*]

Under Canada's immigration law, due process is a lengthy process. Complying with removal orders is the last step in the process for these people. I should also point out that some 400 of their compatriots have already chosen to return to Turkey of their own volition.

• (1520)

In considering the situation of these Turks, I am also mindful that today there are some 48,000 persons in Canada claiming refugee status, more people than live in a city in Canada such as Rimouski. Each of these persons also has a story to tell and they, too, must receive our attention and our fairness. Canada has a record of fairness. It has a record of compassion in the treatment of real refugees. It is important to examine this situation in the light of our broader efforts on behalf of refugees.

In 1987, 17,000 refugees were resettled from abroad, 12,000 came from government sponsorships and 5,000, I am pleased to say, were sponsored by private groups who are showing a growing interest in helping real refugees. In 1988, this Government has increased its sponsorship to 13,000 and we expect that private groups will continue to expand their sponsorship this year to some 6,000. It is interesting to note that in 1987, 8,165 of the sponsored refugees were women. Canada contributes millions of dollars annually, in addition, to refugee assistance abroad.

[*Translation*]

Canada provides every protection for genuine refugees arriving at its borders. Despite its record, the Government realized that its current method of processing refugee claims was inefficient.

Bill C-55 was introduced to provide for a more efficient, entirely equitable and faster process for refugee status recognition.

Madam Speaker, the issue today is those people who were ordered to leave Canada on the weekend and who decided not to obey that order. I stand behind this commitment. I wrote to the Turks to ask for their co-operation and compliance with the laws of Canada.

[*English*]

Both they and I have so far met our obligations under the law and we must continue to do so. Finally, I am tabling for the House my letter to the Turks as well as a backgrounder on the situation.

Mr. Sergio Marchi (York West): Madam Speaker, I wish to thank the Minister for the process by which this statement arrived today. I must say that to a certain degree I regret the philosophy that has characterized the Minister's statement because it is a philosophy that essentially gripped her predecessors. When I say I am regretful, I say with the utmost respect that I think the Minister's appointment as the new Minister responsible for immigration was met with substantial enthusiasm across the country by various organizations. It was perceived that the new Minister would bring a refreshing outlook in respect of the immigration policy. However, early in the mandate we still see the traces of her predecessors.

I believe, as do most Canadians, that the situation facing the Turkish claimants and the situation they in turn have imposed upon the Government and Parliament is very difficult. It is a difficult situation because it is emotionally charged. There are human beings involved and the future of young and old is affected. Anytime those variables are put into the equation any conclusion will be derived at through much pain.

I appreciate, as all Canadians do, the difficulty of the situation. We are not making impossible demands, nor are we trying to suggest an irresponsible response from the Government that would jeopardize our immigration or refugee programs. We have not suggested, nor will we suggest, that these individuals be given refugee status. Their own lawyers have concluded that the majority of them are not refugees under the United Nations Convention definition. We are also not suggesting that they break any Canadian law by overstepping or ignoring deportation orders. We may disagree with the law or with the deportation order, but our position is that in the end one must respect the laws of this country.

We are not recommending to these individuals that they camp here overnight regardless of the decision just handed down by the Minister. As much as we believe in the democratic right of individuals and groups to demonstrate before Parliament, we also value and respect the properties surrounding Parliament Hill. Therefore, we believe that that would be a set-back in terms of receiving the compassion this Government may be prepared to offer. Therefore, we are not making those demands.

As an opposition Party, we recognize something the former Minister of State for Immigration recognized. He told our committee that these individual claimants are innocent victims of an unscrupulous network of scams and con artists who have profited from these actions and that these are the symptoms of a larger, cancerous cause. He recognized the cause of these people coming here. He recognized that they have basically sold everything and have nothing to return to. The Minister in her own speech a few moments ago recognized that these persons are a by-product of an unscrupulous network of individuals. But what is the Government doing about the cause of this problem which continues to manifest itself? We saw a few months ago the same thing in Portugal. We placed a visa requirement on Portugal, and they moved to Brazil. We put a visa requirement on Brazil, and they moved to Turkey.

We put a visa requirement on Turkey. Where is this problem going to manifest itself now? How many other people will become the victims of individuals who profit from the desperation of human beings? Is it not a responsibility of this Government, or any other government, to stop the racketeering and trading in human flesh? Is it not their responsibility to prosecute, to throw these people behind bars, to strip them of their dignity as they have stripped these people of their dignity?

The Minister said she must abide by and respect the rule of law. We do not argue that. She stated that the Immigration Act must be respected. We are not urging the Minister to show disrespect. We are not urging the Minister to go above and beyond the Immigration Act. Section 115(2) indicates that it is completely lawful and in keeping with the Immigration Act to offer humanitarian assistance in some cases. It reads:

> The Governor in Council may by regulation exempt any person from any regulation made under subsection (1) or otherwise facilitate the admission of any person where the Governor in Council—

That is the Government or Minister.

> —is satisfied that the person should be exempted from such regulation or his admission should be facilitated for reasons of public policy or due to the existence of compassionate or humanitarian considerations.

• (1530)

This clause is not without precedent. Her own Government last year admitted under the humanitarian program some 27,000 individuals. Under the provision of ministerial permits, which waives all necessary processing because of the circumstances, an additional 18,000 people were admitted. This means that in 1987 alone there were some 43,000 people who were allowed into the country. Why?

The answer is because Governments, including this one, have recognized that immigration questions are not always black or white, that many times there are cases that fall between the cracks. Any Government is in need of a humanitarian stream that will allow it to react compassionately and humanely where justified. That is how we reacted to victims of natural disasters or, as in this case, victims of unscrupulous consultants. That is how we reacted in the 1970s and 1980s when, above and beyond our immigration program, there were waves of different special individuals coming in. Those Governments were open and recognized the dilemma that these individuals faced.

We have not been asking the Government to break the law, to go beyond what is empowered in the Immigration Act, but merely to consider—and not even to guarantee—that the Minister apply the humanitarian criteria that are at her

disposal. We ask her to do this not on a group basis but on an individual case basis. This would allow the Government the ability to protect itself from those who perhaps are a security or a health threat or those who are not meritorious in terms of receiving humanitarian compassion. We would rest by the decision taken by the Minister after the application of such a humanitarian program, whether it be in the affirmative or in the negative.

Throughout the process we have recognized that it is not an easy one. We have recognized that there is a long-term viability to the system which must be protected by the actions of one Government. This Government in the past, as others have done, has stepped in when humanitarian considerations have required it to do so in order to reach a fair and humane solution.

This dilemma is a human dilemma. These individuals came here as a result of misleading information. We met with them this morning. We were told that they sold everything to buy their tickets and to bring their families here. They did not do that to undermine our country. They do not wish to stay here to subvert this country. They came here with expectations and dreams. They were misled, yes, but they are in a human catch-22 situation. All we have suggested and continue to suggest to the Government is that these people are not refugees and that it should not break the law but that there is a compromise here to consider. We urge it to consider that compromise because there is considerable confusion in the system.

People will see that the Government permitted over a year convicted terrorists to stay in the country. There was the situation involving Mr. Finkel who was convicted of several crimes in several countries. He was given permission to stay here. Contra rebels, who may have been involved in atrocities in their homeland, have been allowed to come into Canada as refugees. We saw the entrance of Professor Georges Grossmann under humanitarian considerations. There is legitimate concern for who gets in and who gets out.

I see that you are indicating, Madam Speaker, that my time is nearly up. I conclude by asking the Minister, who is a fair-minded individual and a colleague from Toronto, one who understands well the dilemma of a multicultural, multiracial society and the role that immigration has played in the evolution of our own city and, indeed, of our country, to search, not for ways of breaking the law or undermining the refugee program, but a human solution that will address a human problem.

Mr. Dan Heap (Spadina): Madam Speaker, I also wish to thank the Minister for having provided us with good advance notice of her statement in both official languages. I commend her in the short time in which she has been Minister for having acted as she did to go to meet with the Turks a few days ago and to meet with them again today. I know that there can hardly be anyone in the House who has a heavier load of duties than does the Minister of Employment and Immigration (Mrs. McDougall). I am very glad that she undertook that face-to-face meeting with the people who are perhaps to be deported from Canada.

However, I cannot agree with her statement. There is much in it that is reasonable. But there are certain points that I feel at best betray a lack of attention on her part to what has happened in the last few years.

For example, the Minister spoke at the beginning of her statement about respect for the Immigration Act, yet her Government I would add, not of course in her administration of the Act but previously, and the former Government in some ways treated the Act without respect and set an example that, unfortunately, has been followed by many people, especially the racketeers who found a loophole and have made millions and millions of dollars out of it.

I am particularly concerned that the Minister should consider that her Government, while she was a cabinet Minister, although not in this portfolio, from the fall of 1984 delayed and delayed action on this Bill. After the Supreme Court decision early in April of 1985 her Government delayed action to bring in a new law. After the Plaut report was received, held for several months, tabled and published in June of 1985, her Government referred it to the Standing Committee on Labour, Employment and Immigration and asked for comments.

That committee studied it, heard the officials, who were supposed to have the information about how they conduct the refugee matters, heard the public, and every person from the public who came asked for respect for the Supreme Court decision. The committee reported in October of 1985. On the backlog specifically it reported in December of 1985.

The Minister's Government ignored that report, violating the standing rules of the House, and neglected entirely to answer any of the recommendations. A year and a half later it still has not taken action either to correct the weaknesses in the Immigration Act or to put in any of the recommendations asked for unanimously by that committee. In fact, it has allowed the backlog to grow alarmingly, far bigger than it had been before.

In May, one year ago, the Government introduced a Bill that flies in the face of the Supreme Court decision of three years ago that requires an oral hearing with all the meaning that that carries in national and international legislation.

The Minister talked about respect for the law. Bill C-55 flies in the face of the convention that Canada signed 20 years ago with the United Nations. The United Nations representative in Canada pointed out inconsistencies between the Bill and the convention and asked the Government to make amendments. Of course it did not order that amendments be made. Of course it put its concerns in gentle language because it has no coercive power. It can only try to persuade.

Every public witness out of several dozen witnesses that came before the House to speak on Bill C-55 condemned it for that reason as well as for others. The only public witness who

did not condemn it and who was strictly neutral was the representative from the airlines who came only to protect their financial interests. In answer to questions he stated that he had no comment on the Bill. The only witnesses who supported the Bill were the former Ministers and the officials who had drafted it.

• (1540)

The Canadian Council of Churches, the Canadian Jewish Congress, the Catholic Bishops, the Canadian Bar Association representing 35,000 lawyers in private practice—this Government is busy privatizing says that private enterprise is the engine of recovery yet this bureaucrat absolutely rejected the advice of the representative of 35,000 lawyers in private practice. The Canadian Labour Congress, *La Confédération des Syndicats Nationaux*, the Canadian Ethnocultural Council, and dozens of smaller groups wrote, petitioned, and in many ways urged the Government not to adopt the Bill without amendment.

Since the Government absolutely refused to consider the amendments that they asked for, and insisted on the screening system and on the refusal of a review or appeal in the Bill, the public opposition has remained so strong that when the other place recently conducted hearings from coast to coast it found the same thing—every witness that appeared opposed the Bill as it stands.

It is unfortunate that it is the Government which has demonstrated a lack of respect for the rule of law, and specifically a lack of respect for the Immigration Act and for the need of making amendment to it. I think it is very unfortunate that up until this point the Government has declined to listen to the Canadian public who have expressed themselves through well respected public institutions, including those who have given their own time and money to feed, clothe, house, and otherwise help refugees because they believe those people were in need.

That Bill and the other Bill C-84 will not work as they stand. Every lawyer who is not paid by the Government has said that they will not work. The lawyers who are paid by the Government are the ones who led the Government into the debacle of the Singh decision three years ago in the Justice Department.

Therefore, I urge the Hon. Minister to consider that it is monstrous for her to assume that she is only deporting 30 or 40 Turks, and perhaps a few more. According to the Government's estimate there is a big majority of 48,000 more people to whom she will have to give consideration.

The public support for the Turks in Quebec, where most of them live, has reversed the previous public alarm at their entry. In every community I know of across Canada the public who have met refugees and even met those who have been brought on a scam like that, or met those who came not narrowly as refugees but because they feared for their lives in Iran, Beirut, the Soviet Union, El Salvador, or Chile, prefer to give them the benefit of the doubt and to help them rather than take the chance on sending them back.

Turkey has a record of human rights violations. It even has some opposition Members of Parliament in jail. I know that there are Members on the government side who take a dim view of that, since they remember that they were in opposition once. That is not a country to which we should be forcing people to return, especially given Bill 140 in Turkey which can be used by the Government there as an excuse to punish any of those Turks who have spoken in criticism, even in justifiable criticism, of his or her Government while outside the country.

I would urge the Minister to reconsider the decision she has given us today and to consider the honourable course of revising her approach in the manner that I have suggested.

[*Translation*]

Mr. David Berger (Laurier): Madam Speaker, I would like to ask the unanimous consent of the House. I would have some brief comments on this question, and if I am not mistaken, occasionally Members are allowed to comment on Ministers' statements.

[*English*]

The Acting Speaker (Mrs. Champagne): The Hon. Member for Laurier (Mr. Berger) is asking for unanimous consent of the House to make a statement following the statement of the Minister and the Member of his own Party. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): The Hon. Member does not have unanimous consent.

GOVERNMENT ORDERS

[*English*]

ELDORADO NUCLEAR LIMITED REORGANIZATION AND DIVESTITURE ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-121, an Act to authorize the reorganization and divestiture of Eldorado Nuclear Limited and to amend certain Acts in consequence thereof, be read the second time and referred to a legislative committee, and the amendment of Mr. Benjamin (p. 14369).

The Acting Speaker (Mrs. Champagne): When the House rose, the Hon. Member for Essex—Windsor (Mr. Langdon) had completed his remarks. Are there any questions or comments following his speech?

Eldorado Nuclear Limited

Mr. Cassidy: I would like to ask my friend, the Hon. Member for Essex—Windsor (Mr. Langdon), if he could comment a little on what he can discern about the privatization policy of the Government. Yesterday the Member for Mississauga North (Mr. Blenkarn), the Chairman of the Standing Committee on Finance and Economic Affairs, assured the House that Air Canada was not for sale. Today we find out that Air Canada is for sale. Yesterday Petro-Canada was not for sale, but perhaps tomorrow it will be for sale. Yesterday, although Eldorado was on the block, we were told that the CBC was not for sale. It is going to build a fancy and substantial new headquarters in Toronto, and perhaps it will be on the sale list tomorrow. What the devil is going on? I ask my friend, the Hon. Member for Essex—Windsor, if he can explain, since the Government cannot or will not, whether Canadians will have any social investment, or whether it will all go into the private sector regardless of the impact on taxpayers, and regardless of the impact on service to the Canadian people?

Mr. Langdon: It is a remarkable and difficult task to explain what is Conservative logic within its privatization policy. There is simply no such logic. There has been a complete reversal, a complete flip-flop today, a breaking of promises, a recognition of one policy strategy yesterday and today a recognition of a completely different strategy and policy. I must say that this is consistent with the lack of direction and the lack of consistency of the Government throughout its nearly four years in office.

The only explanation which can be given for this dramatically poor performance in terms of leadership, in terms of explaining itself to the public, is that the Government is an incompetent Government which has not yet managed to get its act together and, therefore, Madam Speaker, is doomed from ever having that chance in the future.

Mr. Schellenberger: I have a question, Madam Speaker. My constituents are very much in favour of the move that has been announced today to privatize part of Air Canada.

Mr. Cassidy: How do you know?

Mr. Schellenberger: Because I check with them constantly, something the Hon. Member for Ottawa Centre (Mr. Cassidy), I believe, does not perhaps often do.

Mr. Cassidy: I meet my constituents every day.

Mr. Schellenberger: I would like to ask the Hon. Member for Essex—Windsor (Mr. Langdon) whether he might explain to the country and to my constituents the policy of his Party of nationalizing the banks in this country.

Mr. Langdon: I am quite interested to hear the suggestion from the Hon. Member that his constituents are in favour of selling Air Canada. The most recent polling information available on the subject comes from the March 5, 1988 edition of *The Globe and Mail*. It indicates that in every region of the country there is a preponderance of people in favour of keeping Air Canada within the public sector.

• (1550)

This assures that we will have at least one airline committed to a national service crossing the country, reaching remote communities, and providing regular service to communities which do not necessarily have the population to justify it.

I point out to the Hon. Member that even among Conservatives identified in this poll, 43 per cent are against the sale of Air Canada and 42 per cent are in favour of it. Even within his own Party there is no support for the ridiculous move which has been made today.

As I am certain the Hon. Member knows, our policies are adopted at conventions. We have never made a commitment to nationalize all banks in the country. There is no such commitment, and I say that as the previous policy chairman of my Party responsible for much of the policy development at conventions in the 1970s and 1980s. No such policy was ever adopted to nationalize the banks.

There was a policy adopted to nationalize a single bank, which was justified at that time as a policy to give greater control over the financial and monetary policy of the country, given the fact that the Bank Act had just been passed by the previous Government which loosened that control very considerably. I have absolutely no apology for such a pragmatic and sensible response to a foolish move on the part of the previous Government.

Mr. James: Madam Speaker, I should like to make a comment. The Hon. Member for Essex—Windsor (Mr. Langdon) has said on a number of occasions that the objectives have not been stated by the Government in connection with privatization. I should like to bring to his attention excerpts from the speech of the former Minister of State for Privatization on May 6, 1987 wherein she indicated the five basic objectives for the federal Government choosing the privatization initiative.

The first was the changing economic environment for many Crown corporations. The original objectives behind their creation were no longer valid. Some Crown corporations were created to meet public policy goals which are no longer legitimate. The case has been stated in connection with Air Canada and Eldorado.

In addition, Governments have other options than the owner taxation and spending regulations available to public policy. It was indicated that we must study effectiveness, and the Hon. Member's Party seems to be positive with regard to the effectiveness of privatization in Manitoba recently.

There is abundant evidence to suggest that many Crown corporations are not as effective in serving their clients as the private sector. We must take a look at that and see if they are. That is an objective.

Public funds must be considered. Public ownership of Crown corporations places enormous demands on government resources to manage and financially support various enterprises, and it is taxpayers' money.

On a day to day basis accountability is not always focused as it should be. In addition, some Crown corporations cannot expect the infusion of the federal funds necessary to expand in the global economy.

If we use the example of Air Canada, it is difficult for the corporation to compete with private sector airlines without a great infusion of capital. If it does not get it from the private sector through investment, it will come out of the pockets of taxpayers.

Then the Minister dealt with management styles, as well as fairness and equity. Many Crown corporations compete directly with the private sector. In effect, some businesses have indicated, as was stated by the competitors of Air Canada and Eldorado, that they are competing against themselves. That is not fair and must be taken into consideration.

I think the evaluation process which must take place in connection with selling Crown corporations has been stated in an emphatic, positive, and straightforward manner by the Government.

Mr. Langdon: Madam Speaker, very briefly we have a national institution in the shape of Air Canada which was created to serve the vast transportation needs of a country which is unique in its size, unique in the diverse spread of its economic activities, and unique in its population.

It is very difficult to believe that a private sector operator will take on the difficult servicing of remote communities, the regular servicing of communities which need air service yet cannot provide the population base for such heavy servicing, such as the Hon. Member's own constituency of Sarnia—Lambton.

If the creation of a national institution made sense and was crucial in the past, if it could make money available in the past, not by taking it from government tax coffers but by the loans it was able to pay back to refurbish its fleet, why the sudden u-turn today? There is simply no national logic and certainly no logic suggested in that statement of a year ago.

The Acting Speaker (Mrs. Champagne): The period for questions and comments has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Champagne): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Scarborough West (Mr. Stackhouse)—Labour Relations—Federal minimum wage; the Hon. Member for York East (Mr. Redway)—Canada Elections Act—Funding of municipal New Democratic Party candidates in Toronto; the Hon. Member for Kenora—Rainy River (Mr. Parry)—Taxation—Northern deductions—Eligibility of communities.

GOVERNMENT ORDERS

[*English*]

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The Acting Speaker (Mrs. Champagne): Since we have resumed debate I should like to warn all Hon. Members to be very careful. Because of today's announcement it seems that we are getting more and more away from the subject matter of the Bill that is being discussed.

I would not want anyone to raise the question of relevancy, so I would advise Hon. Members to be careful.

Mr. Langdon: Madam Speaker, I rise on a point of order to make a comment in respect of that last point. I certainly respect the Chair's concern in terms of the direction of the debate being kept within the confines of the motion before us. I express some concern, however, since the motion before us is to postpone consideration for six months rather than to adopt the Bill.

• (1600)

The Acting Speaker (Mrs. Champagne): I do understand what the Hon. Member is trying to say. I understand that privatization in itself could be relevant. However, the Hon. Member was talking about the comfort and size of airplanes, and I have a problem with relevancy on that. I think everyone understands what I was trying to say. We shall continue with debate.

Mr. Mike Cassidy (Ottawa Centre): Madam Speaker, I appreciate your comments. It is going to be a little difficult but I assure you I will not raise questions about relevancy during the course of my remarks.

The motion before the House now deals with the Eldorado question in the light of the government policy of privatization. The motion proposed is to delay the privatization of Eldorado

and the merger with the Saskatchewan mining corporation for six months. The reason for raising that now is extremely relevant because suddenly the whole privatization policy of the Government is up for grabs as a result of the announcement made today.

Up until now we have been assured that the Government was going to privatize a bit of this, a bit of that and a bit of the other thing, and that the subsidiaries of the Canada Development Investment Corporation, of which Eldorado is one, would be hived off to the private sector, but that the large corporations which were assets in the Government's portfolio would in fact not be sold off.

Regardless of the qualifications which the Prime Minister tries to put upon it, there is no question that Canadians understood that his pledge after meetings in Montreal in 1985 was that Air Canada would not be privatized.

Mr. Hawkes: Madam Speaker, I rise on a point of order. I very much appreciated your comments about relevancy. It is a time-honoured tradition in the House that a motion to postpone consideration for six months is really a filibuster type of motion. It will not postpone the privatization of the corporation, as the Hon. Member has said, but postpones Parliament's consideration of the wisdom of the legislation brought forward to the House by the Cabinet.

We have immediately seen the Member ignoring the comments which you made about relevance. He has gone on to make a quite inaccurate statement on government policy. The government policy has been clear and consistent prior to the last election and subsequent to the last election.

We have the filibuster amendment before the House. Surely that is enough of a parliamentary tactic for the Opposition. The least we can expect is that they will stay relevant to the motion to postpone consideration of the Bill rather than going off on these wild goose chases.

The Acting Speaker (Mrs. Champagne): The point has been made to the House and I do expect that Hon. Members will be careful.

Mr. Cassidy: Madam Speaker, I assure you that I am always careful. Regardless of the niceties which the Member from Calgary is suggesting, the impact of a motion for a six-month hoist is that you do not carry out a measure now but rather in six months' time. One purpose of waiting for six months is to get clarification of what the Government intends to do with respect to privatization. Is everything on the block or not? It looks to me increasingly as though everything is on the block.

I think that is relevant and important. I think Canadians should know exactly what the Government intends to do because Canadians have indicated overwhelmingly that they do not want major Crown corporations to be privatized. They have questions about the privatization of smaller Crown corporations such as Eldorado, which happens to be before us now. We have not had an opportunity in this House to have a profound discussion on the principles which were put forward by the former Minister of State for Privatization, which were quoted by the Hon. Member for Sarnia—Lambton (Mr. James).

If that is the Government's policy, then let the Government bring back policy to the House of Commons and let the House of Commons reach a judgment as to whether or not those principles are valid. Having done so, let us look at any proposals the Government may have with respect to privatization in the light of those principles.

The Minister of State would have been a lot more helpful if she had talked about principles on public involvement and public intervention, not only with a view to getting things out the door but also to getting things in, because there are many instances in which it is entirely appropriate for there to be social ownership and for there to be public participation. I was commenting on some of those cases yesterday. However, Madam Speaker, we have not had that debate.

It was argued by the Minister of State in her speech that if the environment changes maybe you should privatize. I am not sure how that applies to Eldorado, and even if there are changes in the economic environment I am not sure that there are not other approaches which should have been examined and canvassed rather than the one chosen by the Government.

If I may say so, certainly the same question arises with respect to the issue of the day which, I am sure you will agree, one cannot help but refer to a bit, that is, the announcement with respect to Air Canada. With regard to the question of whether other options are available, the other options were not examined in the case of Eldorado and there is no indication that they were examined with respect to Air Canada either.

With regard to the question of effectiveness, it was suggested by the Minister of State responsible for Crown corporations—although it turns out she is responsible for getting rid of them—that Crown corporations are less effective than those in the private sector. Again, I am not sure how that conclusion is reached with respect to Eldorado and certainly the statement made today by the Deputy Prime Minister (Mr. Mazankowski) was fulsome in its praise of the effectiveness of the way in which Air Canada had operated in competition with airline companies in the private sector.

There is the question of public funds. I am not sure what public funds were required for Eldorado to remain in the public sector. We have not received that kind of information and, regrettably, it is not the practice to table that kind of information in the House of Commons. I say very seriously that the Members of Parliament who make the ultimate decisions on such issues as this should be much better informed than we are. The information provided to Cabinet and officials making decisions such as the Eldorado decision or the Air Canada decision should be made available to Members of Parliament, the opposition Parties, and the public in order that we can judge whether we are getting a good deal or a bad deal.

We have concluded that we are getting a bad deal on Eldorado. One of the reasons for that is that we have learned, with regard to the costs and benefits to the public of Canada, that the public is giving a blank cheque in terms of the prospective costs of cleaning up the Eldorado refinery site in Port Hope. We are selling off hundreds of millions of dollars of debt at 30 cents or 40 cents on the dollar to the newly merged corporation. That does not sound like a particularly good deal to me. It suggests to me that the Government has slashed the price of Eldorado at a time when the market is weak in order to get it out of the Government's portfolio.

We do not know what the case is with Air Canada, but it seems to me that if it is not less effective there must have been other ways of handling it. I think Canadians will conclude that today's announcement by the Deputy Prime Minister is a bad deal for Canadians. It is a bad deal to have a privatization policy which that particular deal violates, according to the criteria set out by the Minister responsible for privatization. It violates it in almost every respect, and yet the Government is still apparently planning to go ahead with it.

• (1610)

Then there is the question of accountability. We have raised questions about Eldorado, but we have not had them adequately answered. How will the uranium mining industry as represented by Eldorado, a major player, be accountable to the public on such issues as safety from nuclear radiation and the safety and health of the workers involved?

As an Ontario politician, I was involved when we in Ontario were attempting to get a handle on the dangers to health and safety to the miners of Denison Mines in Elliot Lake. Believe me, it was an impossible situation, exacerbated by the intervention at that time of the Government of Canada which sought to impose weak health and safety rules on the workers. In fact, it seems to me that the matter was extremely badly handled at that time.

Eldorado is about to be privatized. We want this to be delayed. We do not think it should occur because we think it is a bad deal. At the very least, we should have some understanding of how accountability for the workers and for the Canadians who may be affected by radiation will occur. We do not have that information.

If I can extend the parallel, we do not know how accountability will take place with respect to Air Canada either. In uranium mining, as in air transportation and rail transportation, we have developed a unique structure which has served Canada well. That structure has been provided by initiatives taken by the public sector. Eldorado is one example of this and Canadian National and Air Canada are other examples. There has been the continuation of private sector companies as well.

There has been healthy competition between the public and the private sector, and this has served Canada well. This has been a difficult country to develop, and one of the reasons we have succeeded in making this country work has been the initiatives of these public as well as private sector enterprises.

We are about to abandon that approach. The Government says that it is abandoning the whole idea of a public enterprise culture which is what has helped to make this country great. Many parts of Canada will continue to depend on that intervention by Government. "Intervention" is not a dirty word to me, particularly in those cases when it is absolutely essential that there be public involvement so that Canadians can have adequate standards of living, reasonable opportunities and reasonable equality. This is only ensured through acting together.

In a family, there is nothing wrong with acting together to make sure that the kids get educated and that the old people are looked after. Canada is a big family as well. We use different means in order to ensure the same kinds of things if we are a caring, a sharing and a compassionate society. However, we are pulling away from that kind of society and are letting the law of the market rule in more and more sectors.

Yesterday there were reports in Montreal newspapers about the rather extraordinary speech made by Robert Campeau, a man who has now become an American industrialist, to the Canadian Club in Montreal. I regret that he had almost nothing to say in French, his native tongue, to the Chamber of Commerce of Montreal, but he was blaming and damning the Government for being too soft. He was suggesting that we should get out of medicare and that we are spending too much on social welfare and the like. He somehow conveniently forgot that the Campeau Corporation, now the proprietor of some $12-worth of retailing assets in the United States, in fact benefited at its initial stages from the intervention and participation of the Government of Canada, the City of Ottawa and the public sector. This gave Mr. Robert Campeau, his colleagues and his associates a springboard from which they were able to build the multibillion dollar corporate empire which Mr. Campeau now controls.

I asked myself what the devil is going on. I ask why these things are happening. What is the Government hearing? What is really involved?

If there had been opinion polling about the privatization of Eldorado, I suspect that it would have duplicated the results of recent opinion polls which have suggested that even a majority of Progressive Conservative supporters, and that is rock bottom because they are down so far in the polls, think that Air Canada should have stayed in public hands. I bet that they would say the same thing about Eldorado as well.

I do not know what the political strategy of the Government is. If it tries to pull in New Democratic votes or Liberal votes on issues like privatization, it will find itself running into a brick wall of resistance.

Why do Canadians resist this ideological drive to privatization? What is the reason for this? I would say it is quite simply

because Canadians are satisfied, deep down, that it makes sense to do certain things publicly, just as it makes sense to do certain things privately, and just as sometimes it makes sense to do things jointly between the public sector and the private sector.

[*Translation*]

Madam Speaker, I don't want to dwell too long on the issue of Air Canada, but just the same, I think it should be said that the Prime Minister of our country made a very clear promise that Canada was not for sale and that perhaps a minority interest would be sold. Now that promise has been completely forgotten after the statement made today by the Deputy Prime Minister (Mr. Mazankowski). He made it very clear that now all Air Canada shares would be available, that privatization would allow the sale of all shares to the private sector, without any control or direction from the Government. There were no assurances that in future, we as Canadian taxpayers would be able to pressure the management of a corporation like Air Canada to provide air services to remote communities lacking transportation facilities.

Madam Speaker, the same applies to Eldorado. We will have no authority to instruct the corporation to take action in the interests of Canadian men and women and of its workers who are at risk because they work in uranium mines.

[*English*]

I regret the broken promises of the Government. I regret the degree to which it is now apparently moving toward Thatcherism and Reaganism, moving toward all the worst nostrums of the right wing of politics, nostrums which have been discredited in the United States and which have helped increasingly to make that country an economic weakling in the world despite the fact that it is still a superpower militarily.

We have also seen how Great Britain's employment and manufacturing bases have been undermined by the kinds of policies followed by the Government of Great Britain. Nonetheless, we are now seeing the Government here following that same course.

Canadians increasingly distrust the Government. They get calmed down for a while because the Government toes a narrow line, does not say very much and hides its true intentions. Then, all of sudden, when we see a Bill like this one on Eldorado or hear a statement like today's statement on Air Canada, the true colours of the Progressive Conservative Government come out all at once.

[*Translation*]

Madam Speaker, that is not why Quebecers voted for the Progressive Conservative Party in 1984. At the time, Quebec voters thought the Conservatives were really progressive. Madam Speaker, you were among those Conservative candidates who joined the Progressive Conservative Party because they thought it was really a progressive party. It isn't. It is clear, Madam Speaker, that the Conservatives want to impose right wing policies. They want to impose policies borrowed from President Ronald Reagan in United States and Mrs. Thatcher in Great Britain, policies that run counter to the opinions of Canadian men and women. That is why, Madam Speaker, we are in favour of applying a six-month hoist to the proposed legislation on Eldorado Nuclear Limited. We want discussion and debate in the House on privatization policies before proceeding with a measure like the privatization of Eldorado. Now that the Government has started to privatize big corporations like Air Canada, will Petro-Canada and the CBC be next? I really don't know. In any case the Government is clearly taking another step backward in terms of the progressive policies sought by Canadian men and women across this country.

• (1620)

[*English*]

Mr. Schellenberger: Madam Speaker, does the Hon. Member think it is a good idea for employees of a Crown corporation to have some ownership in that corporation, which is one of the proposed ways of privatizing Crown corporations?

Mr. Cassidy: Madam Speaker, the Liberal Government prior to 1984 and the Conservative Government since 1984 had the opportunity to democratize and open up the management of Crown corporations. They failed to do so. Since those Crown corporations are owned by the people of Canada already it seems to me that the issue is, what is it about the direction of Crown corporations that should be different, if anything? I happen to think that a substantial amount of change can and should have taken place. For example, representatives of the employees should have been put on the board of directors of every major Crown corporation. That is a good idea. I think different means of decision-making and working styles should have been developed within Crown corporations as an example of how the Government of the day expected management to function in the private sector as well.

We know the degree to which Japanese corporations have been extremely successful in penetrating the North American market. One of the reasons is that the management style is much more participatory, open, and extends responsibility and authority right down to the sweeper, the mechanic or assembly person on the shop floor. That of course has not occurred in this country because of blind resistance to having trade unions or workers involved in decision-making affecting their workplace, their work, or the company for whom they work. That occurs in the private sector and, unfortunately, in the public sector as well. I have to say that even companies as effectively managed as Air Canada have not come nearly as far as they should have in that particular direction.

The Hon. Member talked about share ownership in Crown corporations, the idea that you have to privatize Crown corporations in order to give a few shares to employees because somehow that is going to make the place work better. If you look at options, opportunities and alternative methods, that could have been done without having to go to privatization.

There is no particular necessity or requirement under privatization that those employees' share ownership continue. As the shares are sold off, as employees' priorities change, they may end up back in the hands of large corporate shareholders.

Mr. Thacker: That is called freedom of choice.

Mr. Cassidy: Management may cease to put shares in the hands of employees. There is no guarantee that the employees with a handful of shares have any meaningful voice in the place they work. I think that is wrong. There are other ways we can handle this question.

I appreciate the Hon. Member raising the issue because it concerns work styles and the way workers organize, which I believe is a fundamental issue for Canadians in the 1990s.

Mr. James: Madam Speaker, I wanted to speak to some of the comments made by the Hon. Member for Ottawa Centre (Mr. Cassidy). I am very concerned about this allegation that the Government does not talk about its agenda. The Hon. Member indicated that no statements had been made on this subject. There are newspaper reports which indicate that we talked about examining all Crown corporations, including Eldorado and Air Canada. Certainly one of our campaign themes in 1984 was to better manage Crown corporations. In the November 1984 Economic Statement of the Minister of Finance (Mr. Wilson) as well as the Budget of May, 1984, concrete plans were announced for the rationalization and privatization of Crown corporations. If this is a surprise to Members opposite then I am a little concerned about what they have been reading.

In addition, there are public documents which concern how we think employees should be taken into consideration. I am surprised that the NDP, as defender of the worker, is not talking more about that. These public documents show how we want to take employees into consideration. For example, the Government requires a new owner of a Crown corporation to provide a superannuation plan at least as generous as the norm for the industry in which the new company operates. There are all sorts of things like that.

What we are really hearing is the philosophy of the Party which the Hon. Member represents. That Party believes in state intervention. All this other stuff the Hon. Member brings up is just camouflage. The NDP see us moving away from the present system to where we have more and more free enterprise that will allow for employee involvement and growth such as we have at de Havilland. Just look at the mess Boeing took over at de Havilland. The order book was a mile long and the ability to produce was one yard long. What a job they have had to turn that around and keep all those people at work! That is an example of privatization.

Mr. Cassidy: Madam Speaker, the Hon. Member seems to be arguing that there should be no government involvement in the private sector. He is of course arguing against the policies of his own Government. Through its tax policy, tariff policy, trade promotion policy, consumer standards policy, indeed any number of policies, the Government is constantly involved in a very intimate way with the fortunes and future of different companies in different regions of Canada.

For example, there was the loan to General Motors at Ste. Thérèse on very preferential terms. That was direct intervention in the largest single industrial corporation in the country. In theory, I suppose the Hon. Member would say that he and his Party are opposed to that kind of intervention. Yet they do it all the time.

My Party has no problem with saying yes. Where it is of benefit to Canadians, it makes sense to have public intervention. Governments do it all the time. What I believe is wrong is the hypocrisy of a Party which says it does not believe in that kind of thing, but when the chips are down it will go ahead and do it. However, because it does not believe in it, therefore the Government is not prepared to plan for it and do it in a coherent way. That is what bothers me about this whole question of privatization. Whether it is Air Canada or Eldorado, basically the view is, let us get them off our plate and out of the government sector regardless of whether or not that is a sensible decision. The Government never sees any reason, at least officially and in theory, for new public initiatives in cases where it is desirable.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I think I will take up this debate where we left off with the question of the reason for privatization and what is the role of state enterprise.

You will recall that in Question Period today the Deputy Prime Minister (Mr. Mazankowski) mentioned my name in a quotation of a statement in which where I supposedly supported the privatization of Air Canada. I think that stems from a speech I gave in this House on December 1, 1986, when as NDP privatization critic I tried to define the issues in the debate. I was trying not to be an ideologue. The Hon. Member for Sarnia—Lambton (Mr. James) said a few moments ago that we are blind ideologues. We just want to have state enterprise and we cannot deal with the possibility of privatization because state enterprises are the basis of socialism. He accuses us, by implication, of being ideologues. I will admit that we sometimes do that on this side of the House, too. We throw things at the Government and say, "You are blind ideologues. You just want to privatize for the sake of privatizing. You are a Margaret Thatcher, or that kind of right wing idealist".

• (1630)

In my speech on December 1, 1986, I was trying to deal with the notion that perhaps within the Canadian tradition we could have a sensible way to look at our mixed economy where there are some Crown corporations and many private corporations. Crown corporations only amount to 12 per cent of businesses in our country. I suggest to the Hon. Member for

Sarnia that that is not out of line with other industrialized countries.

In my speech on December 1, 1986, as reported at page 1627 of *Hansard*, I said:

> We in the NDP are not necessarily against privatization. We are not saying in every case we should not privatize, we are saying that you have to have sound economic reasons for it. We want to know what they are in this case.

I do not have the exact quote of the Deputy Prime Minister from Question Period, but it was similar to what I said. The Government should not privatize if there is sound management, if the company is being supported by Canadians and it has a public policy role.

My personal view is that if it does not fulfil those requirements we should certainly look at privatization. I do not consider myself a blind ideologue, nor do I consider the Member for Sarnia and some of his colleagues to be blind ideologues.

Those who support Crown corporations should examine the role they are playing, and those other Canadians who want to privatize Crown corporations should look at the reasons for that privatization and the inherent dangers that are involved.

I am particularly concerned about Eldorado Nuclear because my colleague, the Member for Winnipeg—Birds Hill (Mr. Blaikie), and I are presently conducting an inquiry on behalf of the New Democratic Party into the nuclear industry.

We visited the Port Hope area and indeed held a hearing there on February 5, 1987. I referred to this in *Hansard*, as reported at page 3193 on February 6, 1987. I said:

> I was in Port Hope last night to hold an inquiry on behalf of the New Democratic Party into the nuclear industry there. Last night we heard from people who are concerned about the low level waste disposal, that is, all the nuclear waste which was mined in the past through refineries and by Eldorado Nuclear in Port Hope, Ontario. Port Hope is about 120 kilometres east of Toronto. I heard from 13 people representing unions, government bodies, industry and from ordinary people who live there regarding their concerns about nuclear waste. It is a big concern in the country. The Government of Canada is deeply involved in that.

One of the concerns of those people was how environmental problems would be dealt with if Eldorado Nuclear was privatized.

I want to deal with the environmental implications of this proposal. In considering the environmental aspects of Bill C-121, consideration should be given to the situation at Eldorado Nuclear now and the wider implications of uranium mining which the newly merged company will encounter. Eldorado Nuclear has severe environmental problems to deal with, especially at its Port Hope, Ontario, refinery, where there has been a difficult struggle about the nuclear dump site, as well as at the northern Saskatchewan mine sites.

Essentially, Eldorado's Port Hope dump site is full, and the situation has been summarized very well by the Library of Parliament in its research paper. It states:

> The effluent treatment process at the Port Hope refinery produces approximately 600 tonnes/year of solid waste that is mainly calcium oxide (lime) containing calcium floride and uranium at 500 to 1,000 ppm. This material, and much smaller quantities of other solid wastes that contain metallic impurities including arsenic, are dumped at a licensed site near Port Hope (the Granby dump site). This depository is close to being full and yet no alternate site or plan has been selected. Eldorado has been waiting for the federal Government to decide what should be done with this dump, and presumably the new company will also wait for direction. Any plan that requires the removal of the material to a new site will be very expensive (mainly transportation), and according to the details released with the merger plans, the costs will be borne mainly by the federal government (possibly to as much as $100 million).

Why is the federal Government continuing to bear this cost after the privatization?

One of the unsolved problems we are hearing about in our inquiry into the nuclear industry is the disposal of nuclear wastes. For years, companies like Eldorado Nuclear and others have been producing nuclear materials but have been unable to come up with guaranteed ways of disposing waste, either in the case of low level nuclear waste at Port Hope or in the case of Ontario Hydro with their swimming pools in the nuclear reactors which have used rods of a high level of nuclear wastes. The cost of disposing of this waste has never been taken into account and it has become a big issue in terms of the privatization of this company.

The resolution of Port Hope is mainly to dump the responsibility onto the federal Government which will pay the bulk of the costs.

The first $2 million will be borne by the company, 23.5 per cent of the next $98 million will be borne by the company, and 76.5 per cent by the federal Government. Anything over $100 million will be borne by the federal Government entirely. Certainly, this is somewhat of a sweetheart deal for the company.

Normally, companies are purchased with assets and liabilities, but in this case some key liabilities have been taken over by the federal Government. Why? I think the answer is simply that the Government in its desire to privatize at all cost is desperately anxious for a good share price on the flotation of the new company's stock. What better way for the federal Government to get that than to assume the liabilities of environmental responsibility and of Eldorado's enormous debt. The Government can then privatize to one of its friends, in this case, Denison Mine, one of the companies in the empire of the late Stephen Roman.

There was an article in *The Globe and Mail* last weekend written by Paul McKay. He said that medical records and royal commissions have shown that a pathetic army of the miners Mr. Roman employed at his uranium mines in Elliot Lake, Ontario, have gone to their own early graves because their lungs were needlessly poisoned with radioactivity and mine dust. The article went on to say that because the problems can surface many years after contamination more are fated to follow them.

He said that they will be the victims of two decades of primitive mine conditions in a company that refused to spend

more than a pittance on mine safety equipment and which had a wilful ignorance of study after study proving that uranium miners were being ravaged by cancer and lung disease. The article went on to state that only after one of Canada's most bitter wildcat strikes in 1974 and a subsequent royal commission that publicly vindicated the health and safety experts, did Mr. Roman and his company, Denison Mines Limited, install safety equipment.

That is rather a damning indictment of Roman and Denison Mines. Mr. Roman, the great free enterprise buccaneer, of course got most of his money in the development of Denison Mines from hand-outs from Eldorado Nuclear and guarantees from the Government's Eldorado Nuclear.

The Government is now prepared to sell Eldorado Nuclear without including the entire environmental responsibility and the enormous debt. The environmental difficulties do not end with dump sites. There are further problems in Port Hope and in Saskatchewan mine mills. Continued operation of the Port Hope facility, especially at the present high rates of production—9,000 tonnes of UF6 annually—will generate considerable levels of solid and liquid waste. With the proximity of the plant to both Lake Ontario and the townsite, the new company would do its image a great deal of good by committing itself to efforts to recycle or clean up and sell all such wastes. No mention has been made of such an approach.

• (1640)

Clean-up problems also exist in the mills in Saskatchewan. The tailings that are produced contain small amounts of uranium, radium and other elements. Very good effluent treatment is required on an ongoing basis and a thorough understanding of the principles involved have to be taught to the personnel involved. Historically, such understanding has been suspect at best. These are problems the Government is not really acknowledging.

It seems to me it is too early to privatize Eldorado Nuclear. We need a full government inquiry into the nuclear industry and what is happening in the nuclear industry and how we can deal with some of these environmental problems such as the disposal of high level and low level nuclear waste with which Eldorado Nuclear is so involved. So I think it is too early to privatize Eldorado Nuclear. I also think the Government has taken too much of the responsibility for the debts and for the immense environmental problems.

I would like to draw to the attention of the House my speech of December 1, 1986. I tried to deal with some of the principles of privatization in that speech. I pointed out that the Government's privatization campaign, as I saw it, was not a response to public pressure. I said, as reported at page 1626 of *Hansard*:

> Rather, it seems to stem from a neo-Conservative ideology which I think is at odds with Canada's history. Crown corporations go back to the construction of the Lachine Canal in 1921. That was our first public enterprise and it was undertaken by the Government of Lower Canada when a private firm involved failed. We have seen the same pattern throughout Canadian history. Our Crown corporations have been a binding force for a small population in this vast country which is next door to the most powerful country in the world. We have had our reasons for Crown corporations. They have been justified by the need to provide essential services, develop national resources, operate public utilities, bail out private sector firms, or pioneer in new fields.
>
> They were established not only for a public presence but also a Canadian presence in areas where the Americans might well have otherwise stepped in.

We in the New Democratic Party believe there must be, then, reasons for privatizing the Crown corporations, given that they have a role to play in Canadian history. There have been public opinion polls taken on this issue. Those polls show that most people want to keep Crown corporations except for one group, those who earn over $55,000 a year. The rich want to sell the Crown corporations. I suspect it is because they would like to buy them so they can benefit by picking up these jewels that Canada owns. It is a phoney question to ask if we would not want the workers to own it. The workers already own it. We all own it, collectively. There is room for the workers to become more involved by getting them on the board of directors and having them involved in the health and safety aspects of the enterprise, particularly in the uranium industry. The steel workers have made great improvements there and are still fighting to make better improvements.

I would like to draw to the attention of the House a paper prepared by Professor John Langford for the Institute for Research and Public Policy at a conference a couple of years ago on privatization. Professor Langford is a professor of public administration at the University of Victoria. He attempted to analyse the reasons for advocating privatization. He said one belief is that privatization will remove the state enterprise threat to the mixed economy. The premise is that Governments now own too much of the economy. How much state enterprise in some industrial sectors is significant or insignificant? He said the fact is that state enterprise accounts for only about 12 per cent of the economic activity in Canada. That is not out of line with the situation prevailing in a number of other successful industrialized countries.

That refutes the argument that there is too much state enterprise. Another reason given in support of privatization is that it will create new jobs, new investment, a renewed economy, and a rationalized private sector. While that may sound promising, I am wondering about the historical evidence in this area. The Hon. Member from Sarnia told us of an experience he had. I can speak about my experience from British Columbia. The former Premier, Bill Bennett, privatized many of the Crown corporations in British Columbia in one lump. It was called the British Columbia Resources Investment Corporation. People bought shares for $6 a share. They now sell at less than a $1 a share. That privatization scheme was a disaster and some investors are still paying for it. It did not particularly create any jobs.

The Prime Minister (Mr. Mulroney) once said: "I have yet to see a takeover that created a single job except for lawyers and accountants". Privatization could be spoken of in the same way and it could simply lead to further corporate concentration. Privatization does not necessarily create jobs. It has to be

shown where the jobs will be created. In the glut in the world right now with respect to uranium, and in the basic failure of the nuclear industry and the reactors, the fall-out from Chernobyl and Three Mile Island, it will be very difficult to expand the nuclear industry whether it is private or public.

Another thought is that the Crown corporations demoralize or damage the private sector by draining off available capital and competing unfairly. Professor Langford considers the prerogatives of Crown corporations. He pointed out that in some instances Crown corporations have to move in ways that private corporations would not do, for example, in certain public policy initiatives.

I could go on and speak about the arguments on privatization, pro and con, but all I will say is that we think this is a bad deal. We think the Government is giving it away, likely to its friends, perhaps to Denison which has such a bad environmental record. We think the Government is picking up untold costs for environmental clean-up. I have been there and I have seen the problems associated with it. We do not think this will create any more jobs or create more economic growth. It is just privatization for the sake of privatization. When that happens, we in the New Democratic Party will oppose it, as we do now.

Mr. James: Madam Speaker, I just want to say to my hon. friend and colleague, the Hon. Member for Vancouver—Kingsway (Mr. Waddell), and my neighbour in the Confederation Building, that I am a little concerned when he says the federal Government is attempting to put Eldorado Nuclear in good financial shape. The Hon. Member for Ottawa Centre (Mr. Cassidy) seemed to be lauding the Government, or being positive towards the Government being involved in state intervention or financial assistance in connection with private enterprise. He mentioned General Motors in Ste. Thérèse. It appears likely that the Government will have to look at every individual situation.

My colleague from Vancouver—Kingsway said he is not necessarily against privatization, but he is saying we are going into wholesale privatization. In three and a half years we have privatized, if we add a lot of incidentals, perhaps 19 corporations. We have 127 corporations wholly owned by the Government of Canada which fall under 54 parent corporations.

• (1650)

He says that his Party is not necessarily against privatization. I ask him which privatizations Members in the socialist Party have supported. I do not know of any that have been brought forward by the Government that they have supported. I know that the Hon. Member speaks convincingly and with heart. I ask the Hon. Member when his Party has supported such privatizations and which ones.

Mr. Waddell: Madam Speaker, that is a pretty hypothetical question. The Hon. Member cannot argue that the Government has not privatized a great many corporations and then ask us which ones we support. We will obviously not support the privatization of Air Canada because the company is working well. It is functioning well, pursuing a public purpose and the people do not want it. Why should we support that?

If the Hon. Member were to give me one that is a real dog and for which there is a good sale, then we will support that.

I wish to take up the first point raised by the Hon. Member. Let me clarify what I was arguing. I was saying that in this deal with Eldorado Nuclear Limited the Government is in fact taking all the risks. It is assuming debt liabilities and environmental liabilities. With Eldorado Nuclear those are the big risks.

The Government is doing that to push up the value of the shares so that it will look as if it is getting a good deal for the shares. But the Canadian taxpayer will be paying down the line when it assumes debts and big liabilities for environmental clean-up. That is what I am saying.

This is something like smoke and mirrors, something like saying, "We are doing well. We will put this on the market at a high share price". But in fact through the back door we are paying the costs of the environmental clean-up which is to come in the future and assuming debt liabilities. That is why I think it is a bad deal. It is also a phoney one.

Mr. Cassidy: Madam Speaker, I want to ask the Hon. Member a question about the environmental problem with Eldorado and in particular with respect to the question of the clean-up of the Port Hope refinery. I am disturbed over the fact that the risks that are entailed there are being overwhelmingly taken by the public sector despite the fact that Eldorado is being privatized. So it seems like there is a policy to privatize the profits and keep the losses or costs in the public sector.

Does my hon. friend agree with that? Does he feel that the estimates that have been given, which could put the costs as high as $75 million to $100 million or more of extra public expense involved with the clean-up of the refinery waste at Port Hope are realistic? If so, how does it benefit the taxpayer if we take in $100 million or $200 million in the sell-off of Eldorado and then turn around to pay out $100 million or more for the clean-up of the refinery wastes? Is that not like the de Havilland deal where the Government paid Boeing to take over de Havilland? Is that not the type of situation which is occurring?

Mr. Waddell: It is a shell game, Madam Speaker. Of course that is what it is. That is what is going on.

With respect to the low level wastes, I think the figure cited by the Hon. Member may be grossly too low. The problem results from the 1930s or the 1940s when radium was processed. At that time we did not know the same things that we know today so there was a lot of it dumped around.

The low level wastes are the wastes that come from the production of uranium products and the yellow cake that ultimately goes to be used in other aspects of the uranium fuel cycle. These are not the radioactive rods that are in the big

hydro generating nuclear plants. However, they are very important.

People in Scarborough will know that in the McClure Crescent area of Scarborough there are 6,000 tonnes of soil which are contaminated. They are talking about removing that. I can tell the Hon. member for Ottawa Centre (Mr. Cassidy) that we have some of this in British Columbia. We have a problem in Surrey with low level nuclear wastes.

When we were having our hearings we were told that in the Port Hope area there is something in the order of 1,200,000 tonnes. Can Hon. Members imagine the cost of removing that? That cannot be put into the lake. Some of it is leaching into the lake. This is a serious matter.

I am astounded by the environmental problems and the contaminant problems that exist in the Golden Horseshoe area around Toronto and in southern Ontario. It is something which astounded me when we took our trip into that area. I do not think that anyone in the federal Government, the Crown corporation, until now Eldorado Nuclear, or the Province of Ontario has really faced up to what that clean-up bill will be. It will be a huge bill.

Under this legislation, as the Hon. Member for Ottawa Centre points out, the Government has committed itself to picking up a lot of the costs. I think I cited the exact figures. The first $2 million will be borne by the company. Of the next $98 million, 23 per cent will be borne by the company and 76.5 per cent by the federal Government. We are looking at about $75 million or $76 million. The cost to clean up the rest of the wastes will be borne entirely by the federal Government. That is a nice way to get Eldorado Nuclear out of its historic environmental waste disposal problem. It is one of the big liabilities, if not the biggest, of the company. It is just being quietly shelved out the back door.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I realize that we will not have much time to complete the debate today. Perhaps I can make a few comments before we wrap it up for today's session.

I begin my comments on the amendment put forward by my colleague from Regina on a rather sad note. This is a very dark day for the country. We are discussing turning over Eldorado Nuclear to private interests without any context of an over-all plan for turning over Crown corporations to private interests. Earlier today the people of Canada were shocked with the announcement of another initiative of the Government with respect to turning over Air Canada to private interests. Again, this is being done without the benefit of a comprehensive program or any context for this particular initiative. It is simply an ideological response on the eve of the pre-election period.

I suppose in a sense that we can talk about both of these initiatives because we in the New Democratic Party are deeply troubled when we see the Government going against what is obviously the wish of the public.

I would like to consider the result of some polls that have been conducted in the last couple of days. For example, in my own Province of British Columbia I notice that when residents there are asked, some 72 per cent of British Columbians feel that Air Canada is a well run enterprise. When asked whether or not it should be sold to the private sector, the overwhelming majority of British Columbians say no, it should not. They are proud of Air Canada. They feel that it is well run and that it serves Canada. They say that it is internationally renowned. It is considered one of the best 10 airlines in the world. It is profitable.

I suppose that Canadians from my Province of British Columbia have certainly indicated clearly what they want done. It goes contrary to the Government's initiative. Perhaps that helps to explain why the popularity of the Government is so low in the country and particularly in places like British Columbia. It is because people simply do not have faith in the initiatives of turning over publicly owned enterprises to private interests.

I see, Madam Speaker, that it is time to complete my remarks for today.

The Acting Speaker (Mrs. Champagne): It being 5 p.m. the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS--BILLS

[*English*]

SENATE AND HOUSE OF COMMONS ACT

MEASURE TO AMEND

Mr. Murray Dorin (Edmonton West) moved that Bill C-245, an Act to amend the Senate and House of Commons Act (suspension), be read the second time and referred to a legislative committee.

He said: Madam Speaker, I wish to speak today and introduce the subject of my Bill, C-245, which is intended to further the spirit of honourable conduct and thought which motivate both this House and the other place. Perhaps I might also extend that to include committees, following my experience of the last hour or so, where we spent the better part of an hour on a procedural matter that should have taken a minute or so, primarily due to what I might call the grandstanding of a particular Member who was not a regular member of that committee, but who chose to use the opportunity to engage in partisanship or other activities not germane to the subject to attempt to draw attention to himself.

The Chambers of Parliament are properly the forum to address long-standing questions of proper management, economic justice, and a fair society. They are properly the realm of reasoned debate, where individual insights contribute

to a collective wisdom. Parliament should be the hub of political action with the rays of its policy deliberations stretching over an ever mobile society.

There are moments when those goals are not upheld. There are times when Members fail to abide by the rules of the House. This Bill is an effort to ensure that those moments are less frequent. The Bill is a statement that the House does not support the actions of a Member who deliberately flouts the traditions and practices which bring credibility and responsibility to these Chambers.

The Bill would ensure that, if a Member is ejected from this House or a Senator from the other place, his or her sessional allowance would be deducted for the period of suspension. In other words, the Bill is an unequivocal statement that the House, and indirectly the people of Canada, do not support the actions of Members which are unacceptable in the parliamentary tradition.

The monetary penalty is not the significant issue, because in reality it is not an amount that is so large as to have a great impact. It is somewhat like a hockey player who earns a $300,000 salary receiving a fine of $1,000. What is significant, just like the hockey fine, is that it sends a signal regarding appropriate or, more correctly, inappropriate behaviour in this place.

There is no doubt that behaviour of the type we have seen displayed in this House from time to time is unbecoming, and is offensive to most Canadians who watch these proceedings. It casts a negative cloud on all Members of the House, not only the offenders. It reduces the respect of Canadians for politicians, Parliament, and governments. This is neither healthy nor desirable in a democratic society.

I have a list here of some past incidents and Members who were suspended. I have decided not to reiterate those events as it would simply give credit, credibility, and attention that they do not deserve.

Members of the House have welcomed the increased independence and responsibility that our work has been given through parliamentary reform. Through recent reforms to the committee system and the process of Private Members' Bills such as this one, we are increasingly given the opportunity to voice our individual opinions, expertise and dissension, and to seek the inclusion of those views in public policy.

This is certainly a legitimate process, and it is an integral part of our representation of constituency and regional concerns. We are failing to serve our electors if we do not effectively use parliamentary debate and scrutiny.

However, there are cases when a Member persists in actions which do not serve the interests of Parliament or constituents. Members can, through intentional misconduct or a mere lapse, bring discredit to the House. It is neither warranted by tradition nor desired by our colleagues. The Speaker may intervene to avoid conflict, and will always exercise great care in ensuring that the rules of the House are followed. In most cases, the Speaker uses the skills of tact and knowledge of procedure to effect a resolution. In a few cases reconciliation is not possible, and disciplinary action must be taken.

Currently, the strongest punishment that the House through the Chair can exact is suspension. This penalty is not levied frivolously. In fact, a full series of events must occur before suspension is considered. A Member might challenge another's statements in terminology that is unparliamentary, or refuse to withdraw an inflammatory comment. Under recent reforms, the Speaker may eject that Member from the House without, as was previously the case, seeking a vote in the House. This single reform removed the ties of political partisanship from the disciplinary process. The second reform that I am proposing strengthens that process.

This Bill will not mean the end of suspensions from the House. Differences of opinion and interpretation will continue to mean that Members oppose one another's analysis of events and policies. This opposition is constructive, because it improves the openness of Government and the effectiveness of its policy. Rather, this Bill will mean that suspension is discouraged as as means to achieve goals which are inconsistent with the honour of these Chambers. Regretfully, what is chastisement to the House is an event to the media, and Members can incur a suspension for purposes of showmanship, not thoughtful criticism.

Clearly, a suspension of a Member may come about because he or she chooses to put political grandstanding ahead of the work of the House. Priorities such as this reflect poorly on all politicians individually, and on our parliamentary system generally.

This Bill will not prevent Members from establishing those priorities should they so choose, and it will not prevent suspensions in the future. It simply states that parliamentarians will not receive benefits for violating decorum in the House for personal political advantage.

In summary, the Bill asks Hon. Members to stengthen their commitment to decent parliamentary behaviour and practice. It asks them to assert unequivocally that they do not support the actions of those who flout the guidelines of the House. This is a Bill consistent with the goals of reason and discipline which the House espouses, and I feel it is worthy of support.

Hon. Herb Gray (Windsor West): Madam Speaker, the Hon. Member has raised an interesting point in presenting this Bill to the House. I certainly would like to see the matter studied further. I do want to observe that the impression that might be conveyed to someone following these proceedings is that nowadays the naming of a Member and the resulting suspension of that Member from the sitting is a frequent occurrence, so frequent that some additional sanction is required in order to prevent this from happening.

Over the last year or two, it seems to me that the actual naming and suspension of a Member from a sitting has become extremely rare. This is due not only to the interest of Members

in maintaining decorum, which may not always appear to be the case, but I do think that that interest is there, but also to the manner in which the current Speaker works to diffuse potentially difficult situations, rather than letting them mount to the point where the only way to restore order is by naming a Member and suspending him or her from the sitting, thereby ejecting them from the House.

I must say that, upon reflection, to some extent I take issue with what may be implied by the Hon. Member's remarks, that is, that it happens frequently nowadays that Members, in order to gain publicity, deliberately seek to have themselves named and ejected from the House. I cannot say that this has never happened over the history of Parliament but it is certainly not the case nowadays, not according to my own observations. While it may be argued that the remedy proposed in the Hon. Member's Bill would be a useful tool in maintaining the decorum of the House and in discouraging Hon. Members from getting themselves named and ejected, I think it could honestly be asked whether this additional sanction proposed in the Hon. Member's Bill is necessary if one looks at the number of times in the past 12 months, or for that matter in the past 24 months, that Hon. Members have actually been named and ejected from the House. I think if we look at those statistics we will find that this has happened very rarely.

• (1710)

I predict that this is likely to be the case in future, dependent of course on the way the Speaker of the day works to defuse situations rather than to allow them to build up to the point that it is necessary to restore order by naming an Hon. Member and actually having that Member ejected from the House for the day or the remainder of the sitting.

While I think the Hon. Member has raised an interesting point and while I should like to see it studied further, I want to place on record my view that we are not, currently at least, faced with a situation where a clear case has been made for an additional sanction to prevent people from trying to get themselves named and removed from the House in order to seek publicity.

I do not want to see people doing that deliberately. I think that should be discouraged, but I think we should examine to what extent this is actually happening or is likely to happen in future.

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, I was very pleased to hear the House Leader of the Liberal Party indicate that he thinks there may indeed be good reason to study the matter further. I should like to congratulate the Hon. Member for Edmonton West (Mr. Dorin). I think he brought the matter forward for the first time some time ago. His persistence over three and a half years is laudable.

I think most thoughtful Members of the Chamber value very highly the authority of the Speaker, the necessity of the Speaker, and the role the Speaker plays in our proceedings. With 282 strong-minded individuals—and after the next election there will be about 13 more—it is easy sometimes to envision chaos because feelings run deep and strong.

In my close to nine years in the Chamber I have seen some of that. I guess the strongest feelings I saw were related to amendments to the Canadian Constitution some years ago, back in the early part of the 1980s. Feelings ran deep and the job of the Speaker was very difficult indeed. I think situations like that led the parliamentary reform committee, which has served the House so admirably since the last election in bringing forward progressive and positive changes, to recommend some changes in the authority of the Speaker to name Members.

Members may recall when they were first elected, those who came to the House in 1984 and those of us who served earlier, that the Speaker would name a Member. That step in the Chamber had to be followed by a motion, which usually came from the Government House Leader and most often resulted in a standing vote. We were really voting to uphold the ruling of the Speaker to suspend a Member for the balance of the sitting day. That was the usual form of the motion, although historically I think there are some precedents where the motion has called for longer periods of time.

The reform committee, supported, I think it is fair to say, by all three Parties in the House, decided that the Speaker on the Speaker's own initiative when dealing with repeated actions by Hon. Members which disregard the authority of the Chair should indeed have the authority to name a Member. The second part of the suggestion of the reform committee—and it was picked up by the House and is now part of our Standing Orders—is that the Speaker could then call upon the Sergeant-at-Arms to ensure that the Speaker's order was carried out if in those rare instances a Member refused to comply with the naming.

We have taken it away from the authority of the House in terms of the Commons. The old system still applies in the Senate, in that the Senate works under the system which was prevalent in this Chamber prior to the latest changes in our Standing Orders.

I think we have all applauded that. I think the last time, just in a statistical sense, that someone was named in the Chamber was on June 11, 1986. That is getting close to two years ago. That is a distinct improvement over the first couple of years of the life of this House when there was a great deal of discourse, a great deal of naming, and a great deal of disregard for the authority of the Chair which indeed, as the Hon. Member for Edmonton West pointed out, resulted in publicity on almost each and every occasion for the Member who chose to disregard the authority of the Chair.

We are facing another election soon and subsequent thereto we may indeed have many new Members in the Chamber who

do not really recognize, at least in the beginning, the importance of the authority of the Chair. I think that was true after the 1980 election. There are probably more incidents of naming in the first year or two of a Parliament than there tends to be near the end of a Parliament when Members have had an opportunity to work together and to understand the importance of chairmen in committees and the importance of the Speaker in the House.

Bill C-245 is a very simple one. It probably has one negative ribbon in that it tells the Speaker that, through the act of naming the Speaker can affect the Member's paycheque. Indeed it is something that we may want to consider. In terms of what we want to do with a Member's allowance or a Member's indemnity, it might be better to have the authority of the House involved. For instance, on a second offence or a repeated disregard of the authority of the Chair, it might be smarter to deal with the issue of indemnity on the basis of a motion which could be considered by the House and voted on by the House.

I am thinking in terms of those very rare situations when Members are suspended for perhaps a week on the authority of the House. Certainly there are many examples in society. The use of money, in this case the withholding of money, would be a publicly visible symbol of the displeasure of the Speaker, should it be, or the displeasure of the Chamber with the behaviour of a Member and what it does to our traditions.

If I listened carefully to my friend across the way in the Liberal Party, and I have had some discussion with the Hon. Member who moved the motion, I think there might be a predisposition on the part of the House to accept the motion which I intend to move. Therefore I move:

That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:

"Bill C-245, an Act to amend the Senate and House of Commons Act (suspension), be not now read a second time but that the Order be discharged, the Bill be withdrawn and the subject-matter thereof referred to the Standing Committee on Elections, Privileges and Procedure.

The Acting Speaker (Mrs. Champagne): The House has heard the terms of the amendment. Is it the pleasure of the House to adopt the amendment to the main motion?

Some Hon. Members: Agreed.

Amendment (Mr. Hawkes) agreed to.

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

Some Hon. Members: Agreed.

Motion, as amended, agreed to.

The Acting Speaker (Mrs. Champagne): Accordingly the Order is discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Elections, Privileges and Procedure.

Order discharged and Bill withdrawn.

The Acting Speaker (Mrs. Champagne): Is there unanimous consent to call it six o'clock?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): Therefore the time provided for the consideration of Private Members' Business has now expired.

• (1720)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CANADA ELECTIONS ACT—FUNDING OF MUNICIPAL NEW DEMOCRATIC PARTY CANDIDATES IN TORONTO

Mr. Alan Redway (York East): Madam Speaker, if you remember back to your high school days, I will bet that you read a lot of books and probably some books by Charles Dickens. Do you remember those wonderful novels by Charles Dickens; *David Copperfield, Nicholas Nickleby, A Tale of Two Cities, Bleak House* and *A Christmas Carol*? I am sure you remember as well the marvellous novel, *Oliver Twist*. I am sure you read *Oliver Twist* but if you did not, I will bet you saw the musical at the movies.

You must remember all the marvellous characters in *Oliver Twist*. Do you remember the scene where young Oliver actually said "Please, Sir, may I have some more"? That was a great scene. You must remember some of the other characters in that novel including Fagin and the Artful Dodger. What is that, Madam Speaker? Yes, you are right, Fagin and the Artful Dodger are actually pick-pockets. They put their hands into other peoples' pockets and took their money out.

Do you know, Madam Speaker, that that is happening to you, I, and every Canadian right now? We are actually having our pockets picked. You know, of course, of whom I am speaking. I am speaking of the artful dodgers of the NDP who are actually picking our pockets right now.

I know that you were as shocked as was I, Madam Speaker, when you heard the story. If an NDP supporter wants to make a financial contribution, not to the federal New Democratic Party but to a candidate in a municipal election in Toronto, that supporter sends the contribution, not to the municipal candidate but to the federal New Democratic Party. The New Democratic Party sends that contribution back to the municipal candidate. The municipal candidate does not get it directly but rather through this roundabout scam through the federal New Democratic Party.

The federal New Democratic Party then actually issues a tax receipt to the contributor for a contribution used not by the

federal NDP but by a municipal candidate. That tax receipt can be used by the contributor as a deduction directly from federal income tax, not from the taxable income but from their federal income tax directly. In that way they get a tremendous benefit.

Do you think that that is legal, Madam Speaker? Do you think that that is in keeping with the spirit of the federal elections expenditure legislation? Do you think it is moral? My answer to all of those questions would be absolutely no.

What does the NDP say about that? The Hon. Leader—and I put that word in quotation marks—of the NDP, the Member for Oshawa (Mr. Broadbent), says that there is nothing wrong with that at all, it is quite legal, do not worry about it, everything is fine. Other members of the federal NDP caucus say that it is great. However, I must qualify that because not every Member of the New Democratic Party federal caucus says that it is great, legal, and moral. Some of them have told me that I am right, that this is not a proper thing to do and that they wish they were not doing it. However, their Leader says that it is okay and legal and so they go right on doing it even though they do not think it is the proper thing to do.

You may remember, Madam Speaker, that the NDP used to wash these contributions through the Ontario New Democratic Party. They used to turn them over to the Ontario New Democratic Party which, in turn, would give them to the municipal candidate and issue a tax receipt against Ontario provincial income tax. They do not do that anymore because the Ontario legislature, in its great wisdom, has said that that practice should not be legal, that it is contrary to the spirit of the elections contributions and expenses legislation and that it is immoral. It passed legislation which made it absolutely clear that it was illegal.

If I was an NDP candidate running for municipal office in Toronto at the moment, in light of this great scam set up by the federal New Democratic Party I would probably decide to pay for the election campaign out of my own pocket. Instead of spending the money directly from my own pocket, I would send it to the federal New Democratic Party which would send it back to me along with a tax receipt which I could deduct from my federal taxes. At the same time I would have the money in my hand to spend on my campaign.

What a scam. What a rip-off. It is just atrocious. The NDP has been using this tax loophole and it should not be allowed to get away with it. It should not be allowed to put its hand in our pockets. We must stop the artful dodgers of the NDP from doing this. Is the Parliamentary Secretary going to get the hand of the NDP out of my pocket and that of the rest of the taxpayers of the country?

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, I heard a Member of the New Democratic Party across the way say that the previous speaker is always worth the price of admission. I wonder out of whose pocket the price is coming.

The Member raised this issue in the House, and justifiably so, at a time when other issues were being raised about the reporting of expenditures in the last election campaign.

The House is having difficulty concluding second reading of amendments to the Elections Act. It is a very thick Bill and we are having trouble at the grass roots Party level and in this Chamber agreeing to a short debate and movement of the Bill to committee where these issues could be dealt with in statute form.

The Member is right that it is a pocket-picking exercise for people to get tax receipts, therefore reducing the amount of money coming into the federal Treasury, and then spend the money for purposes which do not relate to federal politics. That is the issue the Member raises. There are other issues which came out of the examination by the Committee on Privileges and Elections of the election expenses returns for the County of Frontenac.

I had occasion to go through a number of election expense returns from all Parties, including my own. It is interesting to see the way in which Parties tend to treat elections in terms of both sides of the equation. There are a great many returns from some Parties on which the names of individuals making donations do not appear because the limit is set at $100 and Parties only have to report the names of people who donate $100 or more. We find large donations from political associations and unions. Then, with other Parties, the names of a great many individuals are reported as making donations. It is not that people are getting the tax receipt in one case and not in the other. It is simply the way Parties deal with the reporting of the names of individuals.

• (1730)

Another part of the form deals with rebates for election expenses. Money can be spent during an election campaign on campaign expenses, candidates' expenses and election expenses. Election expenses produce a refund, another pocket-picking exercise. Fifty per cent of the money spent on election expenses is refunded, and we must wonder whether, in some cases, items that properly belong under candidates' expenses or campaign expenses are put under election expenses simply to get a larger rebate, another pocket-picking exercise.

The Hon. Member has done the Chamber a favour by raising the issue. I hope that the Chamber will have the will to pass Bill C-79 through second reading stage and get it into committee so that we can get on with the business of amending the Elections Act prior to the next election. A little co-operation would be very much appreciated.

TAXATION—NORTHERN DEDUCTIONS—ELIGIBILITY OF COMMUNITIES

Mr. John Parry (Kenora—Rainy River): Madam Speaker, I have the honour today to rise again on the matter of the

northern residents' tax deduction. This question arises from my dissatisfaction with the response given to me by the Hon. Minister of Finance (Mr. Wilson) on March 4.

In his response to repeated questions concerning the tax deduction eligibility criteria for the northern residents' tax allowance, the Minister of Finance has only said that there will be a commission established and, frankly, that is not an answer that I or my constituents can be satisfied with.

As a result of regulations which have been introduced, the situation in my own riding—and I use it as an example, of course, because it is nearest and dearest to my heart—is that it has become absolutely checkerboarded by the application of 14 pages of regulations that were passed, apparently without any analysis having been done as to the relationship between the text of the regulations and the reality of the divisions created when those regulations were superimposed upon the map of northwestern Ontario. For example, there is a certain road in the Town of Fort Frances, and the people who live on one side of this road qualify for the northern residents' tax allowance while the people who live on the other side of this road and are within the town boundary do not qualify.

The point that I want to expand on more for the benefit of the Minister and the Parliamentary Secretary is that this leads to a distortion of the economics of the whole area. Even if the Government felt that it could set aside the issue of fairness and equity between people living on one side of the street and people living on the other side of the street, it surely could not set aside the question of the economic effects on the Town of Fort Frances of this situation.

Essentially, a family in the highest tax bracket will be offered a premium of something in the order of $50 per week to move out of Fort Frances into one of the neighbouring eligible townships. In the case I already mentioned, that family would sell its house on one side of the road and move to a house on the other side of the road where they would be $50-per-week better off by way of the tax allowance because of the way in which these regulations were written and the way in which they have been applied without any reference to the geographic, socio-economic or resource realities of northwestern Ontario.

• (1735)

I have another couple of reasons why a definite reply is required. I think we had a fairly good reply from the Minister but I would like to hear from the Government about retroactivity. If it is decided that communities should qualify, will it be retroactive to the start of the northern resident tax allowance? Another thing which caused me dissatisfaction was that the Hon. Minister said the commission to review the application of the allowance would be set up soon. My constituents would certainly want to know when. It is now over a month since the Minister said it would be "soon".

This issue has brought people together in my riding more than any other issue, certainly while I have been their representative. Many people have written more than one letter on this issue to me and the Minister. Very often we are talking about handwritten or typed original letters. Something over 2,000 people in the riding have signed petitions to the effect that they feel all northerners should be treated equally. Many have written outlining the particular peculiarities which have occurred in their own area. For instance, Mr. Murray Kelso of Fort Frances, in his second letter to me on this topic, and I know there will be more if the Minister does not respond, talks about a small town, a Mine Centre 35 miles east of Fort Frances which is not listed to receive the deduction.

A few miles further east is an even smaller community, Crelly which is on the list. A few miles further east of there is another very small community, Flanders, which is not on the list. There seems to be not only no rhyme nor reason in the imposition of this 14-page text on the realities of geography and economics, there also appears to have been errors made in the interpretation of the 14 pages of regulations.

The bottom line is, as my correspondent says: "I don't mind paying taxes but why as a pensioner should I pay much more than a working man in the paper mill who has the good fortune to select a residence west of the community of Fort Frances?"

The people in my riding would like to hear from the Parliamentary Secretary a commitment to fairness, an idea when the question will be decided, and some indication that the Minister is prepared to meet with municipal leaders who have requested a meeting with him on this question.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Madam Speaker, this Government is committed to implement a fair and logical tax system in the case of people living in northern and isolated communities. Our eligibility criteria in that respect are basically the same as those which applied to the old remission orders and are in line with Treasury Board instructions concerning federal civil service eligibility for this benefit.

In addition to being readily identified with the concept of isolation, these criteria are based on such factors as population, remoteness from major urban centres, access to roads, as well as climatic and geographical conditions. They make it possible to determine whether a community can fund its own health, education, entertainment and retail sale facilities, or whether local residents must cover great distances to have access to them.

It has been suggested that all Tier 3 regions as defined by the Department of Regional Industrial Expansion be eligible for isolated community benefits. This is unacceptable because a number of major Canadian centres would then become eligible—including one with 100,000 residents. Most of the criteria applicable to the tier system are based on employment

and income levels, two considerations which do not quite square with the notion of isolation.

The Treasury Board instructions and the remission orders have been with us for a number of years, and experience has shown that they have passed the test of time and are readily accepted by the residents involved. They also happen to be the best means to implement the new tax system in northern regions.

Madam Speaker, I received a number of communications from residents of communities which are uneligible for benefits and which are located close to eligible communities. This situation has nothing to do with existing instructions. This problem of borders would still be there regardless of criteria. My departmental assistants have considered a good many options but were unable to find an acceptable solution. The matter needs further consideration, and this is why the Minister suggested that a task force might review the relevancy of criteria and make appropriate recommendations.

Madam Speaker, we must not lose sight of the justification for this policy: a fairer tax system has been set up for northern regions because the old system did have serious drawbacks. It provided generous tax incentives for workers who were paid rather big housing allowances by their employers, but not for the self-employed, retired people, and workers who did not get such allowances.

Generally speaking, the new tax system for northern communities is much more generous and much more equitable. This policy is our response to the existing problems and high housing costs, and it contributes to the economic development of Canada's northern and isolated communities.

Satisfied though the majority of residents involved may be with this measure, the Minister remains fully prepared to listen to reservations expressed about the eligibility criteria. I am confident that we will find a satisfactory solution to this problem. We will give this matter top priority, and announcements should be made very soon, Madam Speaker.

• (1740)

[*English*]

Mr. Hawkes: Madam Speaker, I rise on a point of order. The House was very quick in dealing with Private Members' Hour today. There was unanimous consent to call it six o'clock somewhat earlier than usual.

I think that created a problem for one Member who wanted to participate in the adjournment debate. He has not yet arrived in the House. Could we perhaps suspend the sitting for a few moments in order to give him an opportunity to arrive and participate in the debate which was agreed to earlier today?

Mr. Parry: Madam Speaker, yesterday I was in the same situation as the Hon. Member's colleague, whereby upon arriving at the House yesterday I observed the Mace leaving by the rear door. In fact, I was unable to participate in the adjournment debate.

I might offer as a suggestion, while I take up a little time in order for our hon. colleague to make it here, that perhaps instruction could be given that some assistant to the Clerk at the Table in future notify directly those Members who are slated to participate in the adjournment debate proceedings.

I realize that it would be ideal if Members were monitoring the proceedings of the House on a continuous basis. That had been my intention yesterday until I discovered that my television had broken down and was unable to observe Private Members' Hour, and therefore had not noted that it had drawn to a close earlier yesterday as it did today.

Given the circumstances, I would certainly be agreeable to the sitting being suspended, as my hon. friend suggested. In the long run, there are some administrative measures that might be taken to prevent a repetition.

The Acting Speaker (Mrs. Champagne): I thank both the Parliamentary Secretary and the Hon. Member for their comments. I must say that because Private Members' Hour was dealt with quickly, I decided not to look at the order in which Hon. Members were to be recognized in the adjournment debate. I would have recognized the Hon. Member for Scarborough West (Mr. Stackhouse) had he arrived at any time. There was a tentative approach to reach Hon. Members and Parliamentary Secretaries to notify them that proceedings today would finish earlier than usual. Unfortunately, I guess no one could reach the Hon. Member. As he is someone who shows a lot of assiduity in the House, I am sure he will have the opportunity to raise this point again.

The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 5.45 p.m.